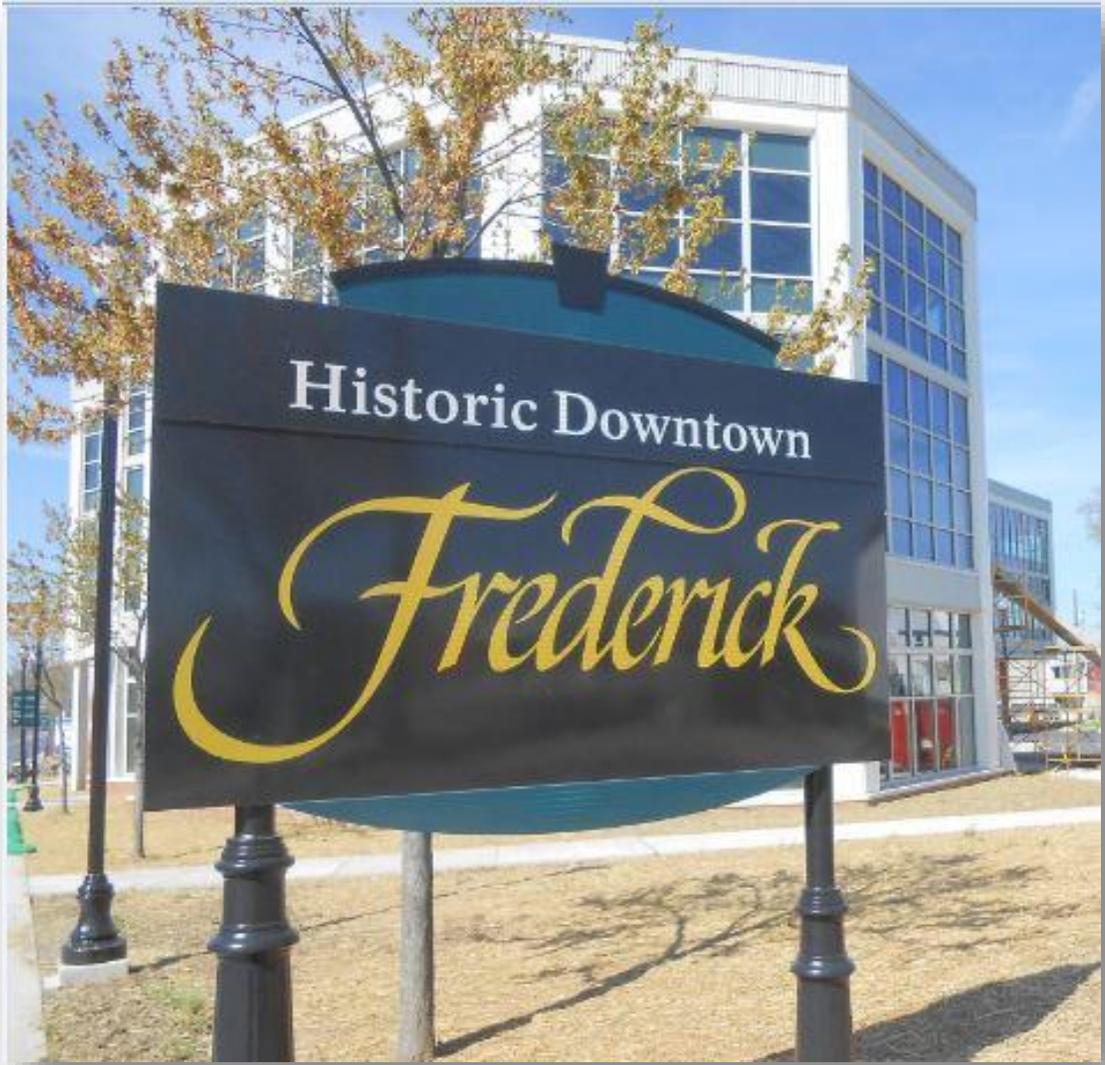




Urban Land
Institute

Washington



Technical Assistance Panel Report

Revitalization and Development in East Frederick, Maryland

Sponsored by:

