An open letter to our neighbors and the surrounding community from the Johnson Family property owners concerning the proposed annexation and future development of the Johnson property (northwest corner of Darnestown Road and Quince Orchard Road)

November 6, 2015

Dear Neighbors -

Thank you for your interest and for taking the time to be a part of the review process. As many of you are aware, we are proposing to annex our property, approximately 23 acres in size, from Montgomery County into the City of Gaithersburg. A petition for annexation involves a request to place a property within the corporate boundaries of a municipality. If annexed, the property would likely be rezoned from the County's NR-0.75, H-45 and R-200 zones to the City's MXD zone. Our current idea would be to redevelop the property in three general phases beginning with a phase 1 residential development of the westernmost 14 acres. The remaining 9 acres would be redeveloped over the long term as mixed use in two general phases. The County and City are reviewing the application and have not issued any final approvals.

We held a community outreach meeting on October 27th at the property to discuss the idea, listen to concerns, and try to answer questions. Many community members attended, asked good questions, and expressed many concerns. Development in general, particularly in Montgomery County, generates significant interest and questions about what is proposed and potential impacts to the community. We expect and understand these questions and concerns and take them very seriously.

In this letter, we try to provide additional information for those who were not able to attend the community outreach meeting on October 27th and try to address some of the communications that have circulated recently. We are attaching to this letter an aerial photograph showing the property, a proposed phasing plan, and a proposed conceptual plan (called a "Sketch Plan"). These attachments reflect the current idea, but are not by any means final or approved plans.

Existing property conditions.

Our property is approximately 23 acres in size, divided into four parcels, some of which are improved currently with various retail uses (gas station, grocery store, bank, pharmacy, etc.) and some of which is unimproved. The location and configuration of the property is shown on the attached tax map.

For many years, we operated a Johnson's Florist and Garden Center at the corner of Darnestown Road and Quince Orchard Road. About 10 years ago, we planned to relocate the nursery and garden center from the corner to the 14 acre property west of the existing Safeway

and gas station. The community actively participated in the review process and expressed many concerns. Ultimately, after working extensively with the County and community, we received approval for that relocation, but ended up not moving forward with the project due to a substantial increase in construction costs.

Since that time, over the past few years, we have been considering what the most appropriate use would be for the 14-acre property, and we have determined that based on the zoning and master plans, a residential community would be suitable to serve as a transition from the established residential communities surrounding the property to the existing commercial uses.

Current County zone and County master plan.

The phase 1 14-acre property is currently in the County R-200 zone. This is a single-family detached zone that would allow approximately 30 detached units on the property based on the current zoning. The County's Great Seneca Science Corridor Master Plan identified the phase 1 property as a potential site for a public park to provide ball fields for active recreation. If the property is not acquired for an active recreation park site, then the master plan recommends a residential use including single family detached and townhouse units, but without providing a specific recommended density. Townhouses could be approved through a rezoning (called a Local Map Amendment application).

The 9-acre phase 2 and phase 3 properties (the current commercial uses) are currently in the County "Neighborhood Retail" NR-0.75, H-45 zone. This is a neighborhood retail zone that could allow a mix of uses with up to 0.75 FAR (Floor Area Ratio) of commercial density, of which up to 30% can be residential density. This amount of density could allow up to approximately 300,000 square feet on the 9 acres, of which 30% could be residential. The NR zone allows restaurants, retail/service establishments, office and various other commercial uses along with single family, townhouses and multi-unit residential uses.

Proposed City zone and City master plan.

