



Update to Rockville's Comprehensive Master Plan

Planning Area 15: Research/Piccard

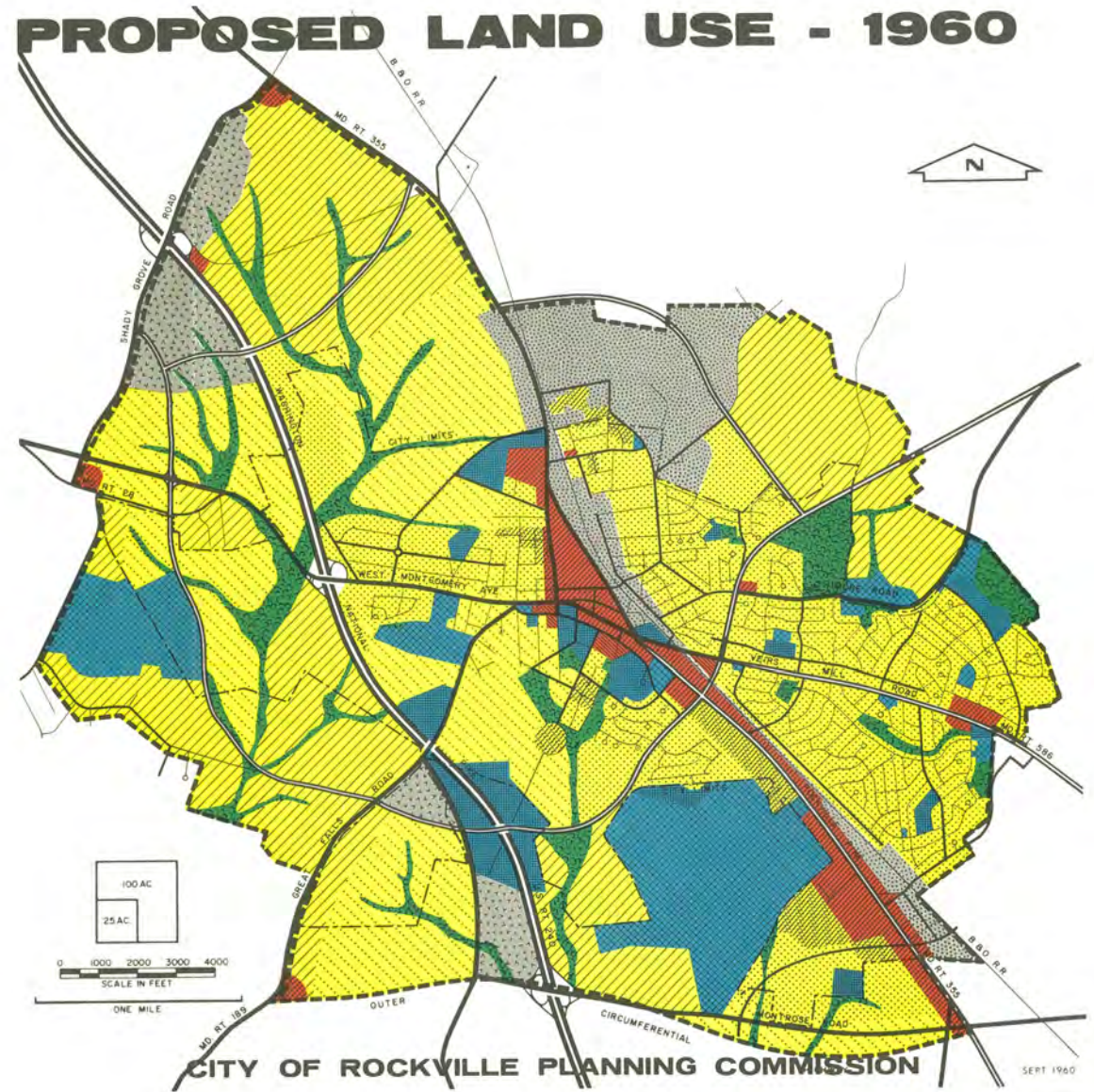
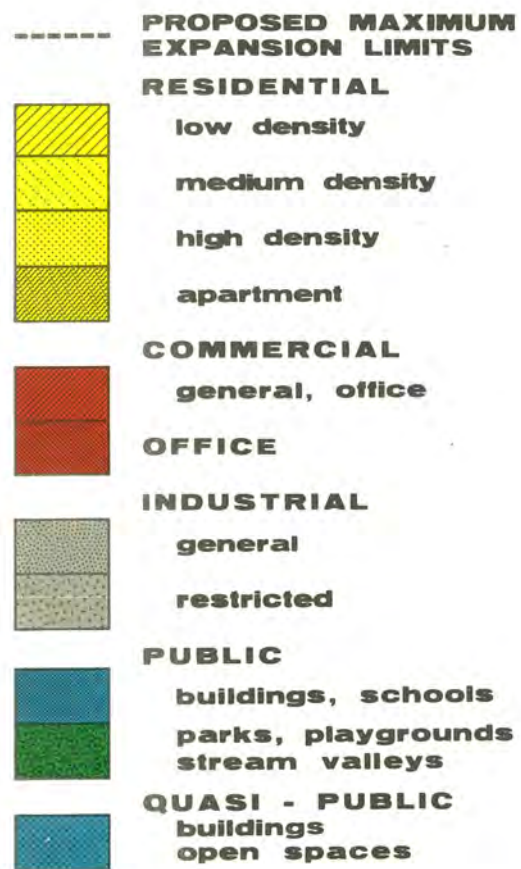
**David B. Levy, AICP
Chief of Long Range Planning
City of Rockville
Department of Community Planning and Development Services**



1960 Master Plan

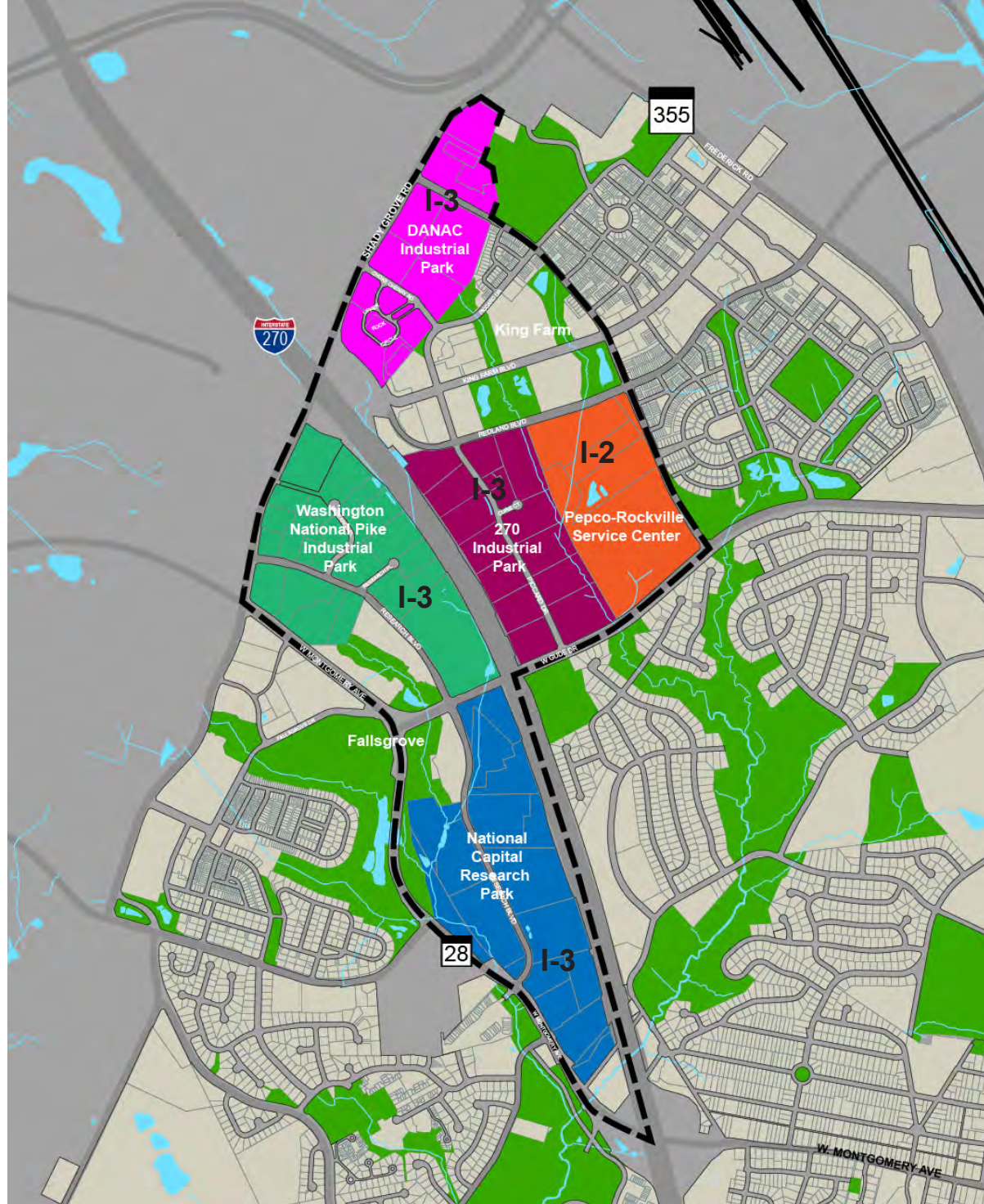
“Rockville obviously is not an industrial city. The addition of research type industry in well located areas would help support the economy and lessen the reliance on residential property taxes.” p. 6

LEGEND



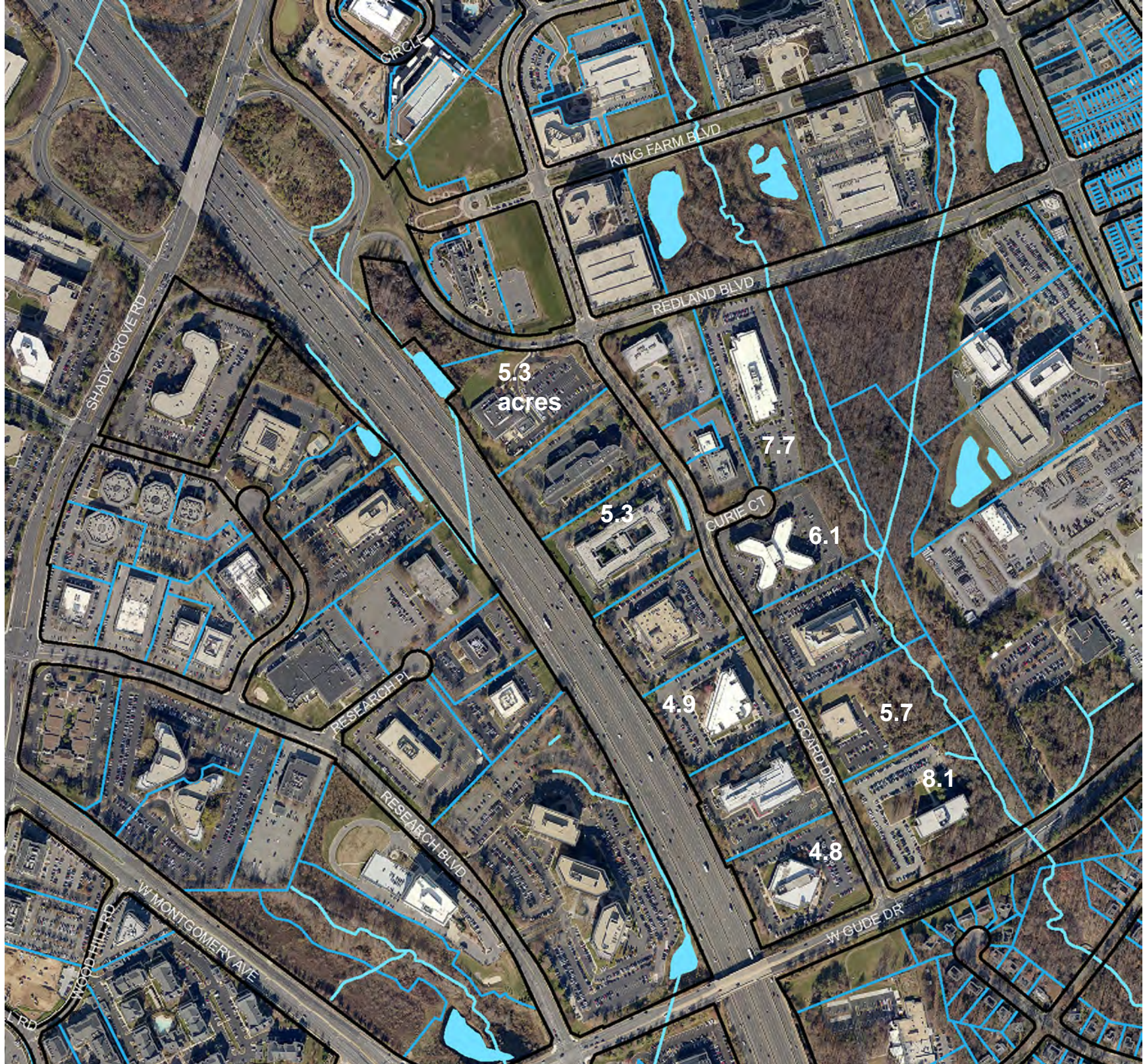
“OUR INDUSTRY — HOW MUCH, AND WHERE?”