East Frederick Rising and The City of Frederick

December 11-12, 2013

Revitalization and Development in East Frederick, Maryland

Frederick, Maryland

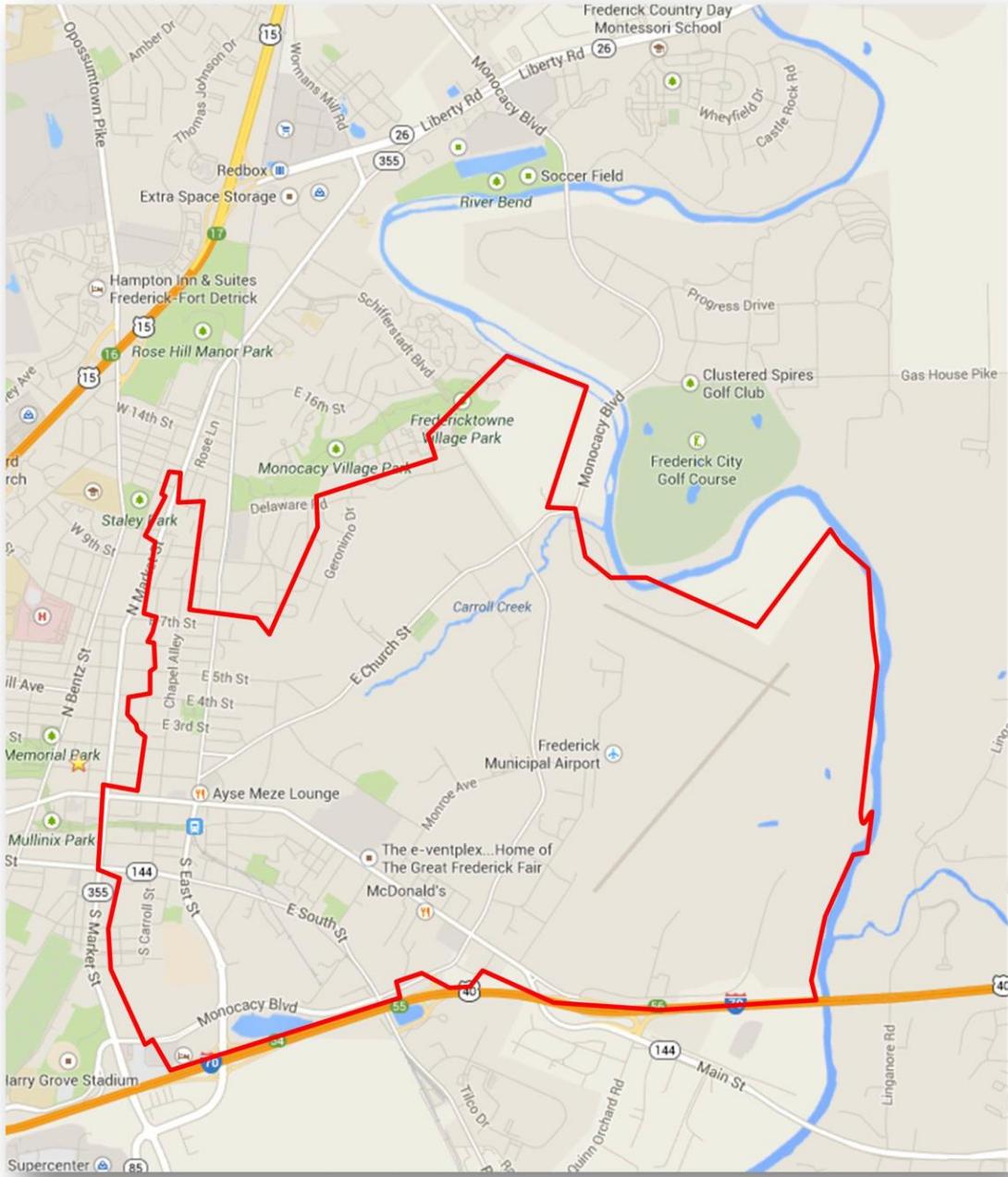
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December 11-12, 2013
A Technical Assistance Panel Report