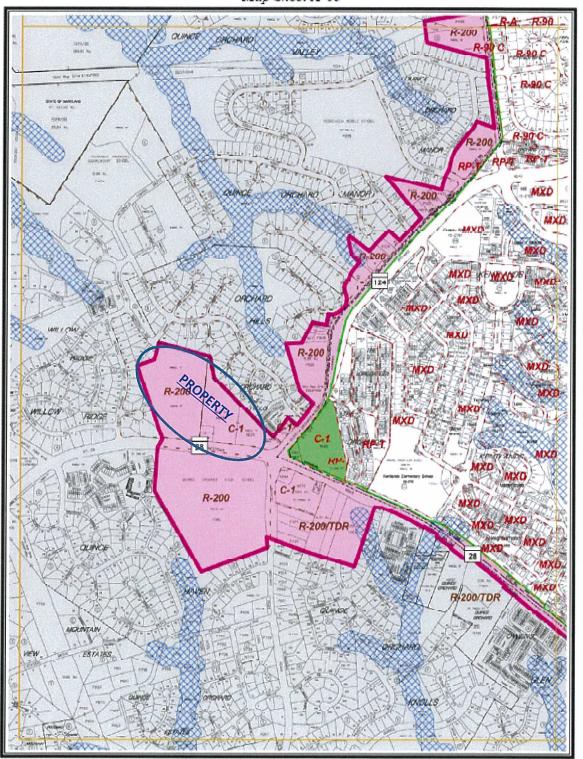
A municipality may only annex a property if it is within the maximum expansion limit ("MEL") of the municipality. The City of Gaithersburg placed all 23 acres within the maximum expansion limit in the City's Growth Element of the 2003 Master Plan (adopted April 2009). The City's 2009 Master Plan Land Use Element recommends that the property be given a commercial-office-residential land use designation and be classified in the City's MXD ("Mixed Use Development") zone, if it is annexed. Importantly, our property is not an outlier, but one property among several around the intersection of Quince Orchard Road and Darnestown Road that was reviewed and incorporated within the MEL through a comprehensive planning process. The current City MEL for this area is shown here:

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Map Sheet A-10

Map Sheet A-05



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We believe that our proposed development is consistent with the recommendations of the City's master plan and the goals and objectives of the City's MXD zone. The MXD zoning classification in the City of Gaithersburg will permit a land use substantially similar to uses permitted in the County's NR-0.75, H-45 and R-200 zones. The MXD zone allows up to 0.75 FAR for commercial density (same as the County's NR-0.75 zone). Additional residential density also can be proposed, but requires a greater percentage of open space than the County's standards.

Proposed development - phase 1.

We understand that many of our neighbors would prefer that the phase 1 property never be developed or was converted into parkland of some kind. As mentioned above, the County identified the property potentially for active ball fields. We do not know specifically what the County's plans would be if it acquired the property, and we do not know the community's reaction to the idea of active ball fields. On the one hand, it would leave more "open" space, but would create impacts of a different kind. It could be that a majority of community members would prefer active ball fields to a residential development. Discussions with the County department of parks concerning that possibility have taken place but have not been successful, and there has been no offer for the property based on its fair market value. Unfortunately, we are not able to sell the property for a fraction of its value.

The phase 1 property is a transitional property. It is located in between existing residential uses and existing commercial uses. Often times, in that type of situation, the development that is proposed is transitional in nature with a mix of unit types and density. For example, the commercial uses at the Quince Orchard/Darnestown intersection are surrounded by existing townhomes to the north (on McDonald Chapel Drive), the east (on Orchard Drive and Cherry Blossom Place), the west (on Granite Ridge Drive), and northwest (on Hayshire Court).

We believe that the phase 1 property has the potential to be a very well designed, smart growth, pedestrian-friendly, and environmentally sensitive residential community with open spaces and a variety of unit types for a variety of life styles. As shown on the attached proposed Sketch Plan, we are proposing to construct a mix of residential unit types. Larger single family detached lots should be provided on the perimeter of the property to promote compatible relationships with existing homes and provide an appropriate transition to the commercial portions of the property along Darnestown Road. We believe that townhome units, as mentioned in the County master plan, are appropriate towards the interior of the site.

