

**2099, 2101 and 2097 Gaither Road – Park Plaza**  
**Statement of Justification**  
**Site Plan Application (Level 2)**

March 8, 2024

**I. Introduction**

Park Plaza Property Owner, LLC (“Applicant”), an affiliate of Monday Properties, the owner of the property located at 2099, 2101 and 2097 Gaither Road, identified respectively as Ownership Lots 3B, 3A and 3C on Ownership Plat No. 21711 entitled “Danac Technological Park” (the “Property”) and known as Park Plaza, is pursuing a phased Level 2 Site Plan to construct a new commercial building and corresponding parking garage and to replace the two existing structures on the Property with two new commercial buildings (for a total of three new buildings), as explained in more detail below (the “Project”).

**II. Property Description**

The Property is zoned Mixed-Use Employment ("MXE") and contains 513,482 square feet (11.78 acres) of gross tract area. The ultimate tract area after the required dedication along Shady Grove road will be 504,911 square feet (11.58 acres). The Property is located in the northeast corner of Gaither Road and Shady Grove Road and is bordered on the east by the Mattie J.T. Stepanek Park (zoned PD-KF and part of the King Farm development), on the north by a hotel (zoned MXE), on the south across Gaither Road by aging commercial buildings most recently proposed to be redeveloped as a mixed-use community known as the Shady Grove Neighborhood Center (zoned MXE), and on the west across Shady Grove Road by the Shady Grove Center (a small retail shopping center) and a commercial office townhouse complex referred to as Shady Grove Professional Park, both located within Montgomery County and zoned moderate industrial (IM 2.5).

Ownership Lot 3A is improved with a six-story building containing 132,685 square feet of office use with a current vacancy rate of 17 percent; Ownership Lot B is improved with a six-story building containing 127,280 square feet of office use with a current vacancy rate of 31 percent; and Ownership Lot C improved with a three-level parking structure containing 465 parking spaces. An additional 566 surface parking spaces are provided on the overall Property. The Property is located just over three-quarters of a mile from the Shady Grove Metro Station.

**III. Project Description**

The two existing office buildings located on the Property are devoted to office uses and as indicated, experience a high occupancy rate. In order to respond to the increasing demand for life

science uses in this area, the Applicant proposes the construction of a new commercial building and corresponding parking garage and the ultimate replacement of the two existing structures on the Property with two new commercial buildings, in a phased development. The Applicant's goal is to create an overall office/life sciences campus, as follows:

1. First Phase, Proposed Building A1 – Construction of up to 223,000 square foot with a maximum height of 120 feet (approximate anticipated height is 111 feet) in the southeast corner of the Property and a seven-level parking structure running parallel to the eastern property line. As a result of the grades of the Property, the majority of the ground level of the parking structure will be buried. The proposed sequencing of the first phase is as follows:
  - Construction of parking structure
  - Relocation of below grade stormwater management facilities currently located in the southeast corner of the Property
  - Construction of Building A1
2. Second Phase – Construction of Building A2, containing up to 210,000 square foot of commercial use with a maximum height of 120 feet (approximate anticipated height is 109 feet) in the center of the Property.
3. Third Phase – Construction of Building A3, containing up to 212,000 square foot commercial building with a maximum height of 120 feet (approximate anticipated height is 108 feet) to be located in the center of the Property to the west of Building A2, the reconstruction and potential relocation of the central entrance drive to align with the entrance to the Shady Grove Neighborhood Center development to the south, and the reconstruction of the hardscaped plaza to be located between Buildings A2 and A3 and the reconstruction of the parking field to the west of the entrance in front of Building A3.

The proposed redevelopment will also include the following:

- 37.29 percent open area and 13.78 percent public use space -- These areas will be improved with seating, hardscaping and recreational play area for bocce ball.
- Dedication of 15 feet of the Property's frontage along Shady Grove Road (8,571.16 square feet) if determined necessary to accommodate the future bus rapid transit.

Given the market demands for life science uses, the Property at each phase and upon full building out will provide more parking than the minimum required number of spaces, with 968 parking spaces required upon full building out and 1,332 spaces provided upon completion of all three phases.

In terms of design, the Property will be transformed into a life science campus by introducing buildings with undulating pattern of solid panels and glass along the facades. Horizontal bands are provided on each level to provide a vertical relief to the building and provide solar performance benefits. The ground plane activates the public realm with amenities planned for each building on the first floor.

Forest Conservation will be provided on the Property by counting existing trees that are remaining on-site trees and payment of a fee-in-lieu.