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East Frederick Study Area



(Map source: Google Maps)

About ULI Washington

A District Council of the Urban Land Institute

ULI Washington is a district council of the Urban Land Institute (ULI), a nonprofit education and research organization supported by its members. Founded in 1936, the Institute today has over 30,000 members worldwide representing the entire spectrum of land use planning and real estate development disciplines working in private enterprise and public service. As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better communities.

ULI's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI Washington carries out the ULI mission locally by sharing best practices, building consensus, and advancing solutions through educational programs and community outreach initiatives.

About the Technical Assistance Panel (TAP) Program

The objective of ULI Washington's Technical Assistance Panel (TAP) program is to provide expert, multidisciplinary advice on land use and real estate issues facing public agencies and nonprofit organizations in the Metropolitan Washington area. Drawing from its extensive membership base, ULI Washington conducts one and one-half day panels offering objective, responsible advice to local decision makers on a wide variety of land use and real estate issues ranging from site-specific projects to public policy questions. The TAP program is intentionally flexible to provide a customized approach to specific land use and real estate issues. Learn more at <http://washington.uli.org/TAPs>.

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Acknowledgements

The completion of this Technical Assistance Panel (TAP) is a result of the dedication and support from a multitude of people. Both personally and professionally, ULI Washington is grateful to the staff of The City of Frederick, particularly planners Matthew Davis and Jeff Love, for their steadfast and reliable support; and to Lance Duval, Lead Video Producer for The City of Frederick, who filmed the final presentation and made it widely available online. Joe Adkins, Planning Director for The City of Frederick, and Ron Young, former Mayor and current Maryland State Senator, provided a wealth of knowledge and expertise of the study area. The efforts of past and present members of East Frederick Rising, Inc, and other community members were also instrumental in prioritizing this TAP, and in providing background information for contribution to the final report. ULI Washington is also especially thankful to Peggy Richman and the staff at the Business Factory of Frederick for providing a collaborative workspace, professional support services, and collegial enthusiasm throughout the entirety of the one and one-half day TAP. Finally, ULI Washington is appreciative of the efforts of former Director of Community Outreach, Alia Anderson, who's stewardship in scoping and arranging logistics allowed the Executive Director and the incoming Director of Community Outreach to seamlessly transition the staffing needs for this TAP.

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Forward: Overview and Panel Assignment