Phase 1 is proposed for up to 180 residential units. It's fair to say that many community members are concerned about that number of units. An annexation case requires an outer boundary of development to be established, and this number of units is a theoretical maximum number. The ultimate number could be fewer, perhaps significantly fewer, depending on the final design and engineering. We understand that this number of units is significantly more than the number of units permitted under the current County R-200 zone, but we believe that

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it is comparable to what could be proposed under a County townhouse rezoning. For example, a medium density townhouse rezoning under the County could allow approximately 140 to 175 units (10-12.5 units per acre), so we believe that the proposed density under the City annexation is comparable with what could be achieved under a County rezoning. We are not suggesting that a townhouse rezoning approval at any particular density is a certainty, only that townhouses are suggested generally in the County master plan.

Proposed development - phases 2 and 3.

Currently, the remaining 9 acres are improved with commercial uses. The phase 2 property includes a gasoline filling station, a Safeway grocery store constructed in the early 1990s, and associated surface parking. The phase 3 corner property was redeveloped for commercial uses in 2007 (bank, CVS, etc.).

It is difficult for us to predict what the area will look like in the next few decades and what market conditions will support long-term. We think that the phase 2 property eventually could redevelop into a pedestrian friendly, smart growth, mixed-use development. To establish some outer zoning boundaries, the proposed Sketch Plan shows up to 250,000 square feet of mixed-use and up to 125 residential units in buildings up to 6 stories in height for phase 2 and up to 125,000 square feet of commercial/office uses in a building up to 6 stories in height for phase 3. Again, these amounts are theoretical maximums, and we know that the market will not support any redevelopment any time soon. Regardless of when any redevelopment occurs, open space should be provided along the northern property line to serve as a buffer.

There are no plans to move forward with redevelopment of phases 2 and 3 as the tenants have long term leases and have expressed no interest in redevelopment. This is a 50-year vision based on current ideas for potential future area needs.

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We have received many questions about our ideas, and we try to provide some responses and additional information here.

Why annex the property from the County into the City?

Property owners annex from a county into a municipality for different reasons. In some cases, the property owner would prefer the services the municipality provides. In our case, we believe that the type of land use and proposed density between the County and City are generally comparable. However, we believe that the review process in the City is generally more efficient given the smaller size of government. The City consistently receives recognition

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as one of the strongest small cities in the country. It maintains very high standards for development and is regarded as a wonderful place to live, work, and do business.

What is the potential impact to schools?

School overcrowding is a chronic problem County-wide and a sensitive subject within our community (understandably). All of us care deeply about the educational experience of our children. While we believe that lack of construction funding and turnover of existing housing units contribute to the problem, new residential construction bears the brunt of community frustration with the problem, and we understand that.

The schools that would serve our properties are Thurgood Marshall Elementary School, Ridgeview Middle School, and Quince Orchard High School. The exact projected student generation for our property is unknown at this point because it depends on the exact number and type of units proposed (something that is calculated later in the development review process). However, here are the current rates used by the County to project student generation for this particular area of the County:

Housing Type	Elementary	Middle	High (students per unit)
Single Family	0.416	0.175	0.213
Townhouse	0.242	0.091	0.122
Multi-family low to mid-rise	0.160	0.057	0.081

So, to take an example, if 150 townhomes were built on the Phase 1 property, the projected generation would be 36 elementary school, 14 middle school, and 18 high school students. Depending on the phasing of any project, students might not be generated all at once (it could be a 3-6 year timeframe or longer).

Both the County and City have Adequate Public Facilities tests for school capacity. Proposed new residential development must pass the test in order to move forward. One response to school overcrowding is to prevent any further residential construction in that area. In extreme cases, a County or municipality will do that (called a moratorium). In other situations, additional school facilities payments are required beyond underlying school impact taxes. We believe at this point that any residential development on the property will be subject to additional school facilities payments. Exact payment amount calculations are premature at this point, but it is likely that payments towards school facilities resulting from residential development on the property will be in the millions of dollars.