It is recommended that the present industrial zone at the southwest quadrant of Route 240 and Shady Grove Road, which is now in the county, be enlarged so as to provide sufficient land for an I-3 Restricted Industrial Park.” p. 13



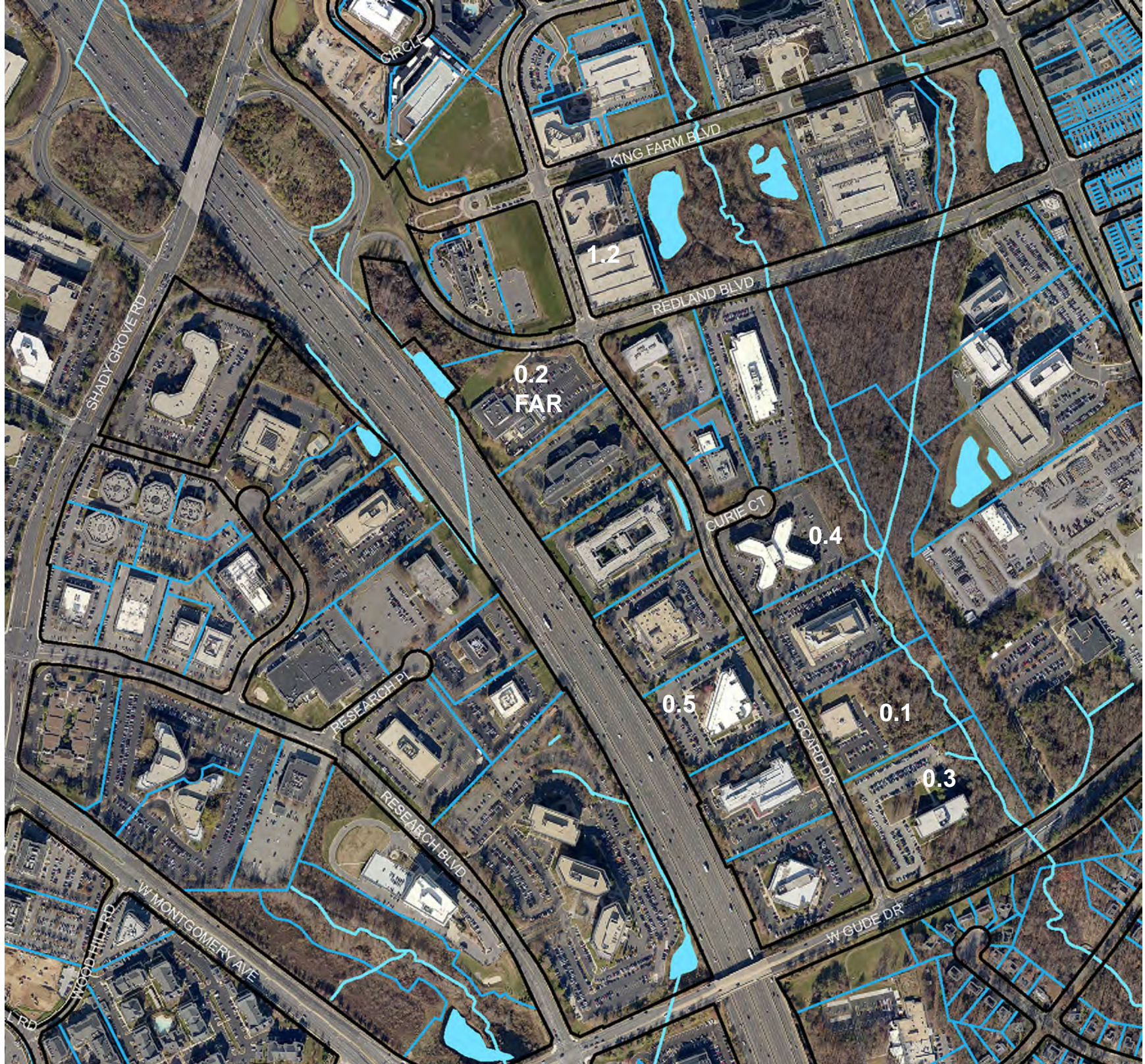
Four subdivisions were created and zoned for I-3 Restricted Industrial, later renamed I-3 Industrial Park.

Pepco property is zoned I-2 for Light Industrial.



I-3 Zone (adopted in 1959) required:

- 5 acre lots
- maximum 20% lot coverage
- 100 foot setback
- 300 foot minimum street frontage



**Result is low density development
Floor to area ratios of 0.5 and less**

**Compare to 1.2 FAR for newer development
in King Farm PD-KF Zone with structured parking**

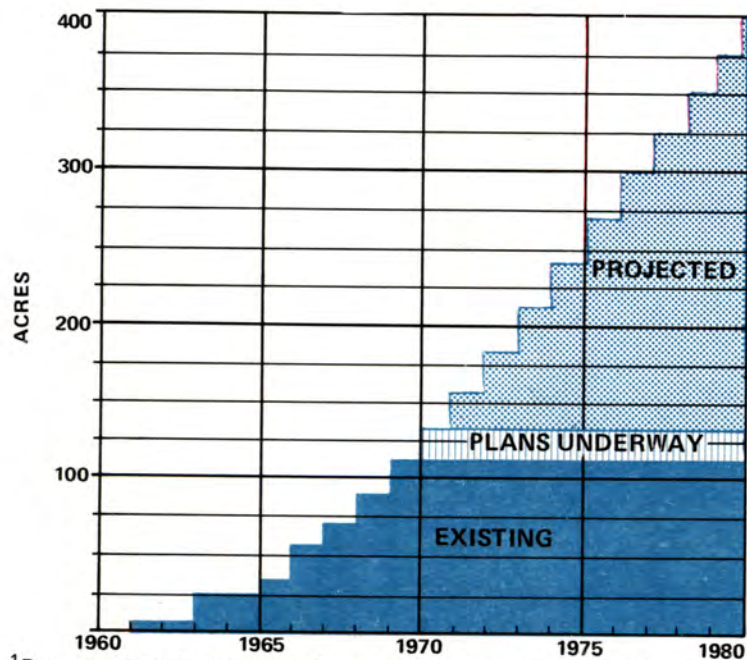
Restricted Industrial Use

Restricted industrial uses consist of those permitted in the City's I-3, Restricted Industrial Zone, including research and development, assembly of premanufactured equipment such as electronic components and precision instruments, printing, and light manufacturing. City development standards prohibit noxious uses and heavy industry in the I-3 Zone. Areas used for restricted industry are characterized by a low intensity of land development, attractive buildings, generous site landscaping, and easy access to 70-S or other major highways.

Two major areas of restricted industrial use are developing in the City, one centered on Interstate 70-S between Route 28 and Shady Grove Road; the second, also along Interstate 70-S north of the Montrose interchange, as shown in Figure 33.

Figure 34

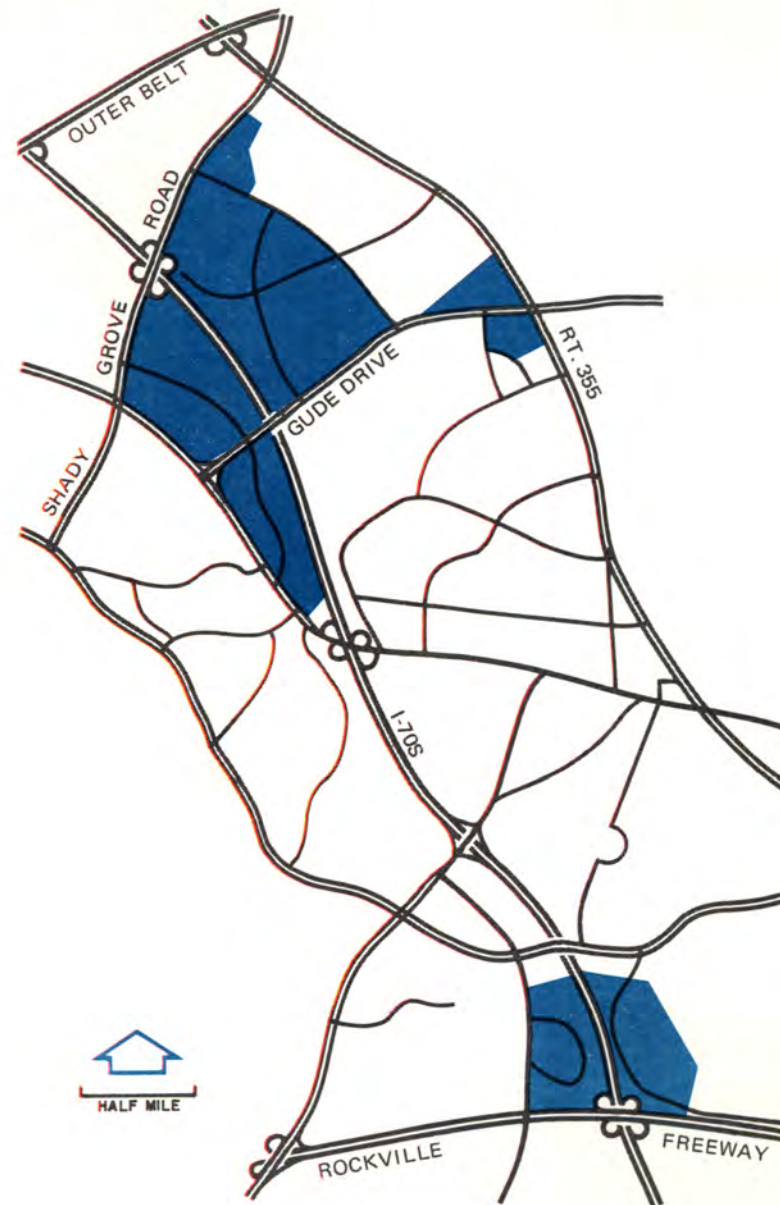
LAND ABSORPTION EXISTING AND PROJECTED - RESTRICTED INDUSTRIAL¹



¹Does not include existing and proposed motels in the I-3 zone, uses by special exception which are reflected in the commercial analysis of this report.

Figure 35

RECOMMENDED INDUSTRIAL PARK AREAS



In addition to the 117 acres and more than 750,000 square feet of floor space developed since 1960, firm commitments for construction exist at this time for another 213,000 square feet of space occupying approximately 18 acres. Including the latter, the current absorption rate totals over 100,000 square feet of floor space annually on over 20 acres of land. If the current pace continues, (although the rate has, in fact, been increasing since 1965) land absorption as shown in Figure 34 would result.



On this basis, nearly 400 acres could be absorbed by 1980, creating 8,000 jobs. More than 750 acres will be absorbed before the year 2000, adding 15,000 jobs. This type of industry is an extremely important and desirable adjunct to the community's economic base, both in terms of job opportunities and revenues. The presence of Interstate 70-S results in extensive areas within the City being ideally suited

to this use. For these reasons a total of 750 acres is recommended. While this may represent the absorption potential for up to three decades, it is judged by the Planning Commission to be in the best interest of the community to create a land reserve now for industrial growth well beyond 1980.



CONCLUSIONS AND RECOMMENDATIONS

Rockville is currently in a very advantageous position as an industrial growth area, as evidenced by the recent development rates. Provided that the City is prepared to diligently, even aggressively, act to assure the continued market attractiveness of its industrial lands, there is no reason that this healthy growth pace should not be maintained through 1980 and beyond.

In fact, the incentives to maintain carefully that level of industrial attractiveness are quite strong. The community's residential growth rate is ultimately controlled by the availability of suitable land, and commercial growth closely parallels its supporting population. Industrial activity is perhaps least dependent on residential growth rates, and this is increasingly significant as the residential land reserve diminishes.

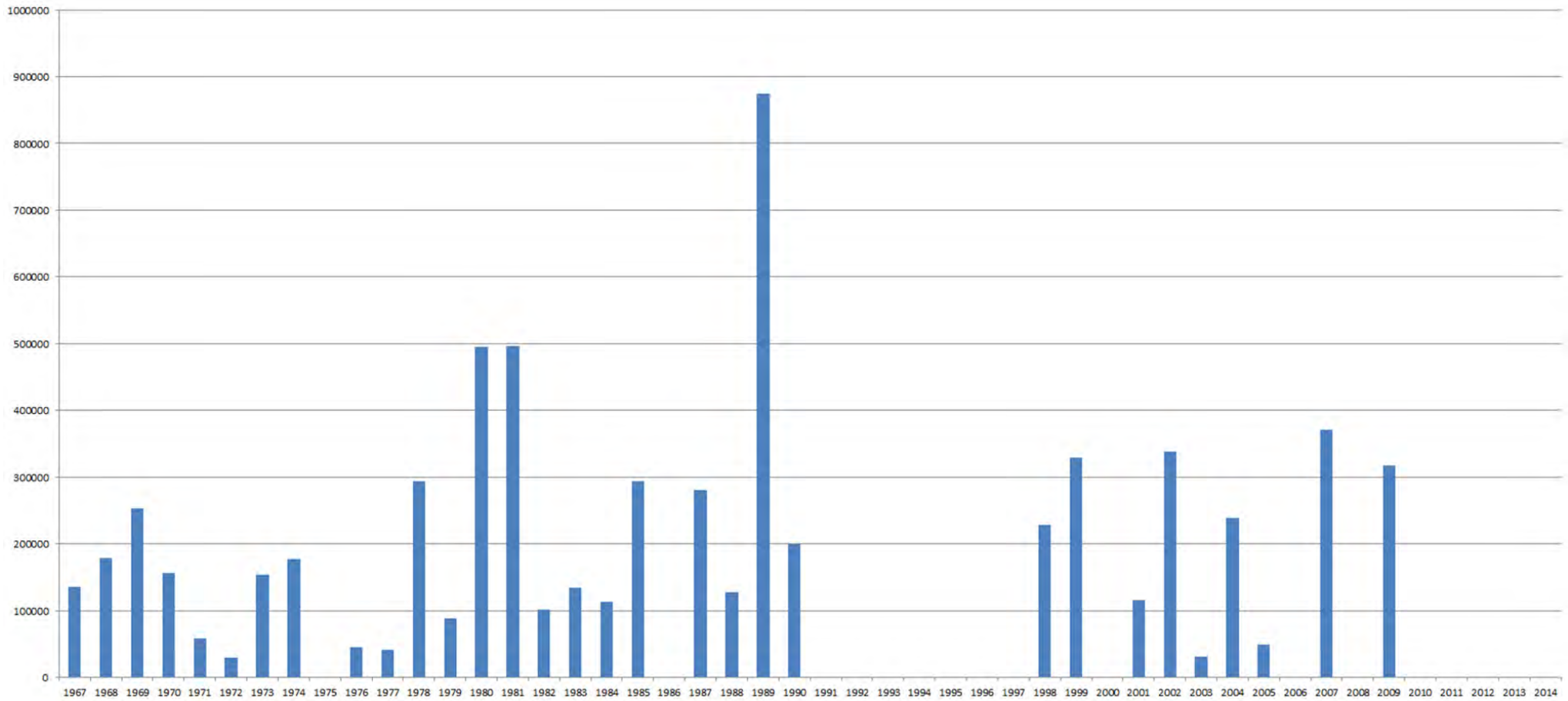
As the Fiscal Analysis chapter indicates, the projected level of community services and public expenditures falls within the revenue-generating potential of this Plan's land use proposals, timely realized. To help insure that the projected pace of industrial growth proves not imprudent but restrained, the City must remain attentive to certain basic considerations:

- Access is essential. Industrial access roads should be brought up to high standards and be well maintained. Not only the movement of goods, but the increasing

concentrations of industrial at-place employment make this a prime requirement.