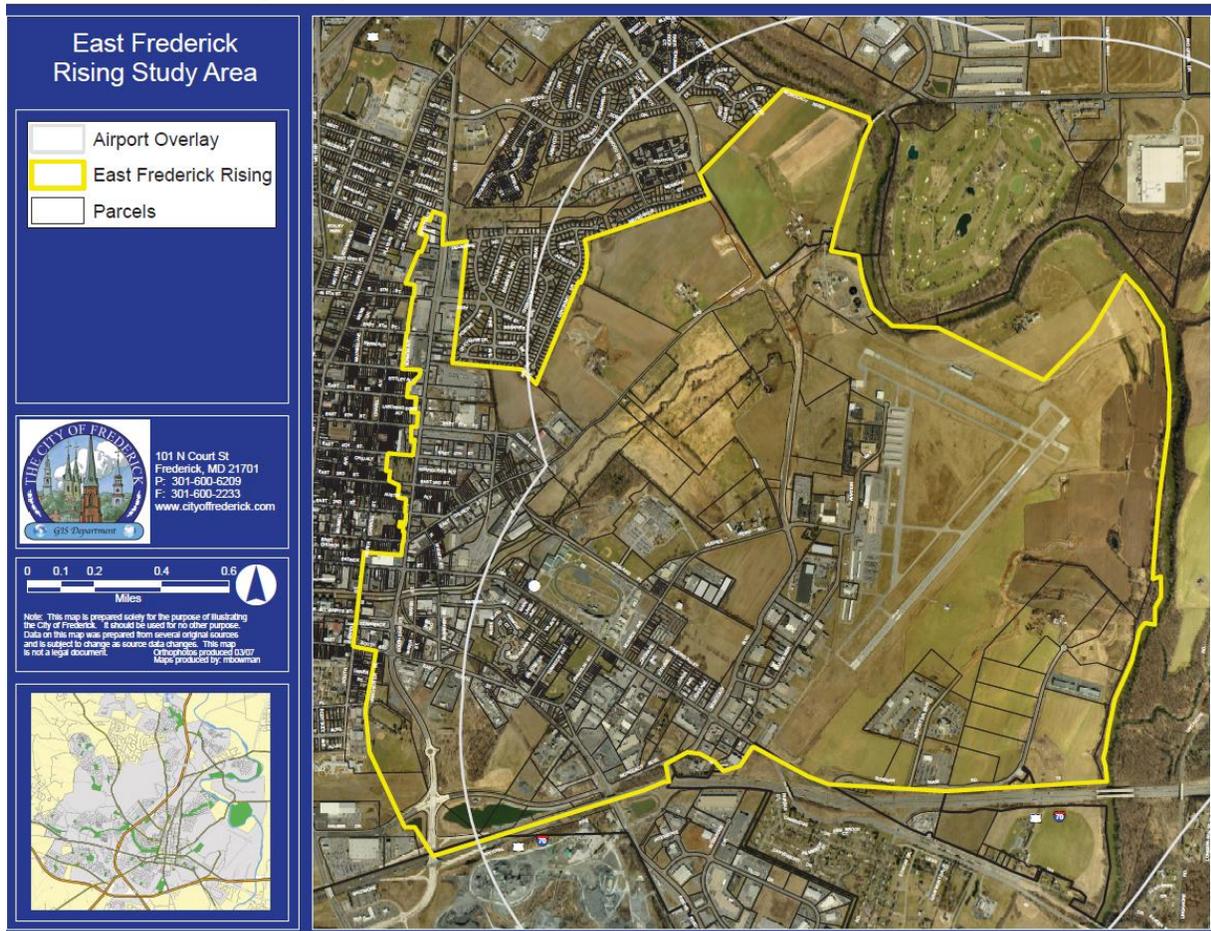
On December 11 and 12, 2013, 11 ULI members convened in the Business Factory of Frederick for a Technical Assistance Panel (TAP) aimed to develop creative strategies for investing in East Frederick, an area measuring 2,235 acres that lies just east of historic downtown Frederick, MD. ULI Washington conducted this TAP in response to a request from East Frederick Rising (EFR), a non-profit citizen group with a vision that the east end of Frederick could become The City of Frederick's new economic engine. It is the hope of EFR that East Frederick develops in an urbanized fashion, eventually becoming an extension of the city's historic downtown. EFR served as the sponsor of this TAP, and along with staff from The City of Frederick, supplied subject matter experts who provided background and contextual information about East Frederick. The TAP commenced with a context-setting presentation, which was delivered by Maryland State Senator Ron Young, who formerly served as Mayor of Frederick, and current EFR President Mike Muren. After this presentation, Frederick Planning Director Joe Adkins led the group on a guided bus tour of East Frederick, which was followed by four concurrent listening sessions that were attended by over 50 stakeholders. The TAP panelists divided among the listening sessions, which focused on such matters as planning and design criteria, transportation and infrastructure, regulatory framework, and creative financing. Ultimately, the aim of the TAP is to provide direction to a forthcoming small area plan for the east side of Frederick, and to establish a priority list for recommended projects.