What is the potential impact to roads?

Road congestion, like school congestion, is another chronic problem County-wide and another sensitive subject. No one likes to waste their time in traffic. Given the fairly conceptual nature of the plan at this point, the annexation process does not specifically analyze traffic impact at this point. That review is conducted later when more specific plans are proposed. More detailed traffic studies are typically provided at the time of subdivision approval to test the local area with actual counts and data. Any future development on the property (either in the County or the City) will have to undergo transportation review and satisfy the standards and may have to make transportation improvements in the area. Sometimes transportation improvements can be significant.

Vehicular access to the property is currently provided along both Quince Orchard Road and Darnestown Road. The idea would be to design an internal street network to promote efficient circulation within the property and among the various uses. The proposed internal vehicular and pedestrian connections throughout the site should be safe, convenient and efficient.

Questions and concerns have been raised about the safety of students who attend Quince Orchard High School. Regardless of how and when the property is developed, one thing is certain – vehicular and pedestrian safety will always be a top priority. No development will be approved – either in the County or in the City – unless it is determined to be safe.

What is the potential impact to property values?

This is a difficult question to answer because property value is a reflection of many factors. No one can say at this point with certainty what impact development on the property will have on nearby property values. You have our commitment to strive for the highest quality development. Previous experience of our design team, which has helped numerous projects through the approval and construction process, shows that most new, high-quality development enhances property values in the area.

If the property is annexed, will County residents have a voice in the City?

We cannot speak for the City, but we fully expect so.

If the property is annexed, will other properties also be annexed into the City?

Annexations usually happen at the request (or consent) of the property owner. We are not aware of any intention to annex any other properties without the property owner's consent.

What is the annexation process and timeline?

The annexation process involves many steps with both the County and the City. The next immediate step is a County Planning Board (Maryland-National Capital Park and Planning Commission) hearing in Silver Spring, currently scheduled for November 12th. Right now, the item is scheduled for the afternoon agenda, but the agenda is subject to change.

The County Council and City Planning Commission and City Mayor and Council also will be involved, but those dates are not finalized yet. Importantly, even if the annexation is approved, it would not allow development to move forward immediately. Additional steps in the review process are required, and development review would not be "expedited."

Will there be additional notification to the community?

We are trying to provide information and updates by email and we have set up a website, though it doesn't contain much content yet (www.johnsonpropertyannexation.net). Later in the process, signs will be posted on the property.

If you are receiving this letter by mail, and have not received an email from us, <u>and you</u> <u>wish to be added to the email distribution list for updates</u>, please send your email address to <u>srbarr@lerchearly.com</u> and ask to be included.

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We do not expect that this letter will answer every question or address every concern, but we hope that this information is helpful. Many specific questions about compatibility will be left unanswered until the development process moves further along -- how many units and what type, how much open space will be provided, what buffering will be provided along the perimeter, and so on.

We understand that each of you care deeply about our community. One of Montgomery County's great strengths is its great residential communities. We have been for many years and will continue to be a part of this community. We are trying to add to that fabric with a beautiful and successful property that will enhance the surrounding area.

As we move forward and continue the discussion, you have our commitment to:

- Provide updates on a reasonable basis.
- Be open and transparent.
- Be reasonably available to answer questions.
- Work with the community in good faith as the review process move forward.

Thank you again for your interest and for taking the time to read this letter. Please feel free to forward this letter to anyone who also may be interested.