- An adequate land reserve should be available and ready for use. Utilities and streets may well have to precede development, especially in the general industrial sector. Site requirements vary widely among industrial uses, and variety in selection opportunity is an important consideration.
- Within Rockville and its Maximum Expansion Limits, there exists a sizeable amount of underdeveloped, rather than undeveloped general industrial land. Until land values can mature to a point where assembly and redevelopment of some of this land is attractive, there may occur an interim "available-land" shortage. Consideration should be given to modest expansion of the undeveloped land reserve if this situation ensues. The preparation of a detailed land use plan for the Red Gate Farm should take this possibility into account.
- A number of valued attributes of industrial land are somewhat less tangible: prominence and visibility, visual appearance, prestigious address, community attitudes, and especially the prospective satisfaction of employees' housing, shopping, recreation and other non-work-related needs. These factors have played an increasing role in site selection, especially among users of restricted industrial land. Rockville has much to offer in this regard. This should be emphasized.

New Office/Lab Space in Square Feet 1967 to 2014

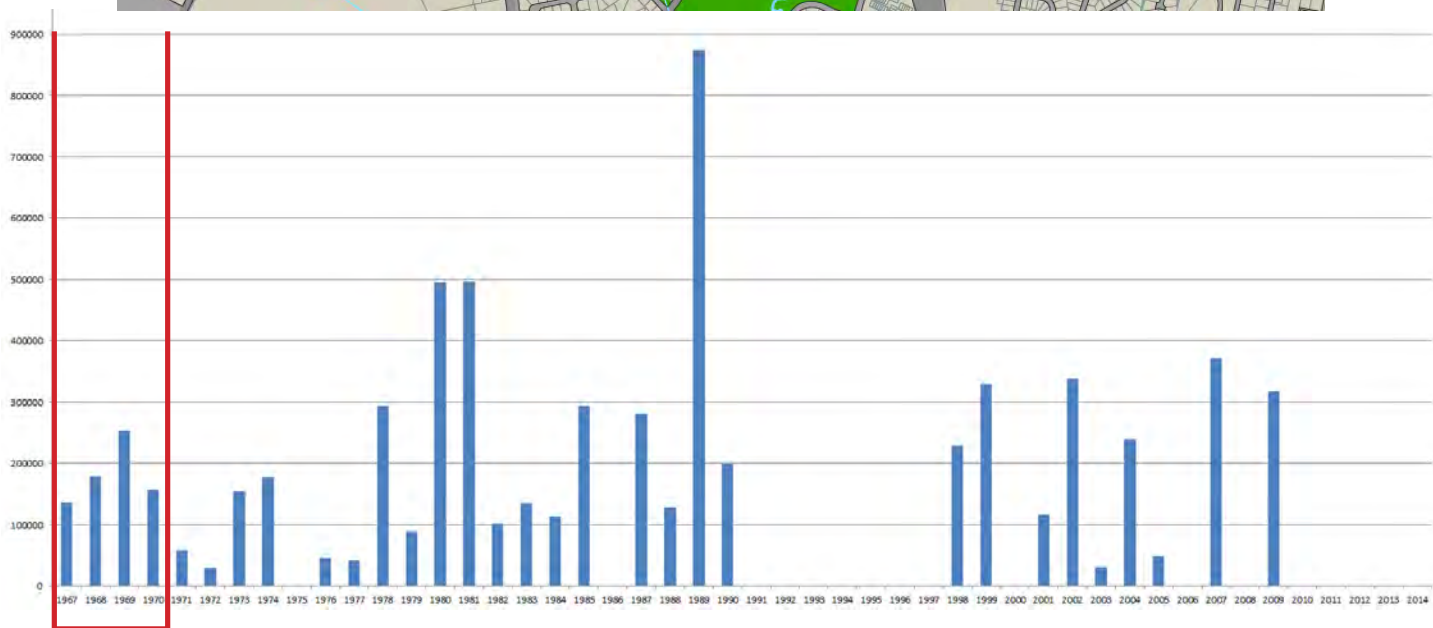
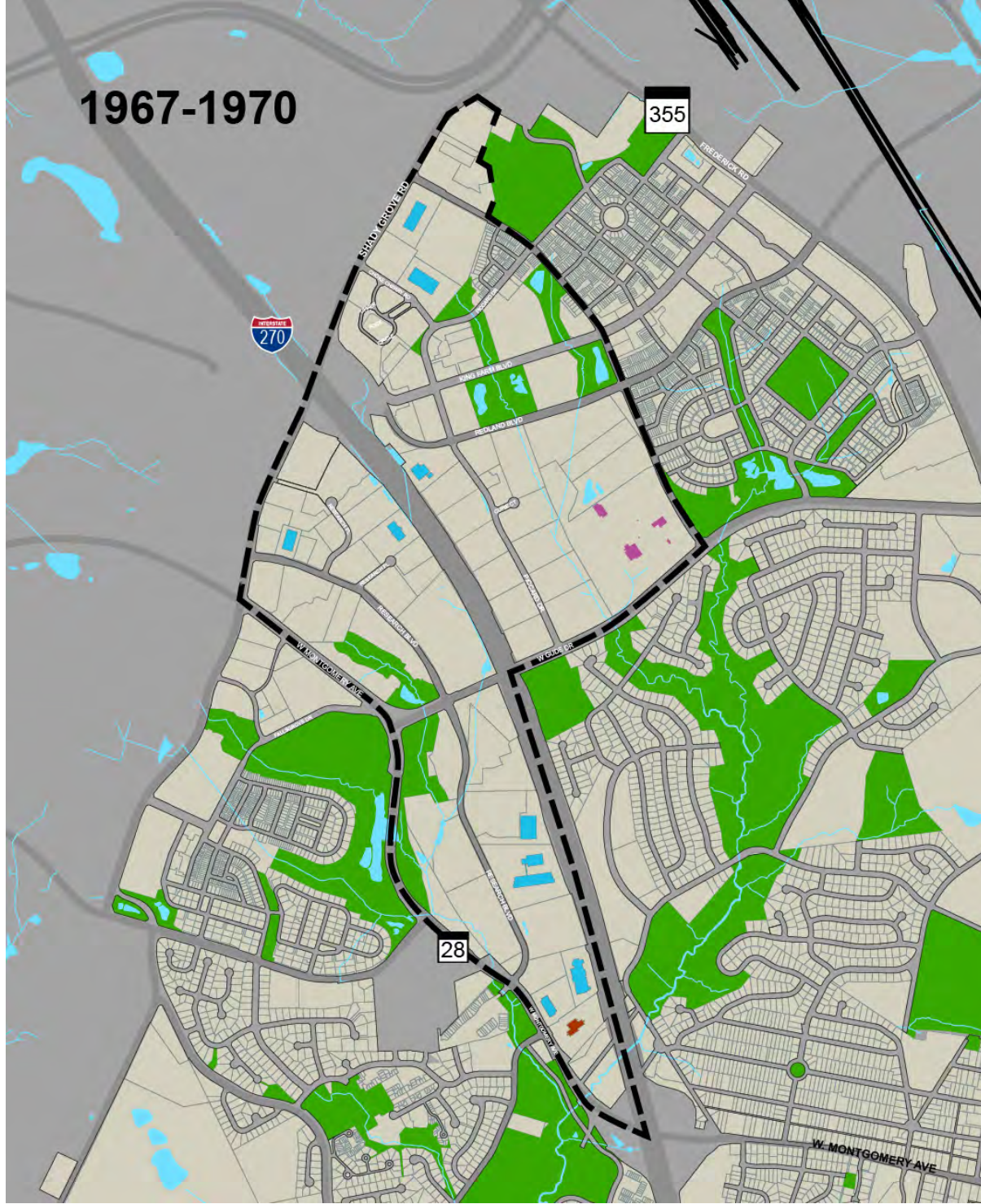


- 48 years
- 70 office buildings (also 7 hotels)
- 6.8 million sq. ft.
- Average of 140,500 sq. ft. per year
- 17 years with no new office

Data source: SDAT (State Dept. of Assessment and Taxation)

1967-1970

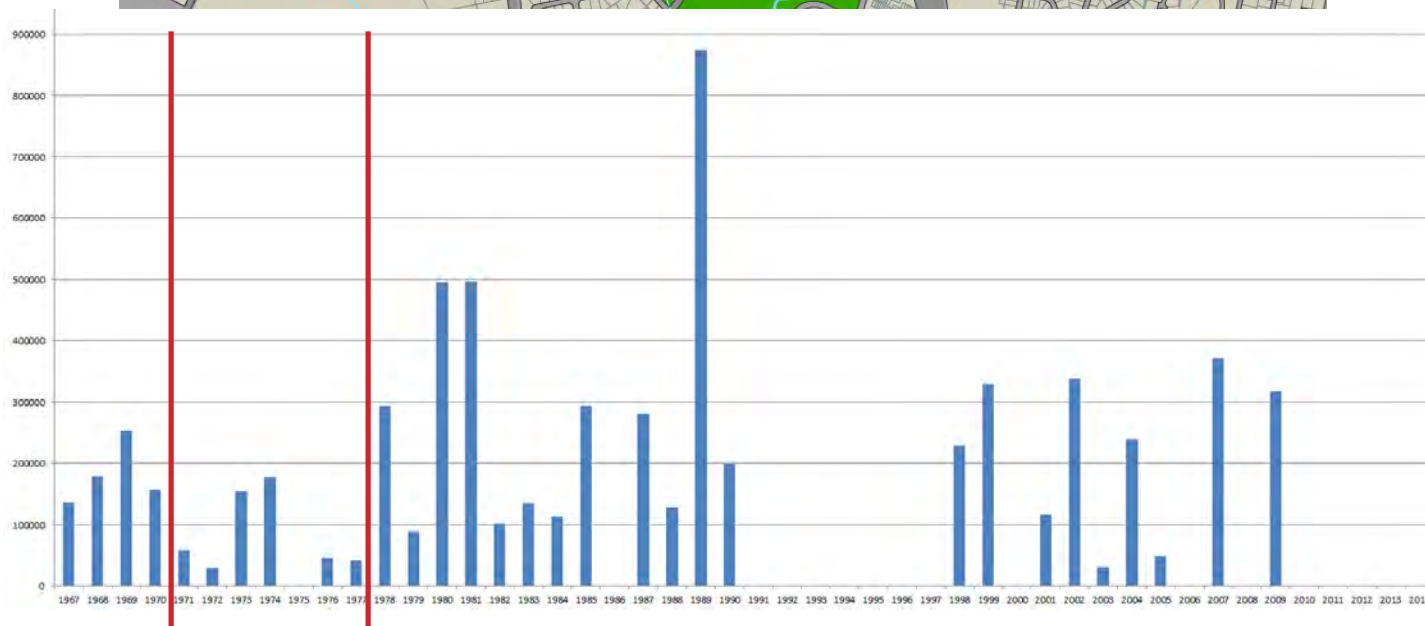
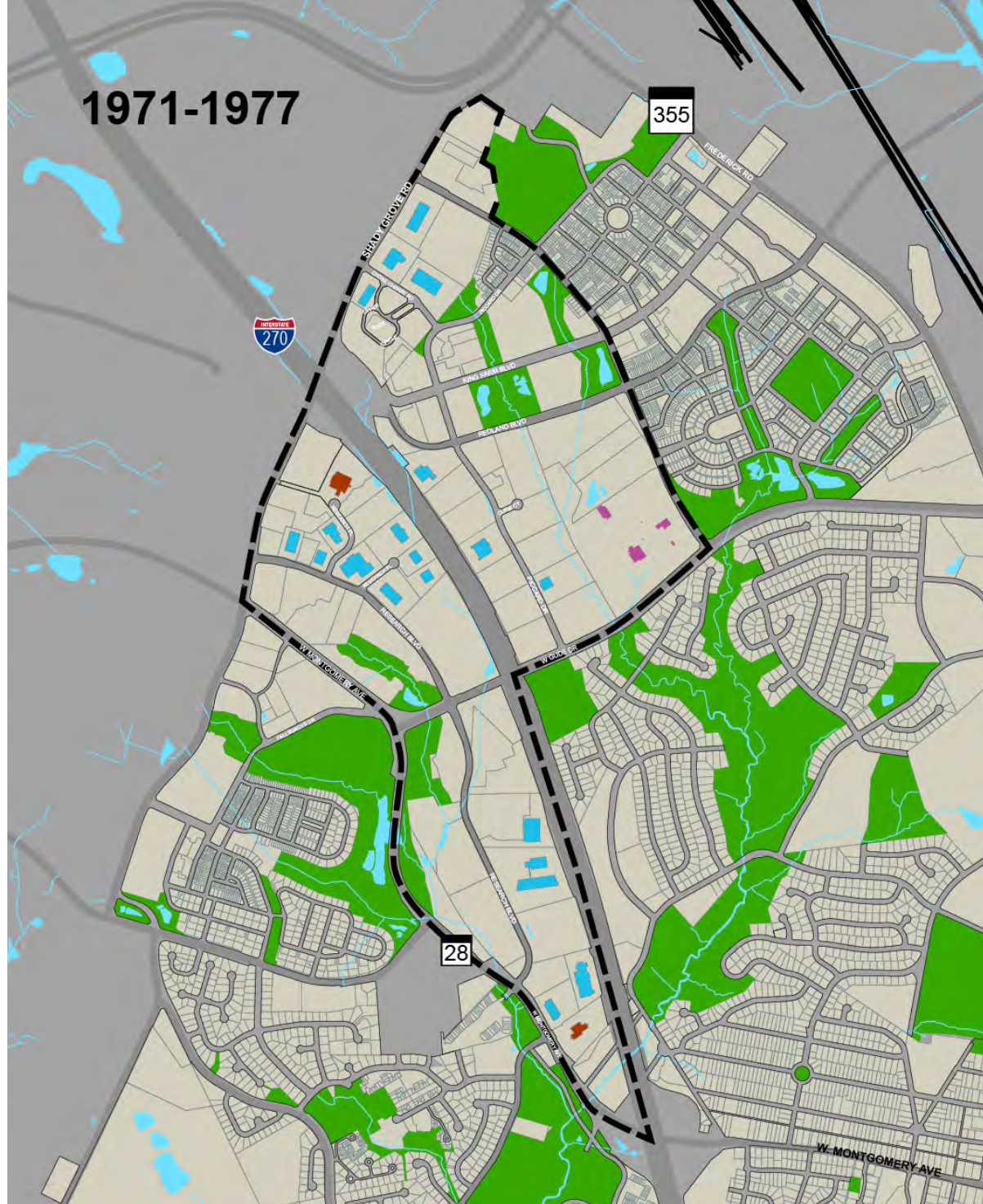
New buildings in all four subdivisions, including Best Western Hotel (1970)



1971-1977

Ten new office/lab buildings in 7 years, but only 500,000 sq. ft.

