

community resource is strongly encouraged to provide another community focal point.

***Proposed Development Guidelines:***

The development guidelines are presented in relation to the five neighborhood elements identified as Plan objectives.

***Mix of Uses***

- Although this Plan proposes a residential community on the Crown Farm, the close proximity of over two million square feet of employment uses will allow residents in the area to live within walking distance of employment. To encourage and facilitate pedestrian access between the Crown Farm and adjoining employment, pathways and sidewalks should link the residential development with nearby office parks.
- A retail/higher density residential center, with civic spaces, should be located adjacent to a transit stop.

***Interconnected System of Streets***

- Provide a street network which links the two transit centers.
- Provide a primary road which links residential development west of Discoverly Drive to the transit centers; this road is not intended to function as an alternative to Fields Road or Discoverly Drive but to distribute local traffic movement through the neighborhood.

***Street-Oriented Buildings***

- Locate all retail and higher density residential buildings along street frontage.
- Encourage off-street parking to be located behind buildings.

***Diversity of Housing Types***

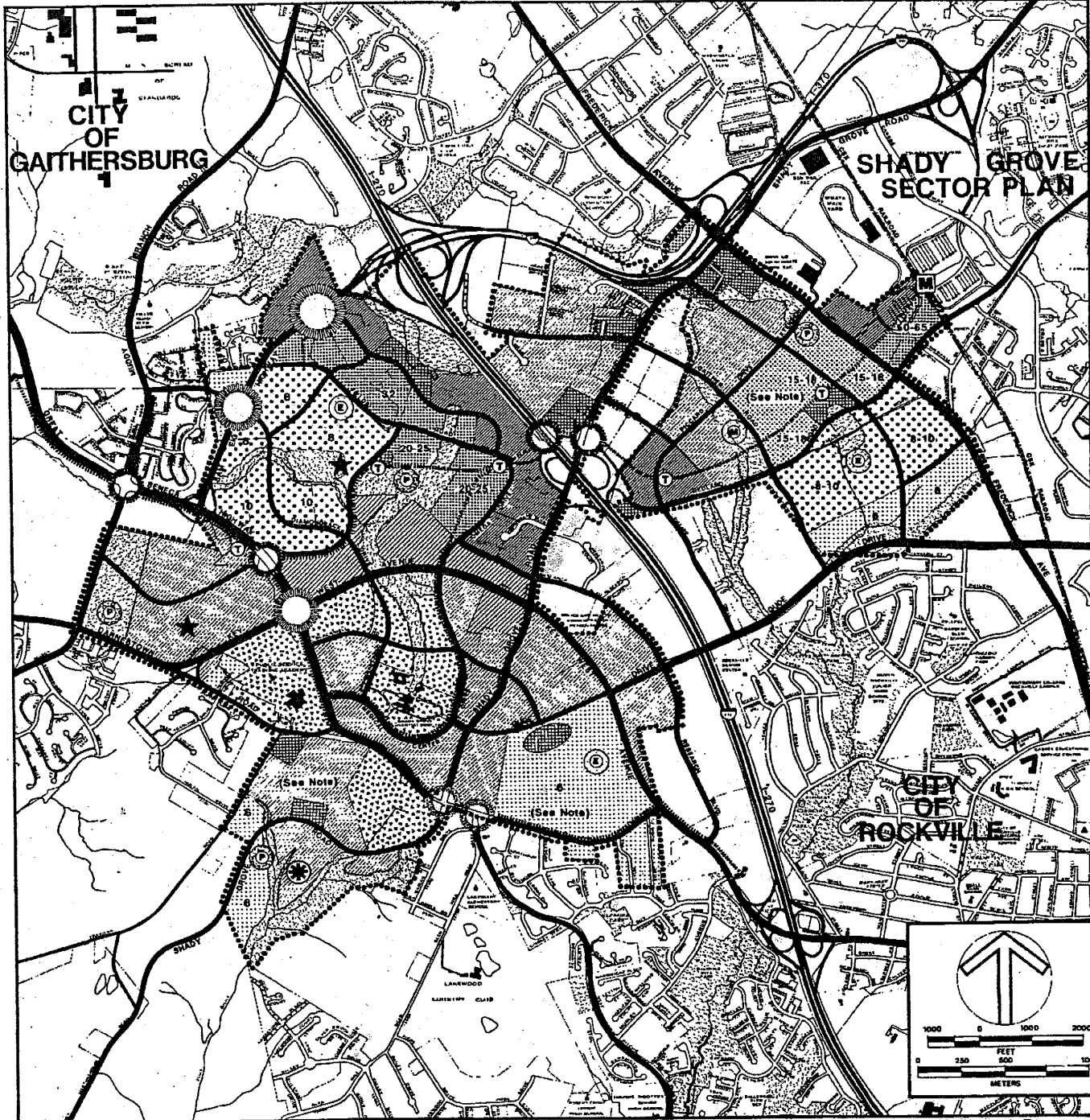
- Locate highest intensity of residential units adjacent to the transit stop and along Discoverly Drive and Fields Road.
- Encourage a mix of units types within each block.