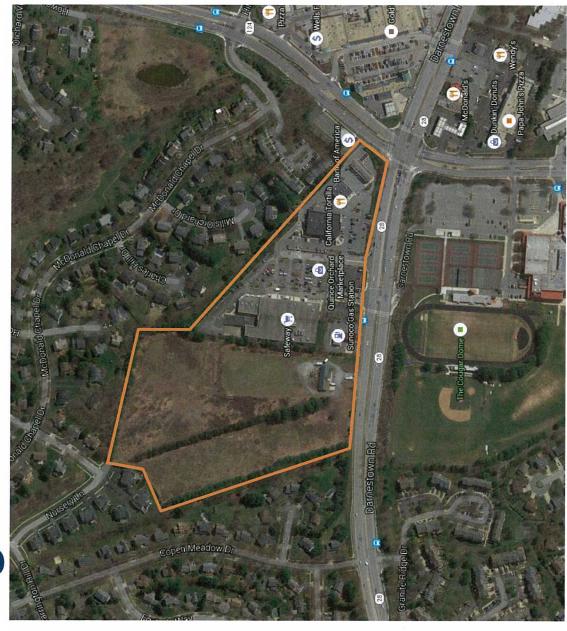
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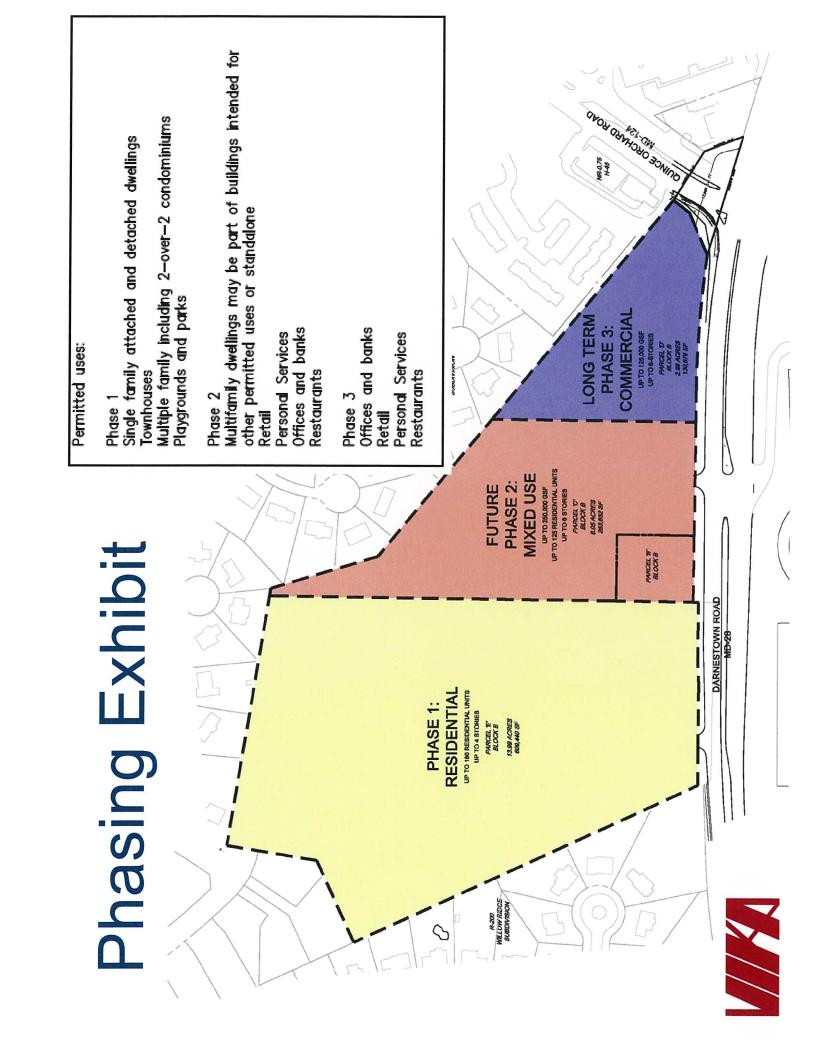
Johnson Family property owners

Attachments:

- 1. Aerial photograph showing the property
- 2. Proposed phasing plan
- 3. Proposed Sketch Plan







Sketch Plan for Annexation