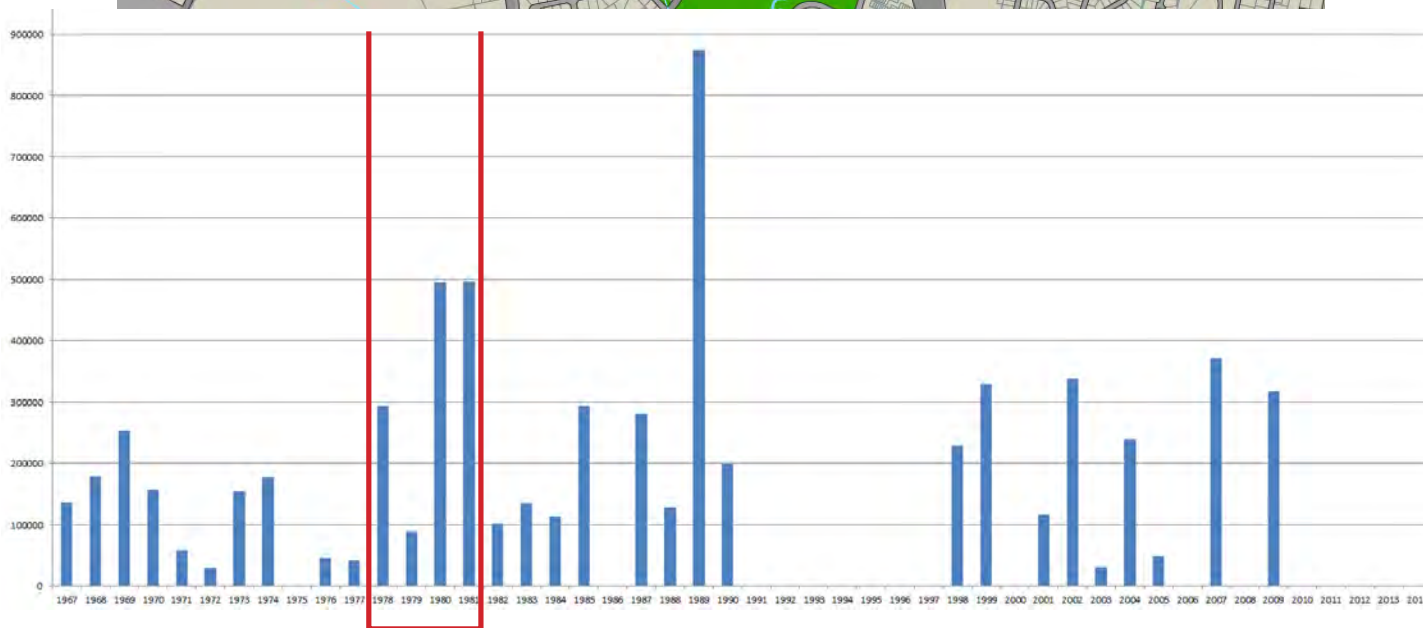
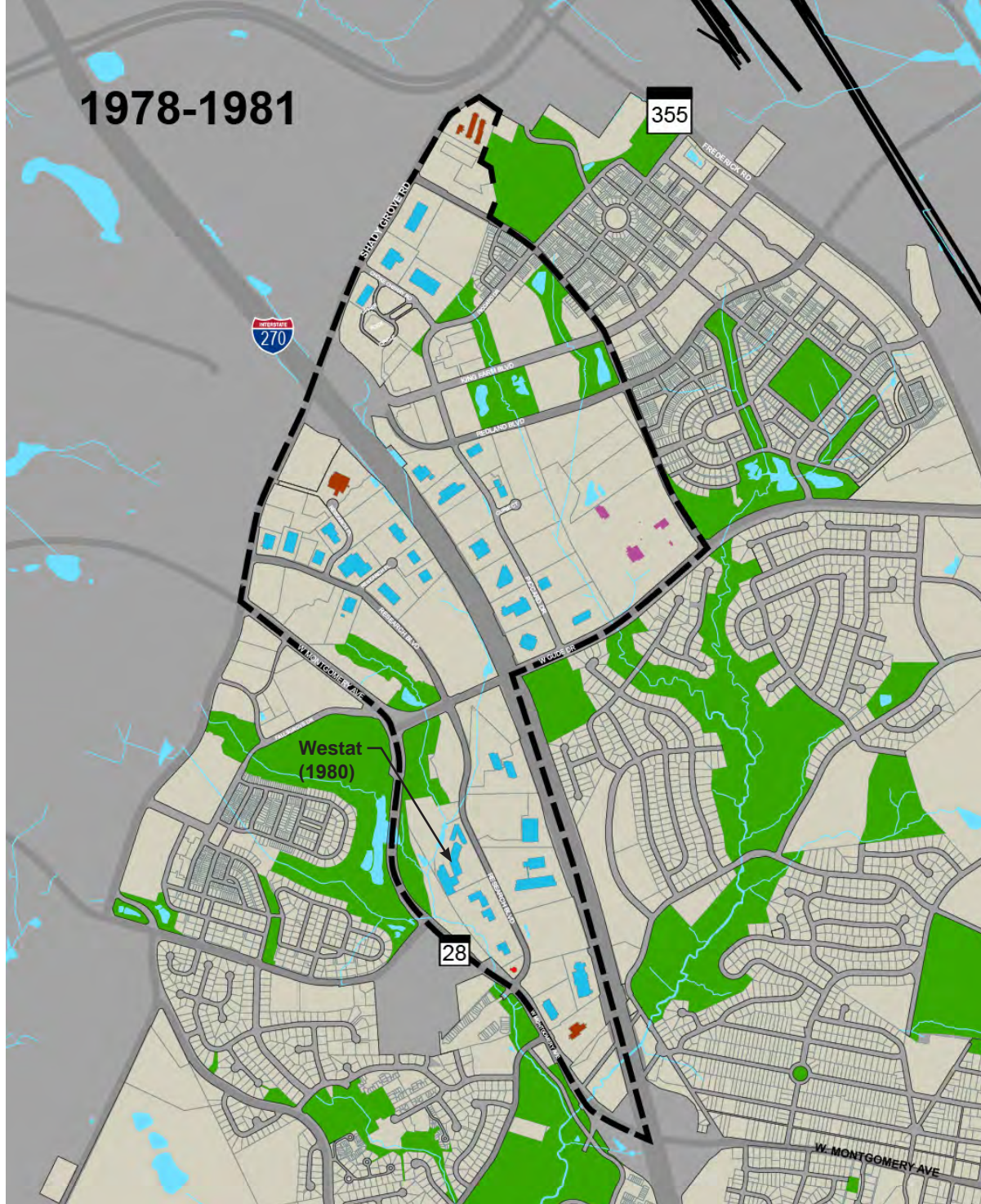
Second hotel



1978-1981

Four years of strong growth including Westat campus

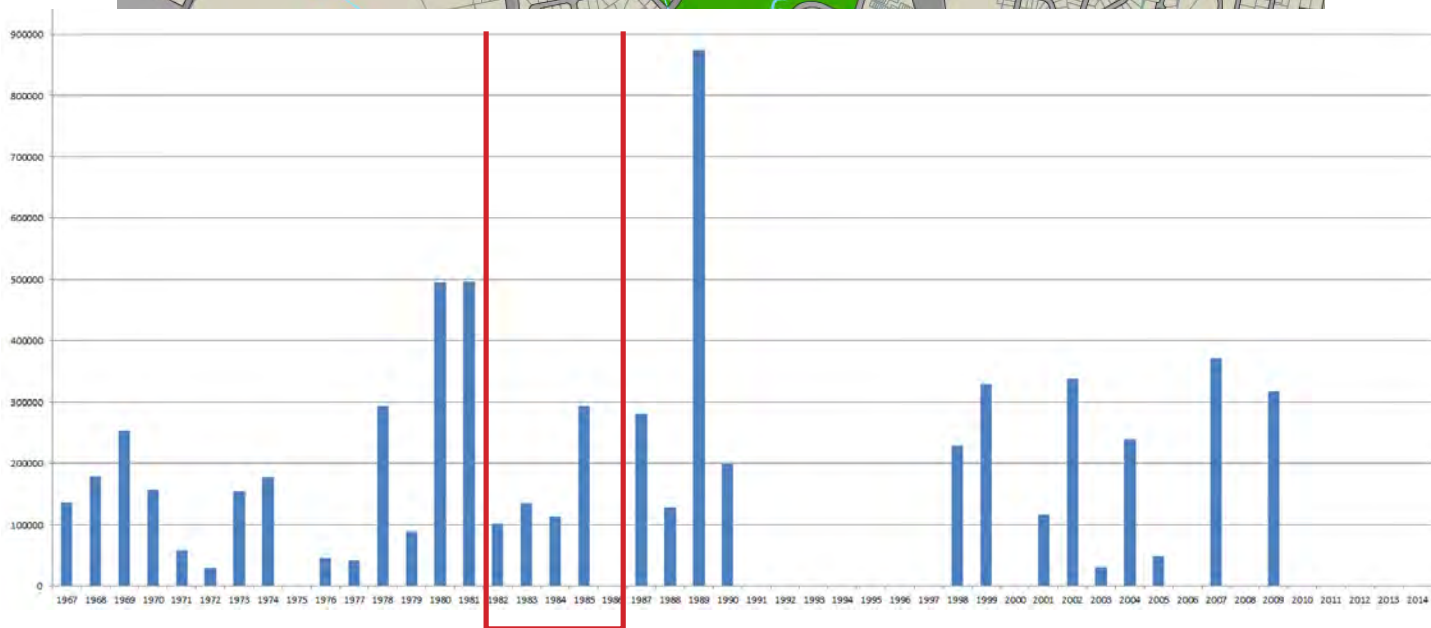
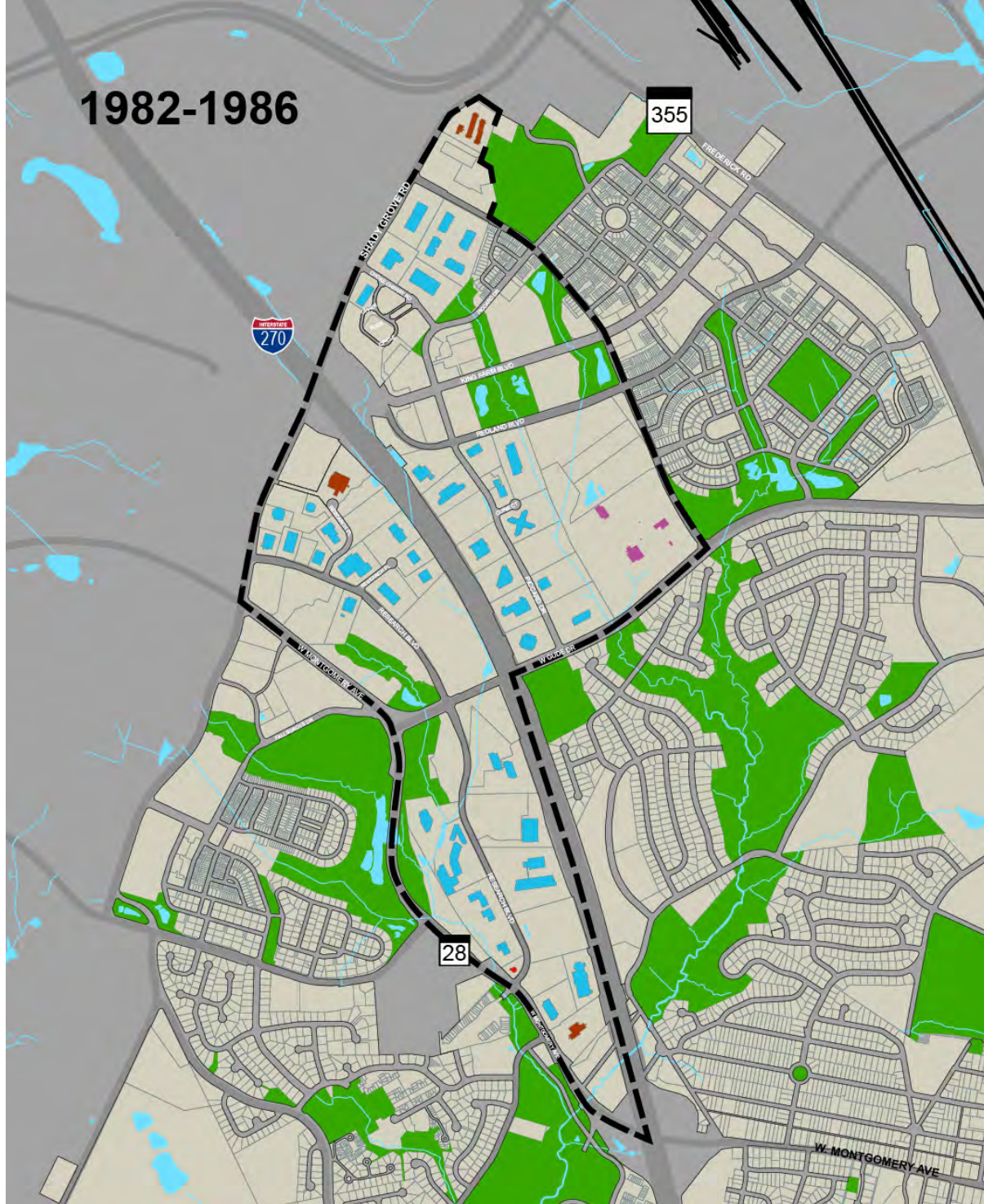
1.4 million sq. ft. of office/lab added