***Mix of Active and Passive Open Space Areas***

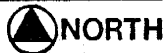
- Provide a large local park between Omega Drive and Discoverly Drive with a path system linking it to the Life Sciences Center and Washingtonian Center.
- Provide civic spaces adjacent to each of the transit stations.
- Integrate neighborhood park facilities (such as tot lots, basketball courts, and tennis courts) throughout residential areas.
- Preserve the large area of trees and the small stream at the southern edge of the property.

# Land Use Plan

Figure 5.1



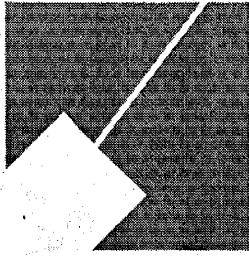
NOTE: This map shows generalized locations of the various uses proposed for this property. The actual land use pattern will be determined in accord with Master Plan development guidelines which address mix of uses, intensity of development, diversity of housing and open space needs.



- |   |                                     |                     |                             |
|---|-------------------------------------|---------------------|-----------------------------|
| Residential<br>2-6 Dwelling Units Per Acre        | Employment (R&D)                    | Retail              | School Site<br>Elementary   |
| Residential<br>7-10 Dwelling Units Per Acre       | Employment (Office)<br>Up To .5 FAR | Parkland/Open Space | School Site<br>Middle       |
| Residential<br>11-19 Dwellings Units Per Acre     | Employment (Office)<br>Above .5 FAR | Proposed Park       | Executive Conference Center |
| Residential<br>20 or more Dwelling Units Per Acre | Public/Institutional                | Transit Station     | Interchange                 |
| Historic Resource                                 | Transitway                          | Study Area Boundary | Transit Interchange         |

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## MONTGOMERY COUNTY DEPARTMENT OF PARK AND PLANNING

THE MARYLAND-NATIONAL CAPITAL  
PARK AND PLANNING COMMISSION8787 Georgia Avenue  
Silver Spring, Maryland 20910-3760  
301-495-4500, www.mncppc.org

March 09, 2006

**Memorandum**

**To:** Callum Murray, Community-Based Planning  
Nancy Sturgeon, Community-Based Planning  
Sue Edwards, Community-Based Planning

**Via:** Karl Moritz, Research & Technology Center, 301-495-1312

**From:** Gary Goodwin, Research Coordinator  
Krishna Akundi, Senior Planner *am*

**Re:** An evaluation of retail potential at the proposed "Centennial" development  
(also known as Crown Farm)

**Finding:** Staff finds that the proposed site will support between 100,000 and 200,000 square feet of retail: at least a 155,513 sq ft. community shopping type center

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***Background***

Community-Based Planning requested Research to evaluate the amount of retail being proposed at Crown Farm: 300,000 square feet. Staff reviewed documentation on the proposed Centennial development; visited the site as well as toured other comparable mixed-use developments. In addition, research staff examined the layout of more traditional shopping centers such as Festival at Muddy Branch, Travilah Square, and Shady Grove shopping center. Staff also reviewed data and analysis provided by *Claritas*.