Public Art in accordance with the City's requirements will be provided on the Property in connection with each individual phase or alternately collectively with one art piece provided at the time of final build-out.

At the time the central entrance on Gaither Road is reconstructed, the Applicant plans to replace the existing monument sign with a new updated sign with the precise location to be determined. Each building will also include building signage in compliance with the signage provisions of the Zoning Code.

In connection with the development of the Project, and subsequent Site Plan approval, the Applicant will seek revisions to the ownership lots to reflect the development parcels.

#### **IV. Civil Engineering and Transportation**

A Natural Resources Inventory ("NRI") was most recently submitted on January 24, 2024 and approved on February 12, 2024 (an initial NRI was submitted on August 21, 2023). Forest Conservation requirements will be met on-site and through the payment of a fee-in-lieu.

The approved Pre-Application stormwater management concept letter is included as part of the Site Plan application and shows that stormwater will be addressed by environmental site design to the maximum extend practical, per the regulations of the City and the Maryland Department of Environment.

The Property is currently served by adequate public facilities, including public water, sewer service and electricity and no upgrades are needed to these facilities to service the proposed use.

In terms of traffic generation, the existing office use generates 381 AM and 367 PM peak hour trips. Each phase of the proposed Project is anticipated to generate the following

number of peak hour trips:

Phase 1 240 AM and 217 PM

Phase 2 467 AM and 422 PM

Phase 3 695 AM and 628 PM (full build out)

The Applicant submitted a Scoping Intake Form on November 30, 2023.

## **V. City of Rockville 2021 Comprehensive Master Plan**

The Property is located within the City’s 2021 Comprehensive Plan Planning Area 16 entitled King Farm and Shady Grove and the proposed project on the Property is wholly consistent with the recommendations and goals of the Comprehensive Plan that designates the Property for “Office” use. Because there were no redevelopment plans for the Property at the time the City was evaluating the Comprehensive Plan, there are no specific recommendations for the Property and only a simple recognition that the Property contains two office buildings. The continuation of the Property for exclusively commercial use avoids the concern expressed in the Comprehensive Plan regarding potential school capacity issues. Finally, the Comprehensive Plan recommends the initiation of a study along Shady Grove Road in coordination with Montgomery County and Gaithersburg to “explore coordination of future development, mitigation of traffic congestion, improvement placemaking and enhanced safety and comfort for walking and rolling modes.”

## **VI. Compliance with the Mixed-Use Employment (MXE) Zone Development Standards**

The Project will conform to the current development standards of the MXE Zone, including the development standards set forth in Section 25.13.05, the additional design guidelines of Section 25.13.06, and the special design regulations of Section 25.13.07 for mixed use zones.

### **A. Section 25.13.05 – Development Standards**

#### *1. Subsection 25.13.05a – Build to Line*

Not applicable.

#### *2. Subsection 25.13.05b – Development Standards*

##### *a. Subsection 25.13.05b(1)*

The Project complies with the applicable development standards for the MXE Zone set forth in Section 25.13.05.b:

	Required/Permitted	Proposed
Maximum Height (in feet)	120'	120'
Total Open Area Required	20% (102,696 sf)	37.29% (188,306 sf)
Public Use Space Required w/in Open Area	5% (25,674 sf)	13.78% (69,608 sf)
Setbacks Abutting Public Right-of-Way	None, or 10' min. if provided	22.5'
Side Setback Abutting Residential	25' or ½ height of building, whichever is greater	N/A
Side Setback Abutting Non-Residential Land	None; 10' min. if provided	15'
Rear Setback Abutting Residential	25' or ½ height of building, whichever is greater	N/A
Rear Setback Abutting Non-Residential Land	None; 10' min. if provided	15'

b. Subsection 25.13.05b.2

Based on the surrounding uses, the layback slope requirements set forth in subsection (e) are not applicable.

3. *Subsection 25.13.05c – Other Standards and Requirements for New Development or Redevelopment*

Summary of Requirement	Proposed/Existing
1. <i>Conversion of Space</i> –Areas of a building originally designed for commercial or office use are encouraged to be designed to accommodate the conversion of the space to residential uses.	The Comprehensive Plan designates the Property exclusively for office use and thus there is no reason to design the building to accommodate future residential uses.
2. <i>Entryways</i> –Areas of a building originally designed for residential use at the ground floor level, having individual entries to the units, should have the entry from the ground level raised at least two (2) feet, or have another form of demarcation between the	N/A – The Project is designed for office and life science uses and conversion to retail is infeasible. Ground floor ceilings will be a minimum of 12 feet.