1982-1986

Continued
steady growth
of 100,000 to
300,000 sq. ft.
per year

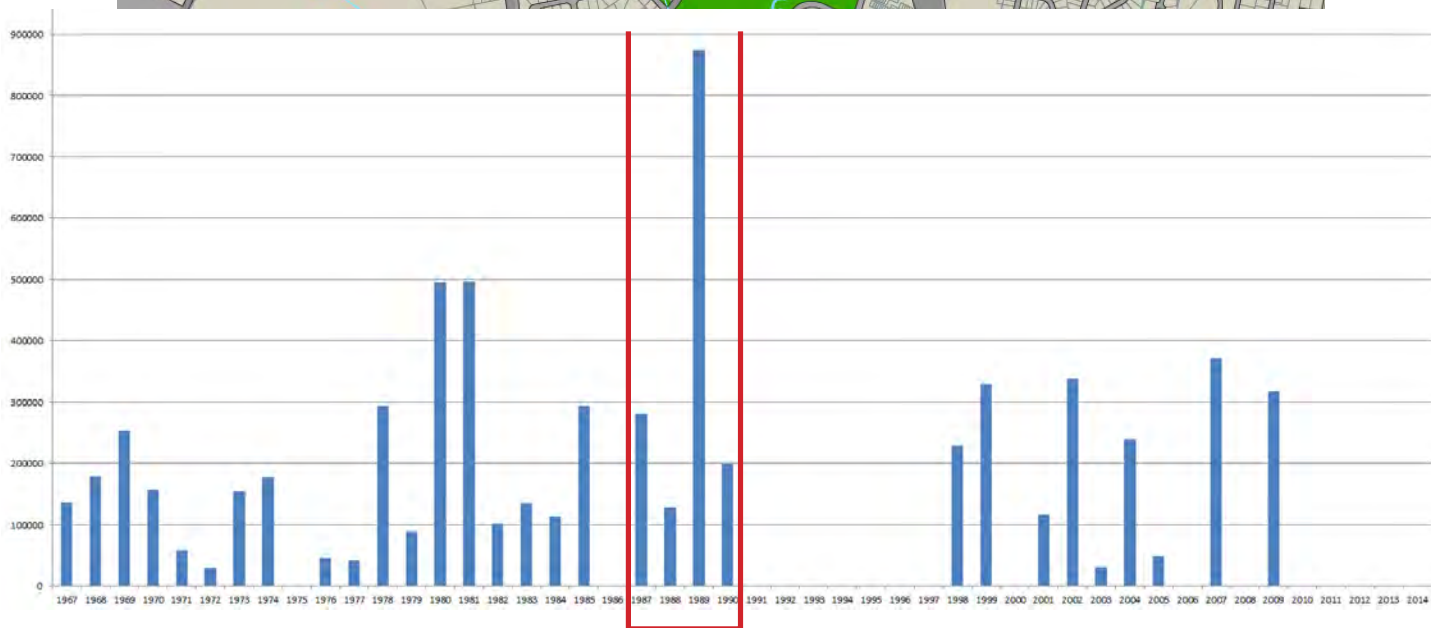
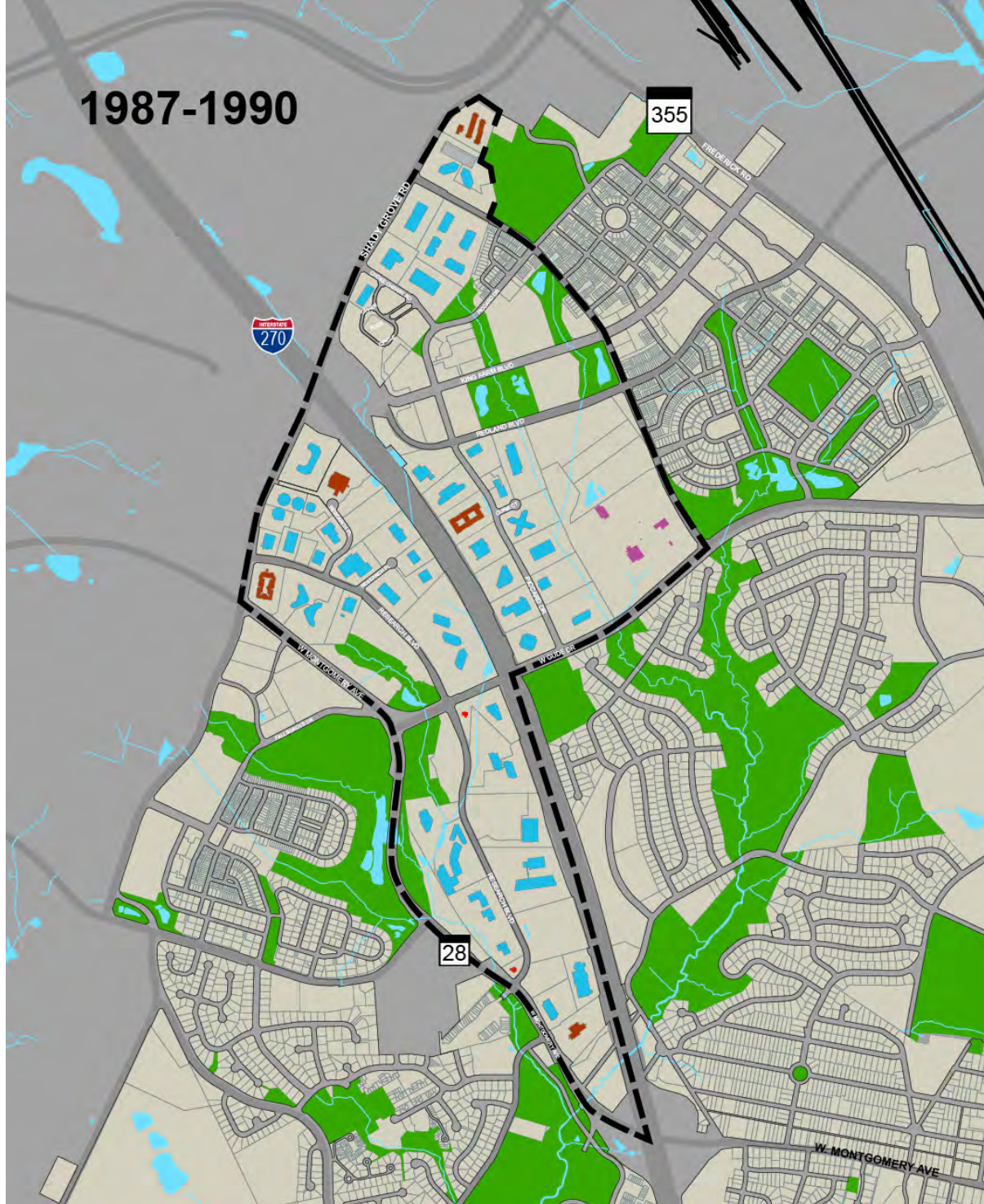
No additional
space in 1986



1987-1990

Four years
of strong
growth

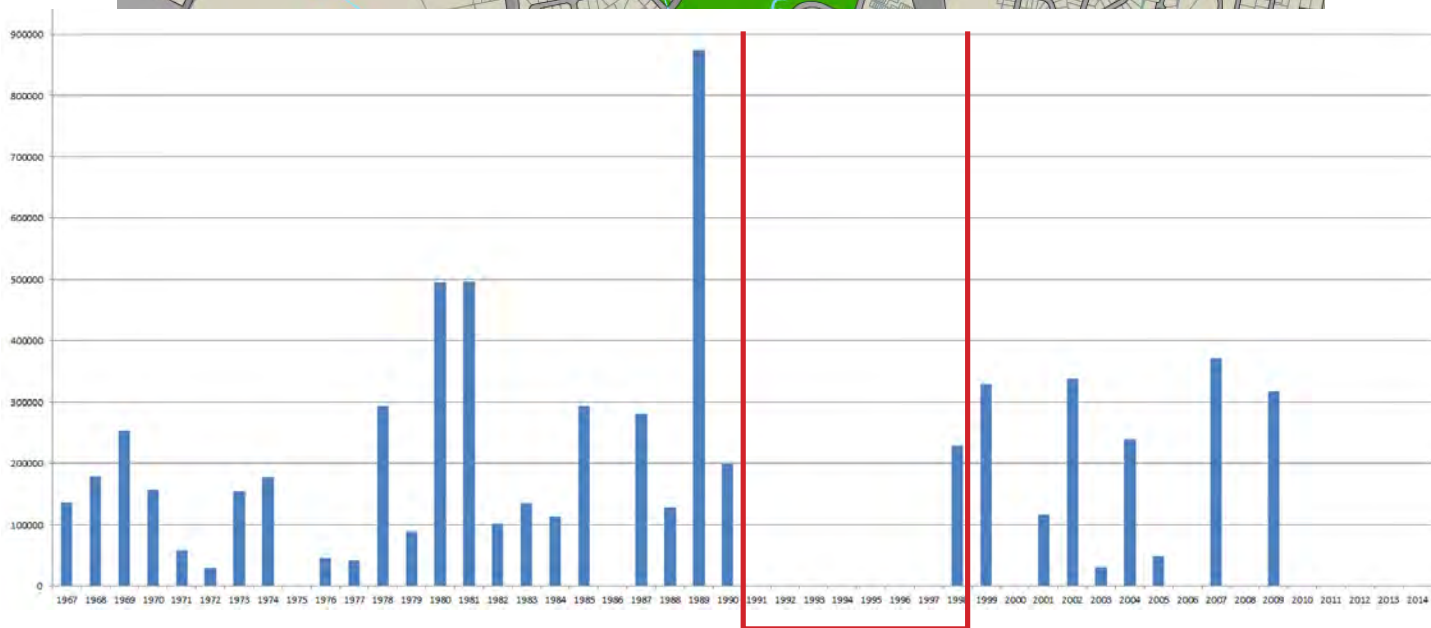
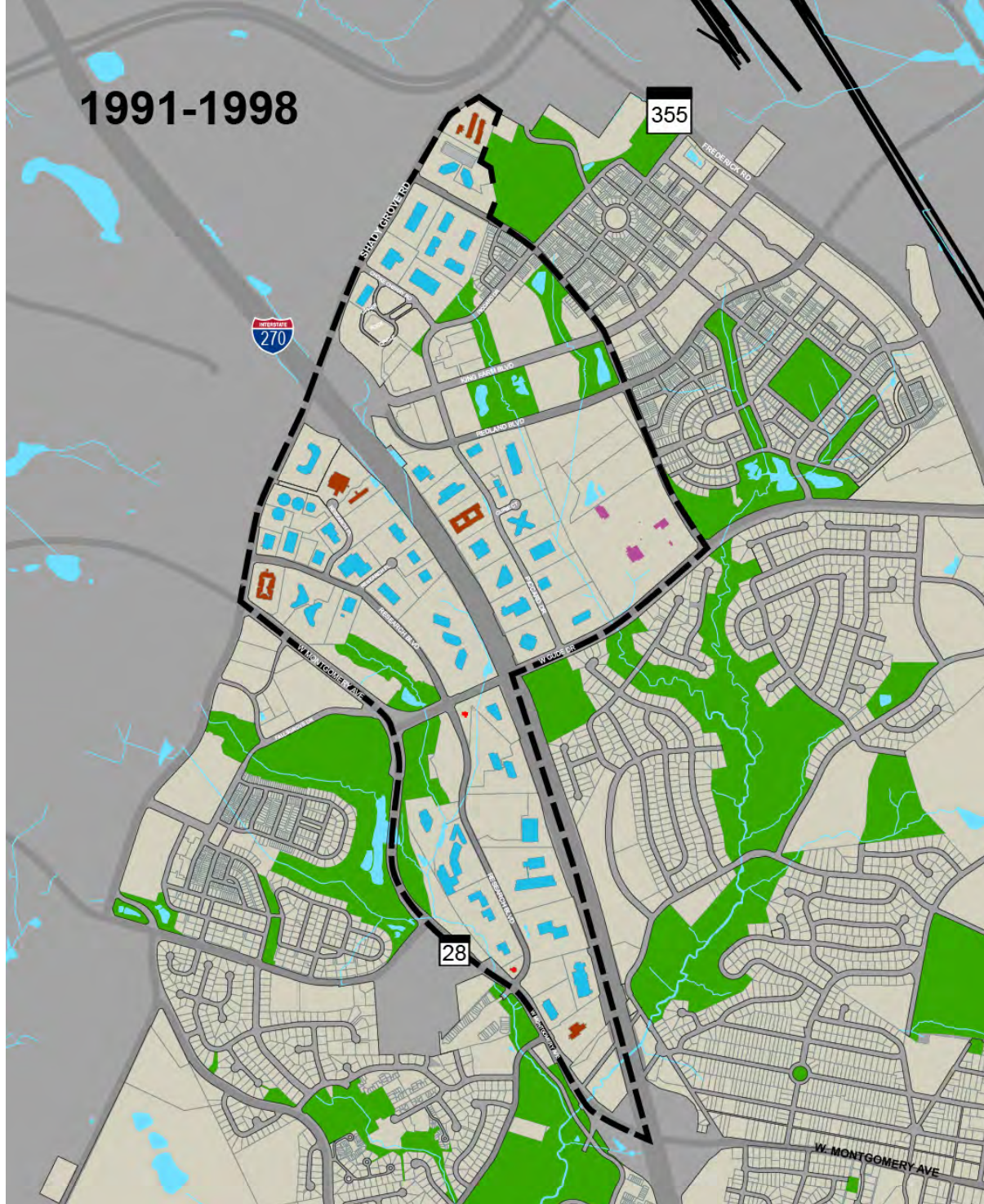
Biggest year
ever in 1989,
875,000 sq. ft.
in 7 buildings