The Study Area: Setting the Context

East Frederick is a diverse area that measures approximately 2,235 acres, and houses large and small businesses, a municipal airport, a fairground, several light and heavy industrial uses, residential development, and several freestanding buildings and shopping centers. East Frederick is bordered by residential development to the north, Interstate 70 to the south, historic downtown Frederick to the west, and the Monocacy River to the east.

East Frederick possesses a variety of assets that contribute to its unique character. On the western-most edge of the study area lies the East Street corridor, a newly developed gateway to the study area that contains several older industrial buildings that are either in use, or have been adaptively reused to accommodate new business and other amenities. East Frederick is also home to approximately 120 businesses, including several large employers such as Frederick County Public Schools, Dairy Maid and Morningstar Dairies, Uncle Ralph's Cookies, R.W. Warner Companies, FoodPRO, Aircraft Owners and Pilots Association (AOPA), and an aviation insurance company. Frederick Municipal Airport, at the eastern edge of the study area, comprises roughly 615 acres (or 28% of the study area), and sits alongside light and heavy industrial uses. East Frederick also contains a fair amount of residential development, most of which exists in the area's southern end, and between East Patrick and South Streets. The study area also contains several retail shopping center developments.

East Frederick Rising Study Area



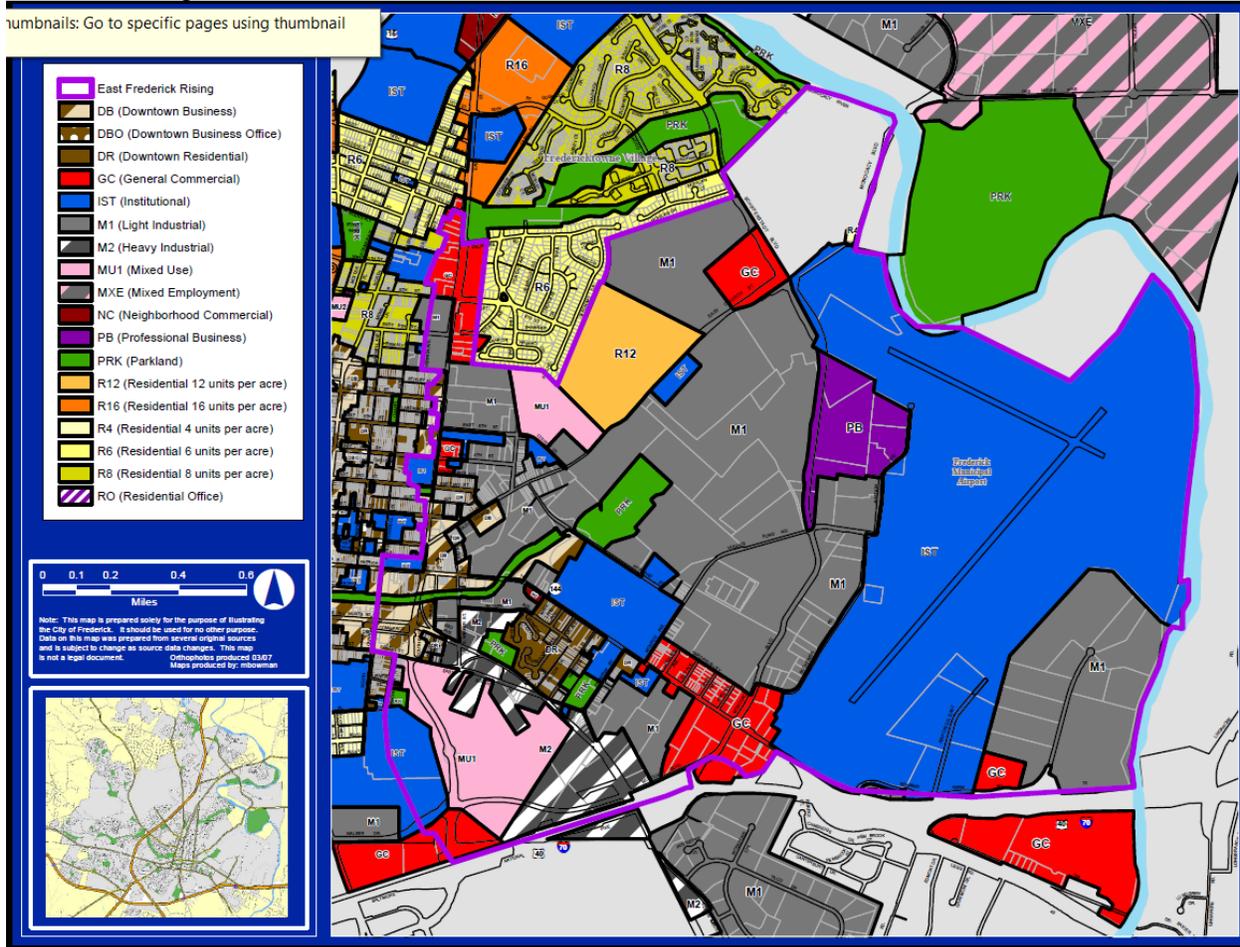
Measuring over 2,000 acres, East Frederick contains a variety of assets and land uses. (Map Source: City of Frederick).