Based on the proposed layout, comparables and a retail gap analysis, staff estimated the amount of retail space that would most likely be absorbed in the area. We believe that the 50,000 square feet of retail space recommended in the Master Plan is inadequate for Centennial. However, bringing 300,000 square feet of new retail space at this location appears unsupportable. We contend that retail space in the 100,000 to 200,000 square foot range is more realistic. King Farm, for example, supports 143,000sf of retail while Falls Grove supports 215,000sf of retail.

***Comparable Developments***

Staff created a matrix of some prominent mixed-use developments in the region: 12 established and two that have been proposed. Information for these developments was pulled from developer websites and *Business Gazette* news stories.

MIXED USE DEVELOPMENTS							
In Montgomery County, Howard County, Fairfax County, and Prince Georges County							
<i>Development</i>	<i>Community</i>	<i>County</i>	<i>Developer</i>	<i>Acraage</i>	<i>Residential D.U.</i>	<i>Retail Space Sq. Ft.</i>	<i>Office Space Sq. Ft.</i>
<i>Konterra Town Center</i>	<i>Laurel</i>	<i>Prince Georges</i>	<i>Forest City Enterprises</i>	<i>488</i>	<i>1,400</i>	<i>300,000</i>	<i>5,675,000</i>
<i>Bowie Town Center</i>	<i>Bowie</i>	<i>Prince Georges</i>	<i>Simon Property Group</i>	<i>87</i>	<i>270</i>	<i>700,000</i>	<i>45,000</i>
<i>Rockville Town Center</i>	<i>Rockville</i>	<i>Montgomery</i>	<i>RD Rockville</i>	<i>15</i>	<i>630</i>	<i>175,000</i>	
<i>Market Square</i>	<i>Rockville</i>	<i>Montgomery</i>	<i>JBG Companies</i>	<i>20</i>	<i>500</i>	<i>131,000</i>	<i>717,000</i>
<i>Washingtonian</i>	<i>Gaithersburg</i>	<i>Montgomery</i>	<i>Peterson Companies</i>	<i>24</i>	<i>84</i>	<i>433,000</i>	<i>1,000,000</i>
<i>Crown Farm</i>	<i>Gaithersburg</i>	<i>Montgomery</i>	<i>KB Homes</i>	<i>183</i>	<i>2,600</i>	<i>300,000</i>	<i>50,000</i>
<i>Fallsgrove</i>	<i>Rockville</i>	<i>Montgomery</i>	<i>Lerner Enterprises</i>	<i>257</i>	<i>1,535</i>	<i>215,558</i>	<i>850,000</i>
<i>Kentlands</i>	<i>Gaithersburg</i>	<i>Montgomery</i>	<i>Alfandre</i>	<i>358</i>	<i>1,975</i>	<i>870,000</i>	<i>84,785</i>
<i>King Farm</i>	<i>Rockville</i>	<i>Montgomery</i>	<i>King Farm Associates</i>	<i>430</i>	<i>3,200</i>	<i>180,000</i>	<i>3,100,000</i>
<i>Emerson</i>	<i>Laurel</i>	<i>Howard</i>	<i>General Growth Properties</i>	<i>570</i>	<i>1,200</i>		
<i>Maple Lawn</i>	<i>Fulton</i>	<i>Howard</i>	<i>Greenbaum &amp; Rose</i>	<i>605</i>	<i>1,116</i>	<i>180,000</i>	<i>1,800,000</i>
<i>Fairfax Corner</i>	<i>Fairfax</i>	<i>Fairfax</i>	<i>Peterson Companies</i>	<i>66</i>	<i>225</i>	<i>296,000</i>	<i>400,000</i>
<i>Pentagon Row</i>	<i>Arlington</i>	<i>Arlington</i>	<i>Federal Realty Investment</i>	<i>18</i>	<i>500</i>	<i>300,000</i>	<i>70,000</i>
<i>Market Common</i>	<i>Clarendon</i>	<i>Arlington</i>	<i>McCaffrey Interest</i>	<i>10</i>	<i>387</i>	<i>220,000</i>	<i>100,000</i>
Source: Developer Websites; Business Gazette							
Note: The Residential D.U. count represents the sum of single family residential detached houses, townhouses, condominiums, and rental apartments.							
Note: Highlighted developments have recently been proposed							

Half of the mixed-use developments that we examined are in Montgomery County— Fallsgrove, Kentlands, King Farm, Washingtonian Center, Market Square and Rockville Town Center. The first four developments are within a 3-mile radius of Centennial. Staff made a visual inspection of the retail at these as well as at more traditional retail shopping centers such as Travilah Square. Travilah Square is among 59 mature commercial centers in the county that might be ripe for redevelopment. The ULI technical assistance panel in its *Improving Mature Commercial Centers* report recommended the Grove and Walnut Hill Shopping Centers—both in the Gaithersburg and Vicinity planning area—as also having redevelopment potential.