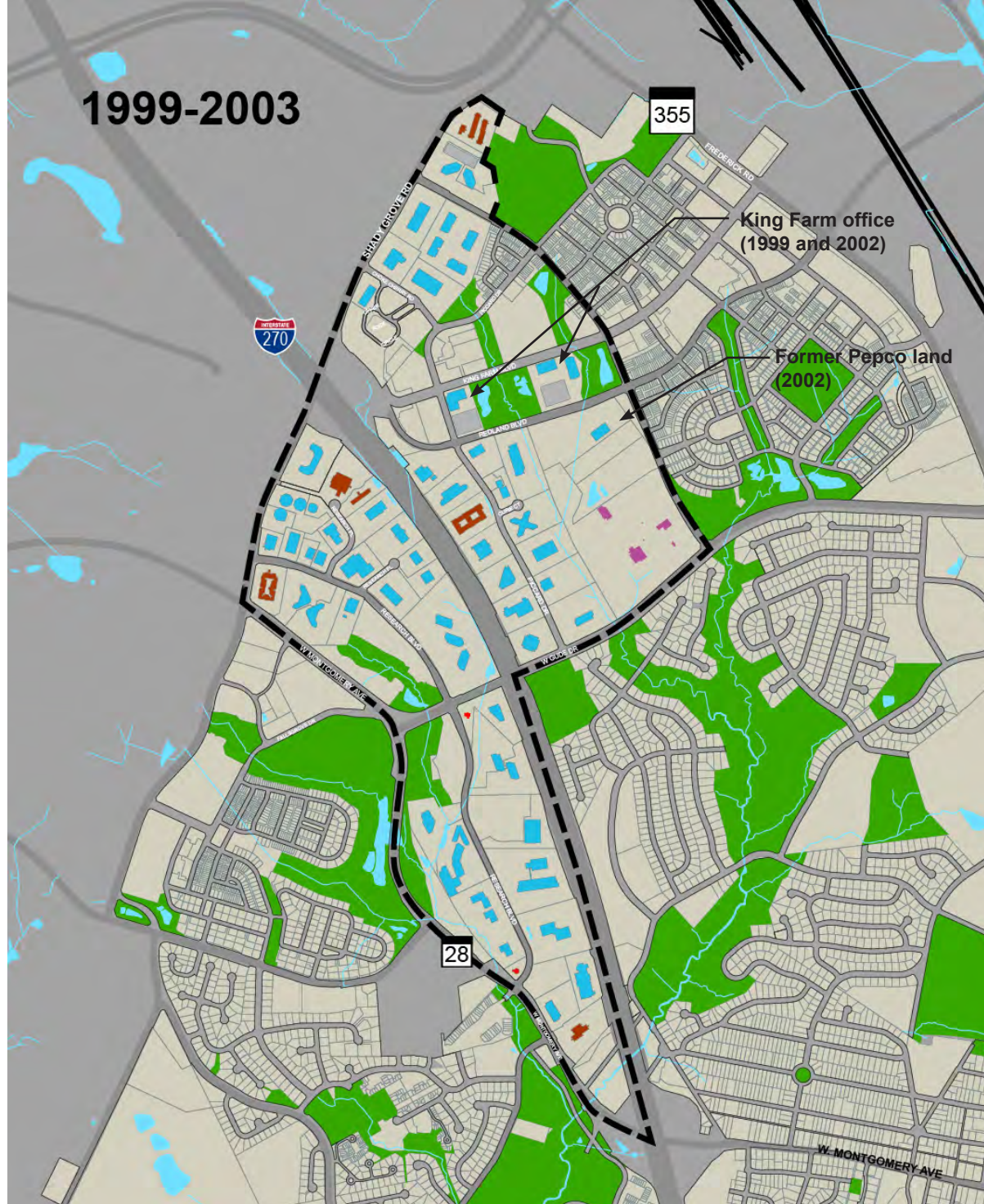
1991-1998

Four subdivisions reach build out

No new construction 1991 to 1997

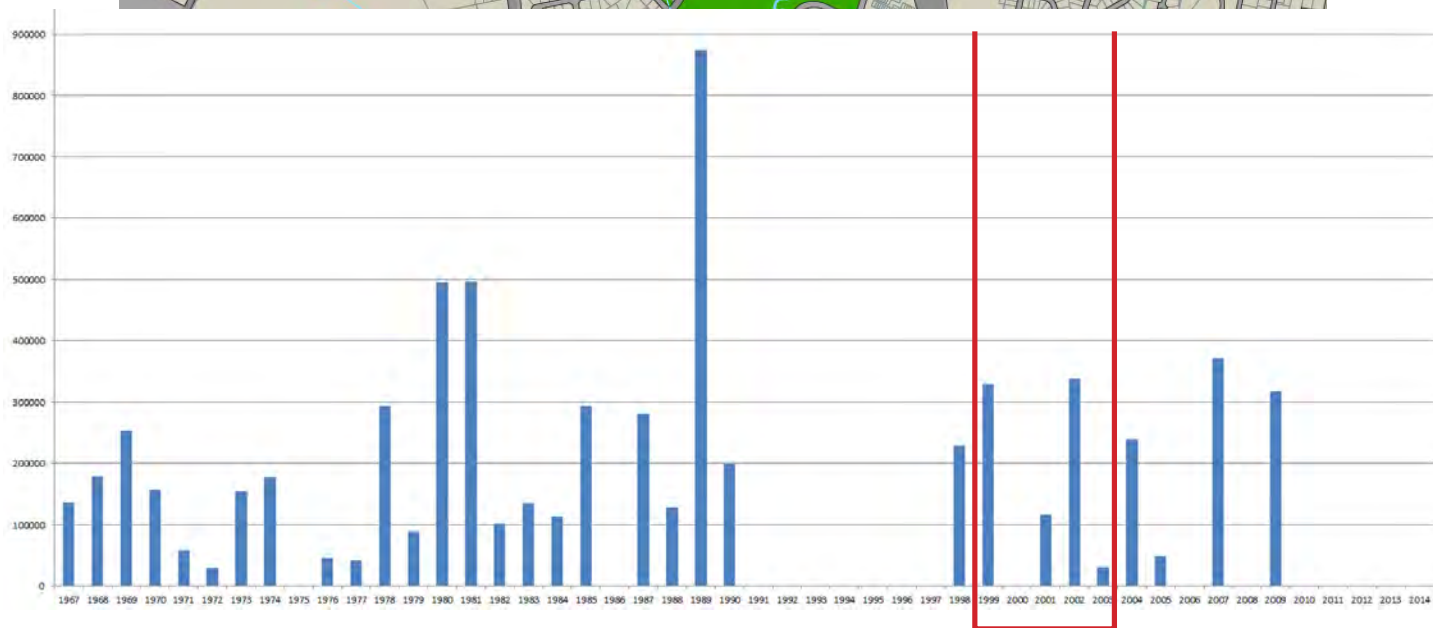


1999-2003

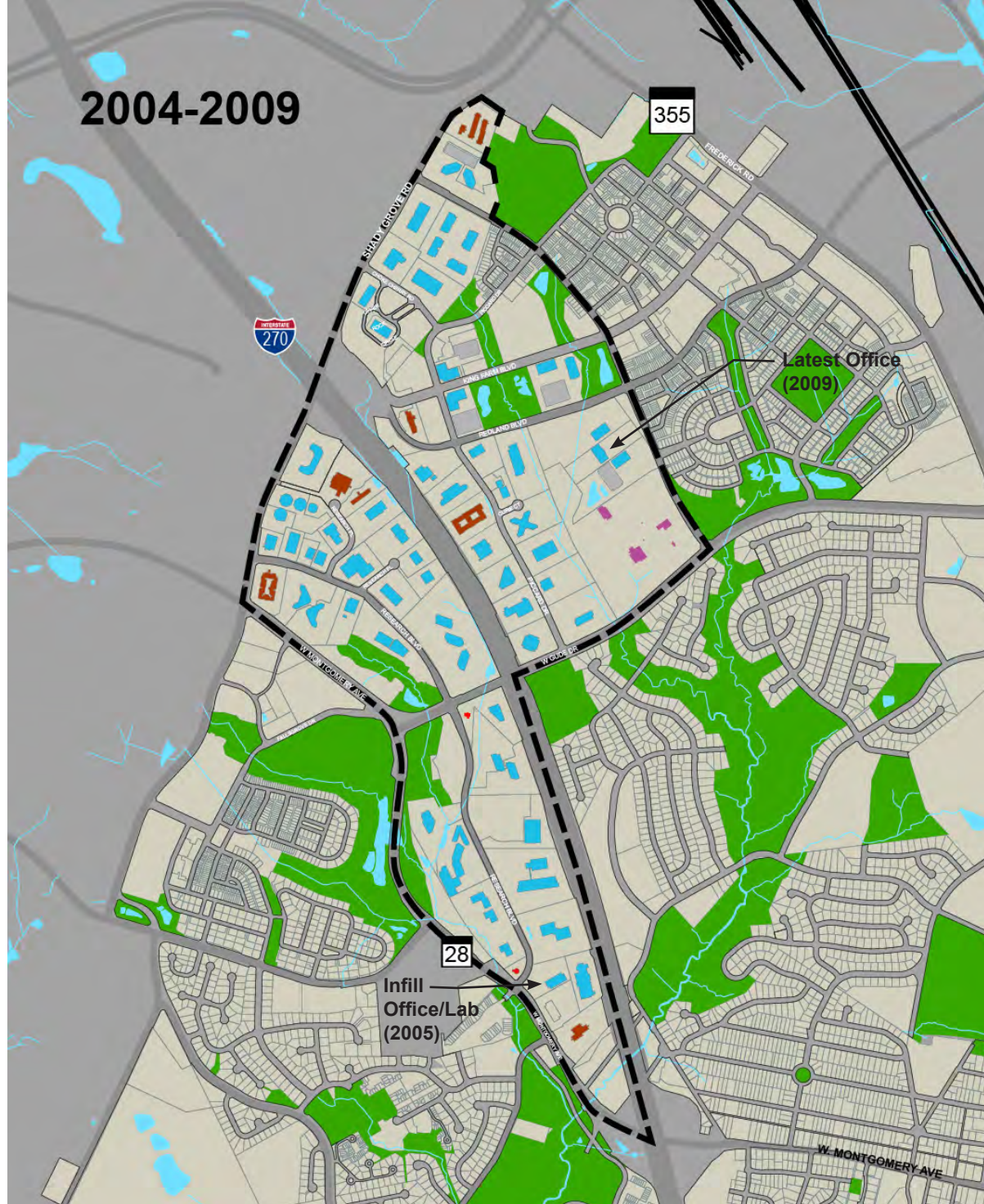


New land is opened in Pepco area and King Farm

Four new office buildings



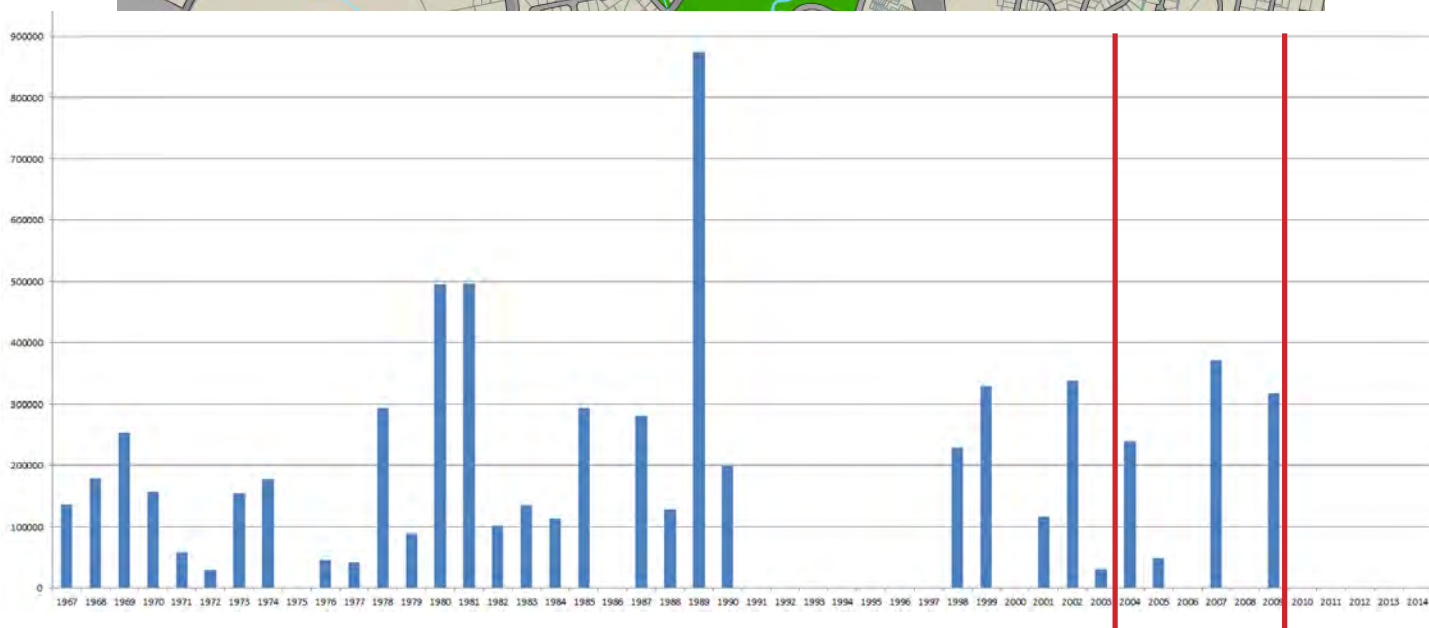
2004-2009



Additional office space in King Farm

Infill office/lab at south end Research Blvd (2005)