One notable and longstanding feature within the study area is the Frederick Fairgrounds, home to the Frederick County Agricultural Society and The Great Frederick Fair. The Great Frederick Fair draws approximately 250,000 annually each September, and recently celebrated its 151st anniversary. The site has a rich and historical connection to the study area, and also serves as a location for other cultural events throughout the year.

East Frederick's variety of land uses is reflected in its varied zoning districts, which include light and heavy industrial, residential, general commercial, mixed-use, institutional (airport and fairgrounds) and park. The City of Frederick's 2010 Comprehensive Plan identifies most of the lands in the South Street and East Patrick Street Corridors as mixed-use.

Current Zoning in East Frederick

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The current zoning in the study area breaks down into the following categories (Map Source: City of Frederick):

DB (Downtown Business) - 61.19ac	DR (Downtown Residential) - 93.4ac
GC (General Commercial) - 133.56ac	M1/M2 (Light/Heavy Industrial) - 1617ac
MU (Mixed Use) - 105.82ac	NC (Neighborhood Commercial) - 1.14ac
PB (Planned Business) - 54.59ac	R12 (Residential 12 units/acre) - 63.78ac
R4 (Residential 4 units/acre) - .78ac	PRK (Park) - 10.45ac

East Frederick has benefitted from recent and ongoing transportation improvements. The new East Street gateway, formed by an extension of East Street that included the creation of a new Interstate 70 interchange, has opened up opportunities for creative land-use planning in the area. Monocacy Boulevard, a new and improved arterial loop, provides access from the east side of the city to the north; and significant improvements to the South Street I-70 interchange are anticipated to enhance traffic flow into the study area. Additionally, a Maryland Transit Administration MARC commuter train station, situated along East Street, serves as a transportation hub and represents possibilities for increased growth and ridership potential. Currently, this station operates as a spur from the MARC Brunswick line, and features three peak hour round-trips per day to Washington, D.C.. In addition to rail service, TransIT, operated by Frederick County, provides bus service to East Frederick, and uses the MARC station as a bus transfer center. The Frederick Municipal Airport has also seen and will continue to benefit from planned improvements, including a staffed flight control tower and a runway expansion.

Despite the relatively large study area, the population density of East Frederick is fairly small, measuring only 1,176 people. Median income in the area is approximately \$35,000, and median age is 34.2 years. Average household size is 2.4, and 41% of households are owner occupied units, while 59% of households are renter occupied units. 8.8% of housing units are vacant, and unemployment in The City of Frederick averaged 6.3% in the first half of 2013.

A Vision for East Frederick:

A **revitalized** east end of the city that is a vibrant, safe and diverse **place** where residential and commercial opportunities flourish and expand in accordance with **smart growth** principles.

(Source: A Vision for the Revitalization of the East Side of Frederick, published by East Frederick Rising, 2010).