Thus, the amount and type of retail at Centennial may be constrained by existing retail facilities. Moreover, we assume that the proposed design and layout for Centennial, the potential size of the residential population and the school would also influence the types of retail tenants that locate at Centennial. We do not visualize, for example, a Home Depot or other big-box as part of the retail mix. Retail at Centennial would be akin to what is commonly found at community shopping centers.

### Types of Shopping Centers

There are six principal types of shopping centers: convenience, neighborhood, community, power, regional and super-regional. These have been defined by the Urban Land Institute and are described at length in the MNCPPC 2005 Shopping Center Directory. The textbook *Real Estate Market Analysis: Tools and Techniques* further describes the Community Shopping Center as a retail center that is usually located near a regional thoroughfare, convenient to two or more neighborhoods, and proximate to entertainment, recreation, personal and financial services. These centers generally range from 100,000 to 500,000 square feet. The average size of community shopping centers in the County is 164,765 square feet.

Three typical community shopping centers that have been built along the County's I-270 corridor since 2000 are the Shops at Germantown Town Center (107,547sf), King Farm Village Center (143,267sf), and the Fallsgrove Village Center (215,558sf).

The Kentlands, on the other hand, is one example of a regional shopping center. Regional Shopping Centers typically occupy 500,000sf on average. The Kentlands has over 750,000sf of retail. The Washingtonian Center, which is adjacent to the proposed Centennial development, is also a regional shopping center. What makes Washingtonian Center unique among regional shopping centers, however, is that it is a cross between power centers and a new group known as "lifestyle centers." Lifestyle Centers are designed not just for shopping but for ambience as well. It caters to the upper-income shopper. Lifestyle centers have ample sidewalks, parking adjacent to stores, entertainment facilities, and upscale restaurants and stores. The average lifestyle center is 377,000sf. The Washingtonian Center, which includes four big-box retailers (Target, Kohl's, Dicks Sporting Goods, and Barnes and Noble), occupies 460,000 square feet of retail space—when the Rio Entertainment Complex is included, this regional shopping center boasts nearly 700,000sf of retail.

Clearly, the regional pull of the Washingtonian Center will benefit Centennial. This means that not only would retail at the proposed development serve a captive audience—the 2,500 households—but also consumers who are drawn to the Washingtonian. This factor argued against considering Centennial as simply neighborhood retail. The developer's own space requirement preclude considering a lifestyle or regional type shopping center.

#### Typical Tenants of Community Shopping Centers

Community Centers offer consumers soft-line goods such as apparel and hard-line goods such as hardware and appliances. Grocery stores, quick service restaurants, shoe stores, and women's clothing stores are common tenants. Staff collected information on tenants at Fallsgrove, Festival at Muddy Branch, Kentlands, King Farm, Travilah Square, and Washingtonian (see attachments). The table below shows the store types and average square footage for tenants at a Community Shopping Center.

## TYPICAL COMMUNITY SHOPPING CENTER TENANTS

<u>Store Type</u>	<u>S.F.</u>
Auto Parts and Accessories	1,688
Bakeries	4,283
Beer, Wine & Liquor Stores	3,191
Books & Periodicals	14,325
Camera & Photo Studios	2,700
Confectionery & Nut	1,637
Cosmetics & Beauty Salon	1,481
Dry Cleaners	1,533
Electronics	1,360
Financial Institutions	2,721
Fitness & Recreation	2,225
Full Service Restaurants	4,623
Florists	850
Gas Stations	1,304
Gifts & Novelty	5,909
Grocery Stores	49,377
Health & Personal Care	2,386
Home Furnishings	5,584
Household Appliances	11,986
Men's Clothing	3,772
Office Supplies	1,083
Optical Goods	1,405
Quick Service Restaurants	2,237
Pet and Pet Supplies	2,640
Pharmacy	12,000
Sewing	1,053
Shoe	2,771
Sporting Goods	6,655
Video, CD, Music Stores	2,734

Source: Crittenden's Retail Newsletter; Dollars and Cents, Real Estate Developers; MNCPPC

Assuming one retailer from each store type and no big-box retail or home center, we could reasonably expect a 155,513 square foot community-type shopping center at the proposed Centennial.