public sidewalk and the private entry. In order to be readily convertible to retail space, such areas must have a minimum ceiling height of fifteen (15) feet.	
3. <i>Access</i> - Areas of a building intended for non-residential uses must not have any access to areas of the building used for residential purposes [Section 25.13.05c.3]	N/A – No residential provided
4. <i>MPDU Ordinance Compliance</i> – Residential development must comply with MPDU requirements [Section 25.13.05c.4]	NA – No residential provided
5. <i>Public Use Space</i> – must be provided consistent with Section 25.17.01 [Section 25.13.c.5]	13.78% of public use space will be provided, although only 5% required.
6. <i>Floor Area Limitation</i>	N/A – No retail uses proposed

B. Section 25.13.06 – Additional Design Guidelines

	Summary of Requirement	Proposed
<u>Aesthetic and Visual Characteristics for All Zones</u>		
Facades and Exterior Walls Including Sides & Backs [Section 25.13.06.b.1]	Avoid massive scale and uniform and impersonal appearance. Building walls greater than 100 feet should include projections, recessions and other treatments.	The buildings are of moderate size. Horizontal projected bands on each level reduce the massing and add visual interest along the buildings' frontage.
	Occupy at least 60 percent of street frontage with windows, arcades and awnings. Architectural treatment similar to front façade must be provided to the sides and rear.	IgCC 2021 limits the percent of windows to 40%. First floor will be made more transparent with storefront provided in strategic locations.
	Provide architectural features that contribute to the visual interest at the pedestrian scale.	The first floor loggia provides covered walking path for pedestrian connectivity.

Roofs [Section 25.13.06.b.2]	Provide variations in rooflines. Roof features should complement the architectural and visual character of adjoining neighborhoods.	The top floor of each building contains a pergola with a terrace for a more visually interesting design. Screen walls to be compatible with building façade material are proposed.
Materials & Colors [Section 25.13.06.b.3]	Utilize building materials and colors compatible with those in adjoining neighborhoods.	Façade materials proposed are compatible with other life science campuses in Shady Grove Area
Items Allowed Not Facing A Public Street [Section 25.13.06.b.4]	The following items are allowed either on sides not facing a public street or in the rear yard: (a) window and wall air conditioners; (b) electric utility meters; (c) air conditioning compressors; and (d) irrigation and pool pumps.	The building design complies with the requirements.
Entryways [Section 25.13.06.b.5]	Provide highly visible entryways.	Access to Building A1 will be provided at the northwest corner of the building and will wrap the corner providing two access points. Access to Buildings A2 and A3 will be provided proximate to one another and off a central internal hardscaped court intended to create a focal point in proximity to the vehicular entry to the Property.
Screening of Mechanical Equipment [Section 25.13.06.b.6]	Screen mechanical equipment to mitigate noise and views.	Rooftop mechanical elements are screened by a perforated metal screenwall to complement the building architecture.
<u>Site Design and Relationship to Surrounding Community</u>		

Vehicular Access [Section 25.13.06.c.1]	Provide vehicular access from arterial	All vehicular access to the Property is provided from Gaither Road.
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C. 25.13.07c - Special Design Regulations for MXE Zone

Section	Summary	Proposed
Building Location [Section 25.13.07c.1]	When recommended by the Plan, buildings should be located close to the front property line or at a build-to line	No recommendation in the Plan. Building A1 is situated along the front Property line. There is an insufficient amount of frontage to locate either Buildings A2 or A3 at the front building line and align the entrance with the project across Gaither Road. The placement of Buildings A2 and A3 allows for shared open space to create a campus type environment. In addition, the buildings have been located to allow for the proposed phased development.
Uses by Floor [Section 25.13.07c.2]	The ground floor must contain retail when along a pedestrian spine and otherwise may contain retail and other commercial uses.	Consistent with the Comprehensive Plan recommendation, the Property is proposed for commercial office and life science uses. The ground floor ceiling height is at least 12 feet.
Façade [Section 25.13.07c.3]	Provide expression line above first floor and defined cornice line at the top of the façade wall.	The building base is primarily covered by a horizontal band running across the first-floor roof line. Above the first floor a variation of colors and materials is provided, with the materials shifting locations between levels, to create movement on the elevation.
Sidewalks [Section 25.13.07c.4]	Where sidewalks must be built new or rebuilt, comply with Section 15.17.05 which recommends 7 foot tree lawn, 6 foot path and 2 foot safety area.	The existing Gaither Road streetscape will include an 8 foot tree lawn, 4 foot path and 1 foot maintenance area. The Shady Grove streetscape will include an 8 foot tree lawn, 4 foot sidewalk and a 1 foot maintenance area.
Parking	On-site parking must comply with Article 16.	A total of 968 spaces are required and 1,332 are provided. The vast majority