Latest office buildings in 2009, former Pepco land



2010-2014

Upper Rock residential (2014)



355

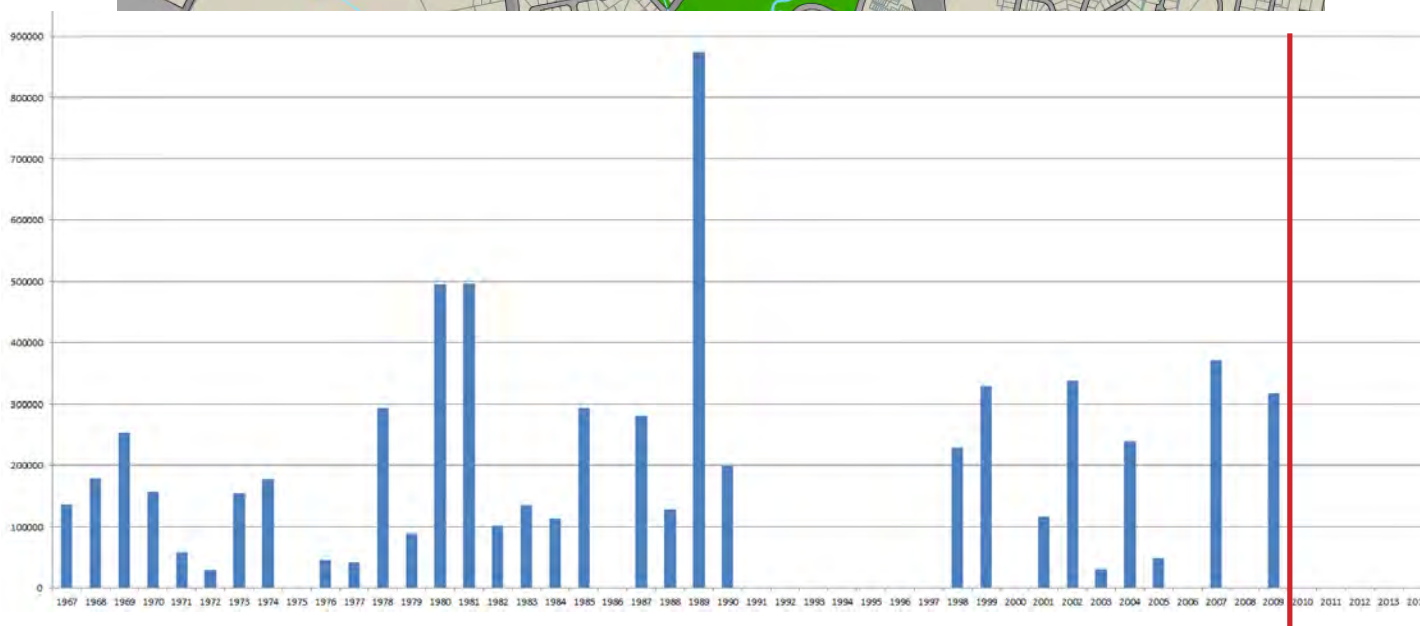
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W. MONTGOMERY AVE

No new office/
lab space since
2009

Zoning change
from I-3 to MXE
opens area to
residential and
retail

Upper Rock
brings loft
apartments to
former DANAC
Technology
Park

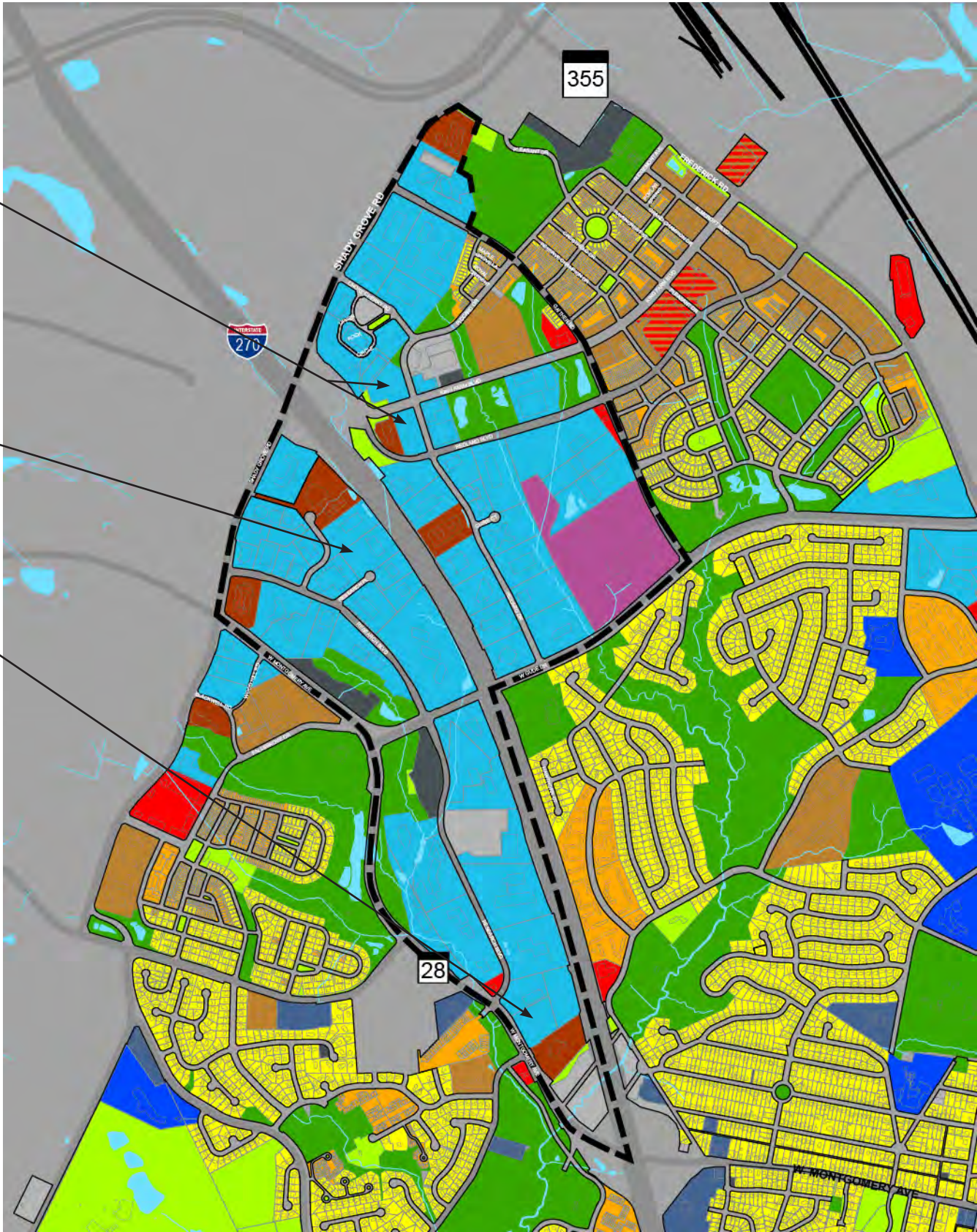


Historic Land Use Pattern with Recent Approved but Canceled Office Development

King Farm, Phase 2:
approved master plan
for two office buildings
(on two undeveloped parcels)

Research Place:
approved office infill (2010)

Research Boulevard:
one office infill (2005),
planned second phase
for office infill



Recent Approved and Proposed Land Use Change

DANAC office to Upper Rock
retail and multifamily residential

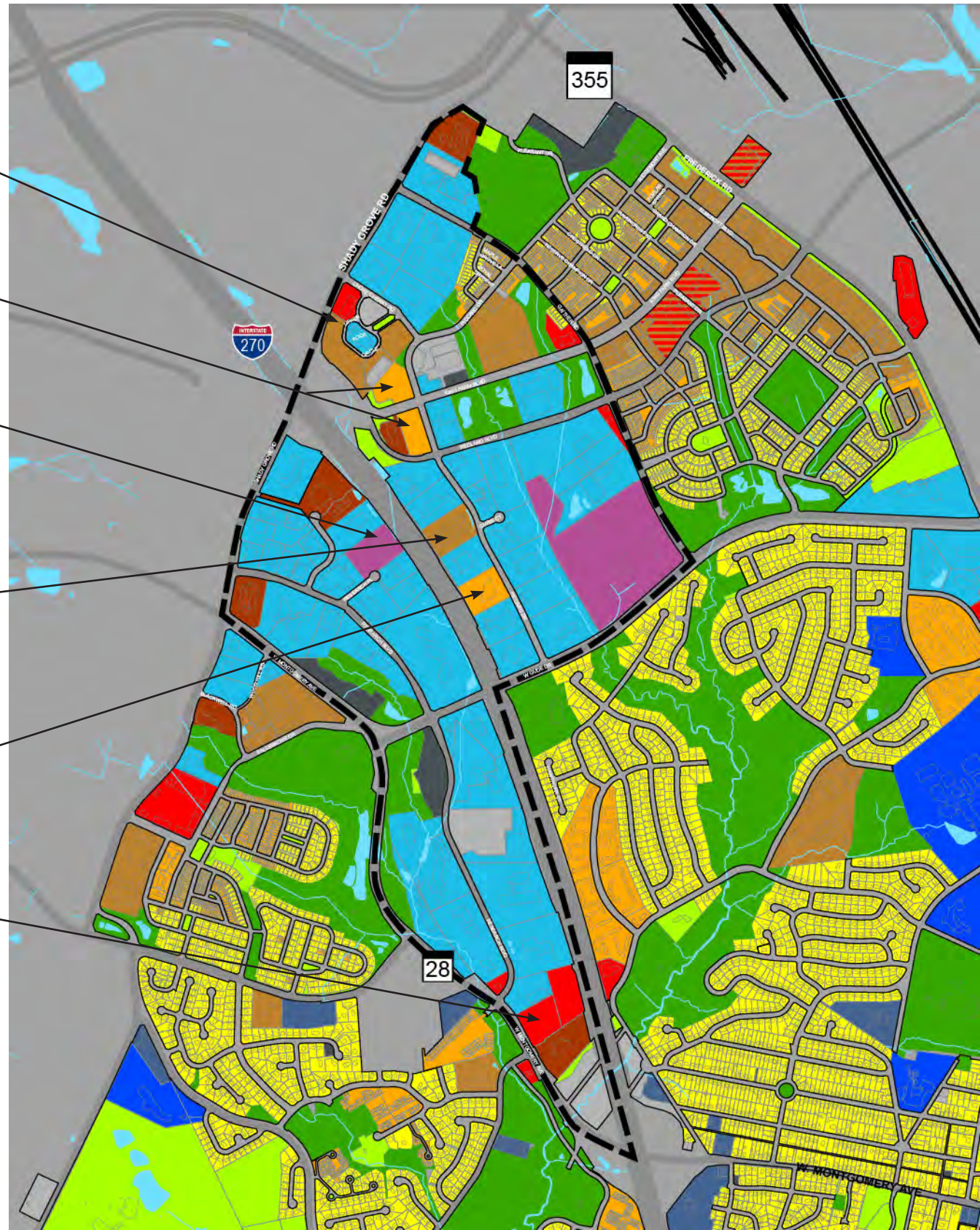
King Farm approved office
to approved townhouses

Research Place
office (1968) to proposed
self storage, i.e., service industrial

Quality Suites (1987): lodging
to proposed multifamily
residential conversion

Piccard Drive (1980, vacant)
office explored for townhouses

Research Boulevard:
office (1966 and 1967,
demolished 2014)
to proposed retail strip center





Upper Rock apartments



King Farm townhouses



**Piccard Drive
Vacant office building
Federal lease expired 2014**



Piccard Drive hotel
Approved for conversion to senior housing
Potential change to all age apartments



**Former office/lab site
Research Boulevard at Hwy. 28
Proposal for retail center**

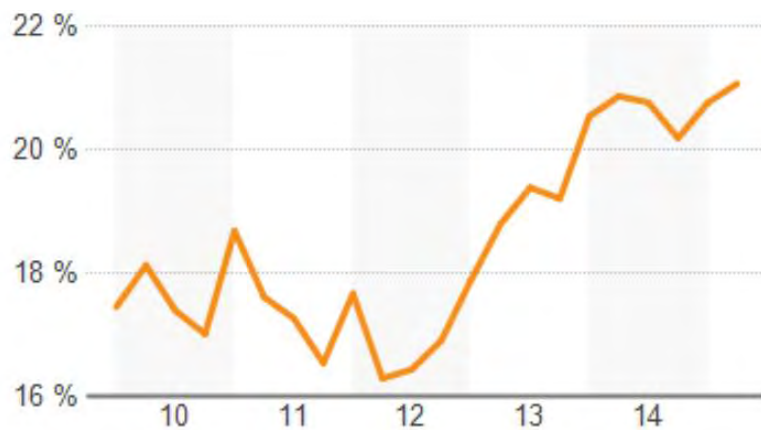
Availability	Survey	5-Year Avg
Gross Rent Per SF	\$25.35	\$26.88
Vacancy Rate	21.1%	18.4%
Vacant SF	1,317,168	1,151,823
Availability Rate	26.9%	22.5%
Available SF	1,684,515	1,409,305
Sublet SF	219,417	167,654
Months on Market	30.1	21.6