### ***Retail Gap Analysis***

Research and Technology Center staff usually calibrates an in-house retail analysis model to estimate the retail needs of local markets. Due to time limitations, staff requested *Claritas* the nationally recognized marketing firm to provide a retail opportunity gap analysis.

The gap analysis compares consumer-spending patterns at retail stores and sales of retail stores in a defined consumer market. The difference between spending and sales reveal either a surplus or an opportunity gap for specific goods in that market. Within a one-mile radius of the proposed Centennial development, there is an opportunity gap—a demand for more retail. However, when the market area is expanded to a three-mile radius, there is a surplus of retail activity—in other words, existing retailers meet consumer demands.

Claritas measured retail demand within a one-mile and three-mile radius of Centennial—more precisely from the Sam Eij and Fields Road intersection. The character of the retail market is determined by the demographics of the area—particularly by the number of consumers and median incomes.

	Population	Median Age	Median Income	Retail Gap / (Surplus)
1.0 Mile Radius	17,745	34	\$73,408	\$21,303,096
3.0 Mile Radius	119,476	36	\$80,886	(\$883,421,706)
Source: Claritas 2005 Site Reports				

The question to answer then is what retail opportunities are not available to the area's young upwardly mobile population that the Centennial development might satisfy. The gap analysis shows that the existing inventory of stores does not fulfill the needs of consumers in the primary (1-mile radius) and secondary (3-mile radius) markets for more goods and services. There is sufficient consumer demand for the entry of new stores.

#### CONSUMER DEMAND FOR RETAIL GOODS IN SUBJECT AREA

Retail Stores	Primary Market	Secondary Market	Total Unmet Demand
Grocery Stores	\$24,184,746	\$16,131,684	\$40,316,430
Gasoline Stations	\$15,386,702	\$61,786,149	\$77,172,851
Auto Parts & Tire Stores	\$6,196,640	\$8,948,584	\$15,145,224
Electronics Stores	\$3,848,706	\$0	\$3,848,706
Family Clothing Store	\$3,785,640	\$0	\$3,785,640
Speciality Food Stores	\$3,140,461	\$18,177,705	\$21,318,166
Home Furnishing Stores	\$2,662,139	\$0	\$2,662,139
Jewelry Stores	\$2,557,887	\$0	\$2,557,887
Shoe Stores	\$1,944,030	\$0	\$1,944,030
Office Supply Stores	\$1,460,388	\$0	\$1,460,388
Men's Clothing Stores	\$1,147,828	\$0	\$1,147,828
Optical Goods Stores	\$860,763	\$0	\$860,763
Household Appliances	\$0	\$1,919,358	\$1,919,358
Clothing Accessories	\$0	\$1,660,536	\$1,660,536
Drug Stores	\$0	\$33,184,294	\$33,184,294
Record Stores	\$0	\$1,286,645	\$1,286,645
Florists	\$0	\$2,500,565	\$2,500,565
Gift Shops	\$0	\$1,136,659	\$1,136,659

New retail entrants into this market could capture up to \$67.2 million in the primary market and up to \$146.0 million dollars from consumers in the secondary market. There is strong demand—as measured in unmet sales—for grocery stores and drug stores.

#### Conclusion

Based on the gap analysis and tenant survey, staff finds that the best fit for retail in this area is a 151,513 square foot community shopping center.

# Area Map

Order #: 963947363  
 Site: 01

SAMEIG HWY AT FIELDS RD  
 GAITHERSBURG, MD 20877  
 Coord: 39.116150, -77.208350  
 Radius - See Appendix for Details

Prepared For:  
 Project Code: Crown Farm