[Section 25.13.07c.5]	Most parking should be located to the side or in the rear of the buildings. Structured parking preferred. Parking facades visible from the street must be treated similarly to the building facades	of parking spaces will be located within the two parking structures – 465 spaces in the existing structure and 692 in the proposed new structure. A total of 175 surface parking spaces will be provided, 54 of which are located behind the existing parking structure. The existing natural grade changes and the setback of the proposed garage from Gaither Road result in a limited viewshed with the garage not being visible from most vantage points. Nonetheless the southern façade facing Gaither Road includes a highly designed stairwell.
Special Regulations [Section 25.13.07c.6]	Residential uses are permitted in the MXE Zone where Mayor and Council or Planning Commission, as case may be, determines that the use is compatible with adjoining and confronting uses by means of landscaping, screening and other measures. Residential is limited to townhouses, multi-unit or live-work units.	Not applicable. The Project is exclusively commercial.

## VII. Waiver Requests

### A. Rooftop Mechanical Equipment

In order to accommodate life science uses, additional rooftop mechanical equipment will be required. As such, the Applicant seeks a waiver from Zoning Code Section 25.09.06.b. in order to accommodate the needed coverage, height and setbacks of the rooftop mechanical equipment. While Subsection b. limits the coverage to 25 percent of the rooftop area and the maximum height of the equipment to 19 feet, and requires a 1 to 1 setback, the Applicant proposes rooftop coverage of up to 35 percent, a maximum height of 25 feet and given that the equipment will be fully screened, there will be no setback.

Pursuant to Subsection c. and as evidenced by the elevations, the proposed rooftop conditions are:

- a. Architecturally compatible with both the building and the adjacent buildings; and
- b. Not contrary to the intent and purpose of the plan or this chapter.

The rooftop equipment will be screened with perforated metal panel to complement the building architecture. The three buildings on the Property are designed to reflect the life science nature of the use and the rooftop screening appears as an integral component of the overall design of the buildings. As such, the rooftop treatment will be compatible with existing and future surrounding buildings. Accommodating life science uses on the Property and hence the additional rooftop equipment to support this use is consistent with the recommendations of the Comprehensive Plan and furthers the City's goals of supporting and encouraging this important industry segment.

#### B. Placement of Utility Equipment

Zoning Code Section 25.17.03.b. requires all electrical equipment (including transformers and equipment cabinets) but excluding emergency generators, to be placed underground or in an enclosed building in the MXE Zone, unless waived by Section 25.17.03.c.

As indicated on the Site Plan, each building will need three transformers and a minimum of two generators. Depending on the ultimate life science use, one additional generator may be required. The transformers and generators are proposed to be located as follows:

1. Building A1 – Three generators and three transformers plus a transformer for the new garage, located adjacent to the western façade of the proposed garage.
2. Building A2 – Three generators and three transformers plus a fourth transformer for the existing garage, if needed, located adjacent to the southwest corner of the existing garage.
3. Building A3 – Three generators and three transformers located adjacent to the northwest corner of the existing garage.

The Applicant proposes the above-ground location of the utility equipment in order to ensure potential life science tenants with the maximum operational efficiencies. In the event a transformer needs to be repaired or replaced, it is significantly more efficient to do so when the equipment is located above-grade, as opposed to below grade where crane access would be required. Most critically, all of the transformers (as well as the generators) have been strategically located so that they are neither visible from the street nor from the main entrance of any of the buildings. For efficiency purposes and to minimize needed land area, the transformers are co-

located in the same area as the generators needed for the building that they will be serving. As the Site Plan (Sheet SP-5) indicates, the footprint for the generators (which are not required to be undergrounded) is significantly greater (approximately 40 percent greater), than the footprint of the transformers. As such, there is little to no reason or benefit to undergrounding the transformers. Importantly, all of the above ground equipment will be screened on one side by the garage they are abutting (and in two cases serving) and on the remaining three sides by perforated metal panels, designed in keeping with the rooftop screen wall, which will unify the overall architecture of the Project. As a result of the screening, the equipment will not be visible. As such, the screening meets the Code requirements of Section 25.17.03.b.3. and we respectfully request Staff's support of the requested waiver.