Inventory	Survey	5-Year Avg
Existing Buildings	63	63
Existing SF	6,253,652	6,252,827
12 Mo. Const. Starts	0	0
Under Construction	0	0
12 Mo. Deliveries	0	0

Demand	Survey	5-Year Avg
12 Mo. Absorption SF	-32,957	-41,196
12 Mo. Leasing SF	482,204	482,976

Sales	Past Year	5-Year Avg
Sale Price Per SF	\$55	\$144
Asking Price Per SF	-	-
Sales Volume (Mil.)	\$5.8	\$54
Cap Rate	-	8.1%

Vacancy Rate



Gross Asking Rent Per SF



Net Absorption

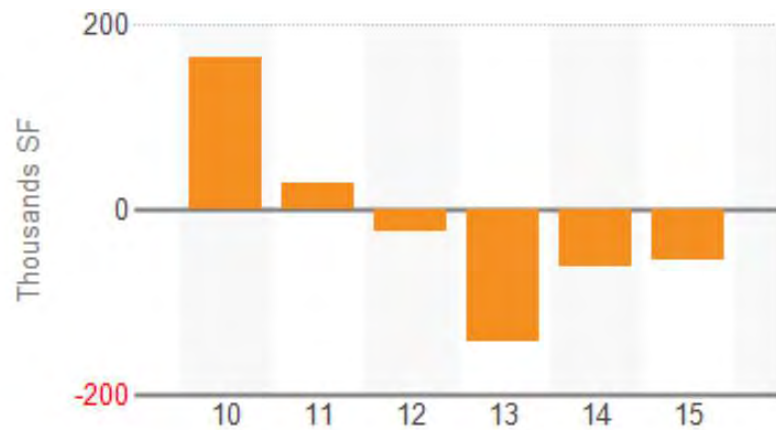
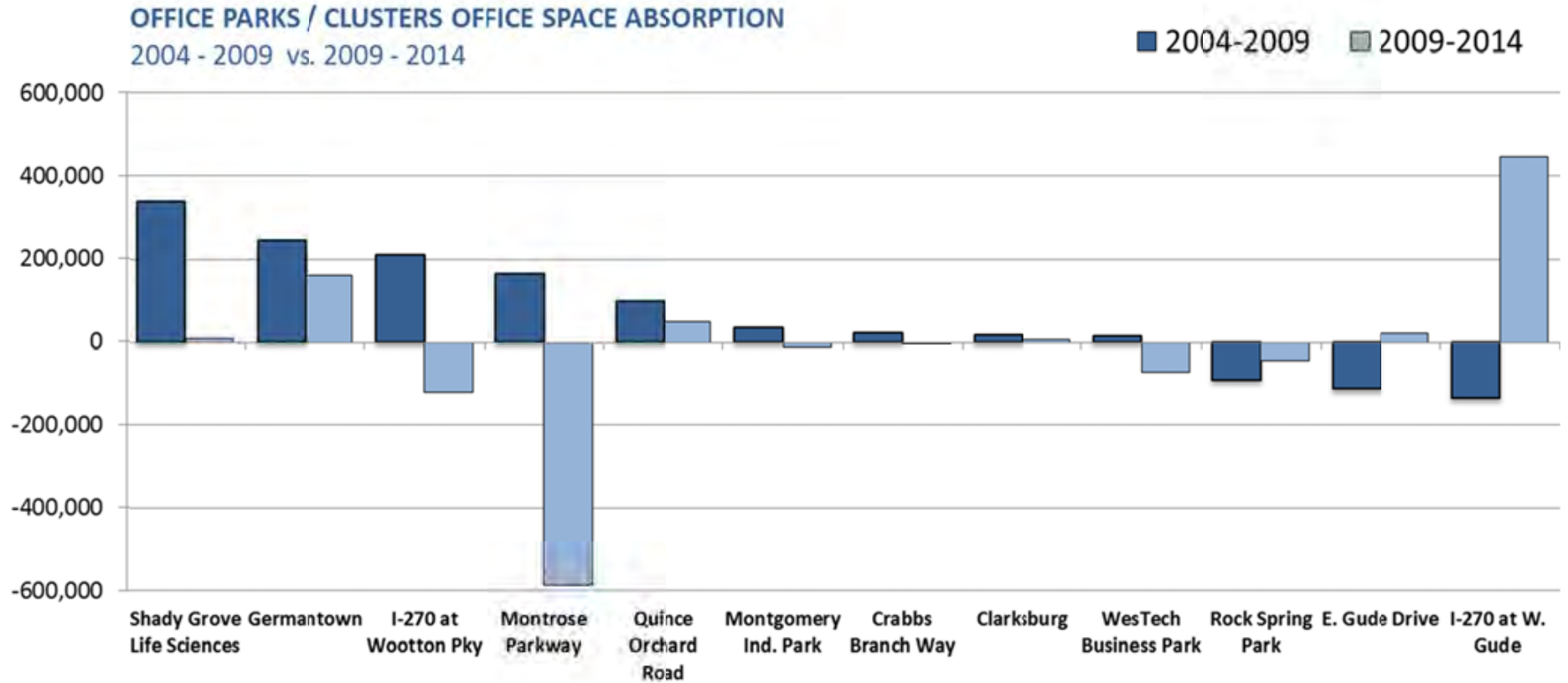


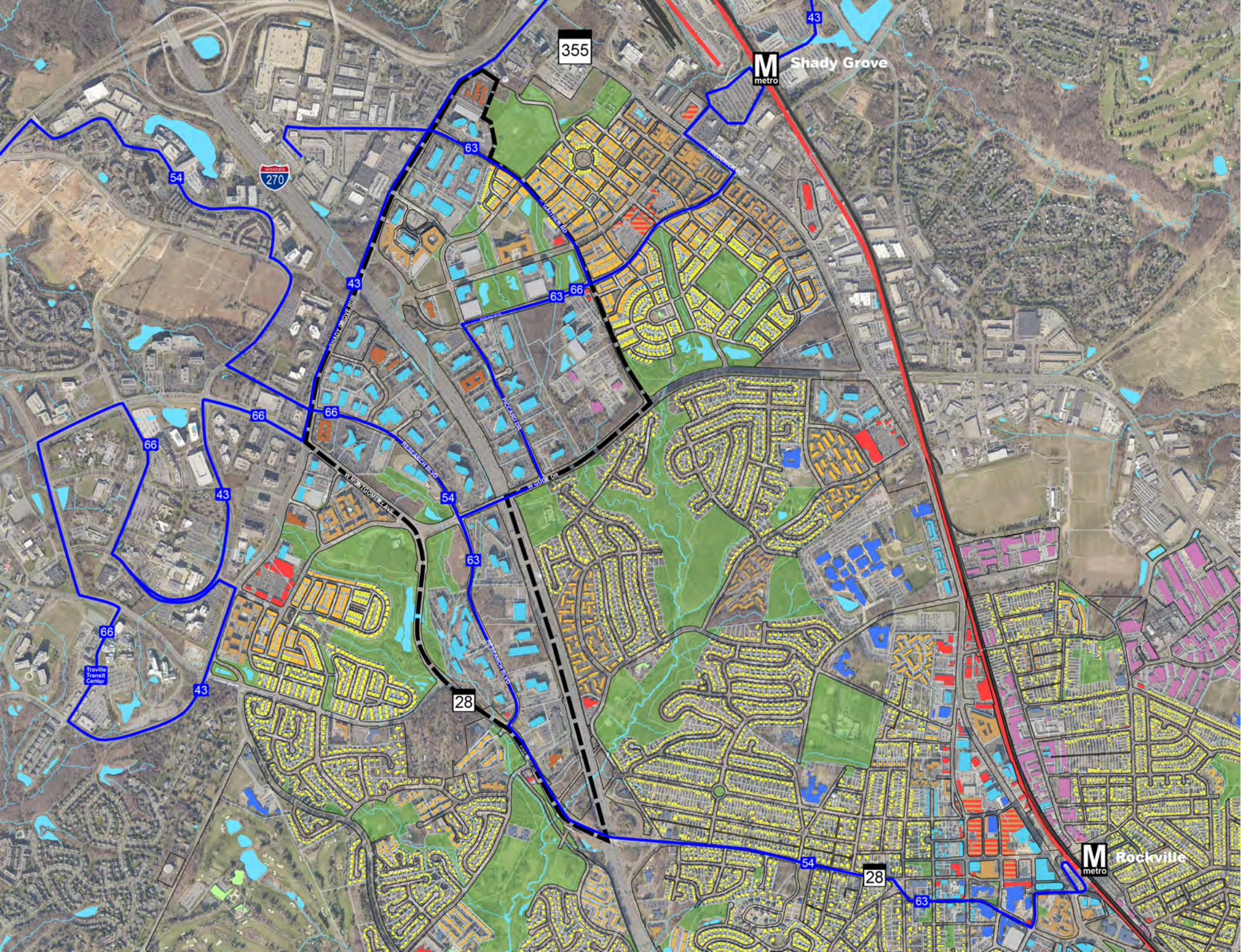
Figure 18.



“There were major occupancy losses in the Montrose Parkway, the I-270 at Wootton Parkway, WestTech . . . and Rock Spring clusters. Despite these losses, two clusters had significant positive absorption:

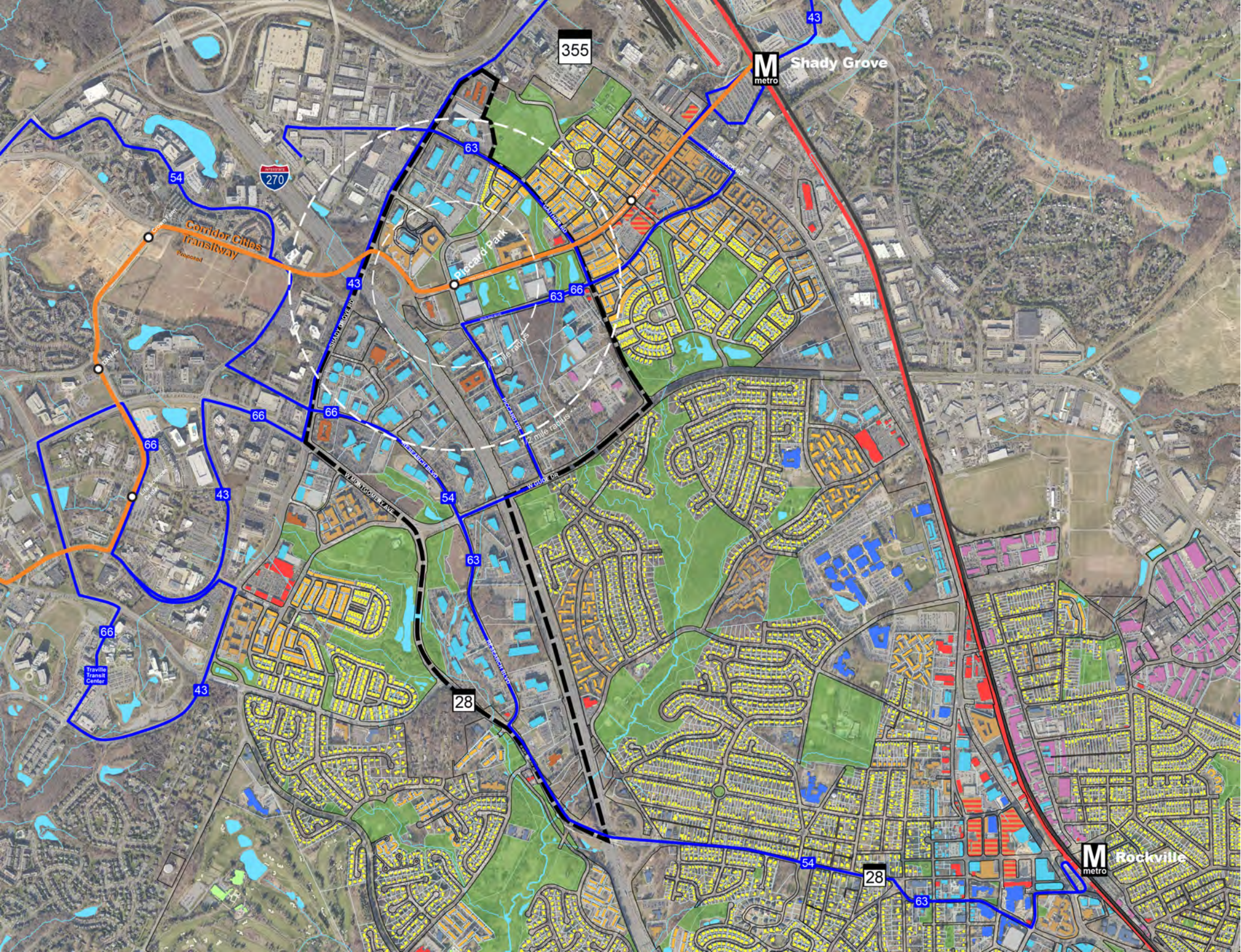
- **I-270 from W. Gude Drive to Shady Grove Road, which absorbed 446,000 square feet; and**
- **Germantown, which absorbed 161,000 square feet.”**

- Montgomery County Office Market Assessment, June 2015



“Single-use office development without convenient transit or highway access are having difficulty in attracting tenants.”

- Montgomery County Office Market Assessment, June 2015



“Create or retrofit office environments that are attractive to today’s tenants by adding amenities, mixed uses and improved transit or highway connections.”

- Montgomery County Office Market Assessment, June 2015



Master Plan issues:

Are recent trends long term or short term?

What should city policy be in regard to its office/research areas?

Mixed use zoning provides flexibility. Is this the best policy or should the City seek to retain or enhance its office parks?

If land use change is deemed desirable or unavoidable, how can the master plan guide the integration of new uses?

If a hodge-podge of uses results, is this a problem?

Should the area be master planned to create new streets and amenities?