### **VIII. Adequate Public Facilities**

There are adequate public facilities with respect to transportation, fire and rescue, and water and sewer to accommodate the proposed Project. The Property is served by the Rockville Volunteer Fire Department No. 3 fire station that is within a 10 minute response time and the closest Rockville police station is located within 3.4 miles or 12 minutes (at 2 West Montgomery Avenue).

### **IX. Findings**

The Project satisfies the required Site Plan findings set forth in Section 25.07.01 of the Zoning Ordinance in that the Project will not:

- A. Adversely affect the health or safety of persons residing or working in the neighborhood of the proposed development

The Project further enhances the existing use of the Property. It is located in a commercial area along a major roadway and is zoned to support life science and office uses and is the ideal location for increased commercial density. The Property will be safely accessed off of Gaither Road at a centrally located entrance driveway that in connection with Building A3 will be relocated slightly to align with any entrance provided in connection with the anticipated development to the south of the Property and a secondary access located near the eastern Property line in the approximate location of the existing secondary access.

- B. Be detrimental to the public welfare or injurious to property or improvements in the neighborhood

The proposed Project will in no way be detrimental to the public welfare or injurious to the Property or improvements in the neighborhood. The Property currently accommodates commercial uses without any detriment or injury to the neighborhood and there are adequate public facilities to accommodate an increase in this existing commercial density. In addition, the Project will provide an opportunity to bring desirous uses to the City and increase the City's tax base, without burdening the public facilities. The increase in the number of employees will help support the existing surrounding retail, including the retail located within King Farm, which will provide an overall benefit to the surrounding neighborhood.

C. Overburden existing and programmed public facilities as set forth in Article 20 of this Chapter and as provided in the adopted Adequate Public Facilities Standards

The existing utilities, including water, sewer and electricity are adequate to accommodate the proposed Project. In addition, there is sufficient police, fire and emergency services in proximity to the Property to ensure a prompt response time to the Project in the event of an emergency. The Project will not generate any school children and thus there will be no impact on schools. With respect to traffic, the Property will generate 695 and 628 additional AM and PM peak hour trips, respectively, upon full build out. In this regard, the Applicant will work with the City to identify the appropriate mitigation measures associated with any increase in traffic.

D. Adversely affect the natural resources or environment of the City or surrounding areas

The Project is a renovation of an existing commercial site, the vast majority of which is impervious and will provide the opportunity for more desirous commercial space, especially coveted life science uses. The proposed development will remove one of the existing underground stormwater management facility and will provide ESD to MEP for the site within the Limits of Disturbance (LOD). The storm water management measures will include micro-bioretenion, planter boxes and other ESD facilities. The two existing structures on the Property, constructed in 1990 and 2001 and prior to the adoption of the City's Green Building Regulations, will be replaced with three energy efficient structures constructed in compliance with the current sustainability laws.

E. Be in conflict with the Plan

As discussed above, the Project is consistent with the City's Comprehensive Plan and will further a number of the Comprehensive Plan's goals and objectives.

F. Constitute a violation of any provision of this Chapter or other applicable law

The proposed Project complies with the provisions and laws of Rockville governing the development of the Property. As detailed earlier in this Statement, the Project complies with all of the MXE development standards, with the exception of the roof-top waiver sought to accommodate the increased amount of roof-top equipment. The Project will comply with the City's Green Building Standards by minimizing the development's impact on the environment and meeting the applicable International Green Construction Code. The Project will comply with the City's Art in Private Development Ordinance by providing public art on-site as permitted by the Art in Private Development Ordinance. Finally, as previously described, the Project will satisfy the City's Forest Conservation requirements by counting existing trees that are remaining on-site trees and fee-in-lieu.

G. Be incompatible with the surrounding uses or property

The Project, consistent with the current existing use, will be compatible with the surrounding uses, including the existing surrounding MXE zoned properties. The Property is more than 120 feet from the townhouse community located diagonally across Gaither Road to the south east.

**X. Community Outreach**

In accordance with the City's requirements, the Applicant held a Pre-Application Meeting ("PAM") on August 21, 2023. Details of this meeting, including meeting minutes, were submitted as part of the PAM application. The Applicant will conduct a post Site Plan submission meeting following the acceptance of the Site Plan.

**XI. Conclusion**

The proposed Site Plan provides an opportunity to accommodate more life science and office uses in the City on a site currently designated and used for commercial uses. Life science uses at this location will increase the employment opportunities in the City with desirous jobs that will provide an overall benefit to the City and contribute to the vibrancy of the area.

For the reasons stated throughout this Application, we encourage the City's approval of this Level 2 Site Plan.