The City of Frederick, like many jurisdictions in the National Capital Area, is influenced by the presence of and proximity to the federal government. The National Cancer Institute, a major research facility and employer, lies north of the study area in Riverside Research Park, a 177-acre biomedical research and development campus. The National Cancer Institute is poised to become a larger presence in Frederick, and could potentially expand into the study area. Fort Detrick, a U.S. military installation, is situated northwest of the study area. East Frederick is also located in a federally approved Base Realignment and Closure (BRAC) reinvestment area.

The City of Frederick enjoys a particularly active citizen base. For instance, the EFR citizen group sponsor of this TAP has been a longstanding advocate for East Frederick, and in 2010 published A Vision for the Revitalization of the East Side of Frederick. This document, which was provided to all Panelists in advance of the TAP, suggests a comprehensive, progressive, and descriptive vision for the future of East Frederick in hopes of directing future growth. The Vision document spans over 40 pages, and was created in advance of the City's initiation of a Small Area Plan with the intent of outlining opportunities and development potential.

Questions to be addressed by the TAP

Given the study area's diversity and the opportunity for future investment and development, EFR identified the following issue areas and questions for the TAP to address:

The Market

- What are the biggest market opportunities in East Frederick?
- How should the recommended uses be phased to insure appropriate absorption throughout the build-out period?

Transportation and Infrastructure

- Can a grid system be developed that extends downtown, keeping in mind existing landowners and infrastructure?
- What strategies can be applied to promote walking, bicycle use, mass transit and a potential light rail line?

- What techniques and policies can be used to promote stormwater management facilities as community amenities?

Regulatory Framework

- What are the regulatory changes that might be part of a viable implementation strategy? Specifically, are there optimal zoning measures needed to protect the community and provide clarity and certainty for the developers?
- What type of zoning district organization (i.e. Airport, Mixed-Use, Light Industrial, etc.) is recommended?
- What sort of zoning parameters will be needed to provide a range of housing options, including affordable housing, which will be financially viable for developers?

Implementation and Financing

- What are some creative methods for handling infrastructure financing and implementation (i.e. cost sharing for regional stormwater facilities so as not to burden an individual property owner, public/private partnerships, and/or special taxing districts)?
- Are there any big moves (i.e. site assemblage, land use relocation, or other) that could be a game changer and unlock the potential of the area?
- Are there stormwater management options that could be implemented such as green roof programs, pervious surface options or other incentives to handle stormwater management in the area?

Market Realities

Panelists immediately noted the value of considering East Frederick, with its varied land-uses, zoning diversity, and overall acreage, as an immense area. In order to ascertain market potential, and to be realistic in projecting development goals and timelines, Panelists first compared the size of the study area with the size of historic downtown Frederick, which has redeveloped into a quaint, mixed-use destination for arts and entertainment. Establishing this comparison was important to Panelists, since EFR articulated its vision for the study area to develop in a similar pattern to historic downtown.

A Comparison of Frederick's Historic District and East Frederick



Frederick's Historic District shaded above in red, measures only 1/3 of the Study Area, which is outlined above in yellow. (Map Source: ULI Washington).

The spatial comparison between Frederick's historic district and East Frederick emphasizes relative size, and illustrates that the historic downtown measures only about 1/3 the size of East Frederick.

Further analysis indicates that approximately 100 acres of the study area could be developed to resemble historic downtown by 2020, given current and forecast market realities. Panelists therefore encouraged the City and EFR to be realistic about setting development goals and timeframes, and to understand that achieving an overall vision for East Frederick’s redevelopment will not happen immediately, but instead would occur over several decades. Fulfilling the East Frederick’s development goals must therefore be approached incrementally and methodically.

Household and Office Growth Projections

Projected household and office growth for East Frederick is relatively low, which creates a challenge for the study area. Panelists analyzed market trends to ascertain the growth projections for East Frederick by 2020. According to this analysis, which combined 2012 data from ESRI, 2015-2040 projections from Woods and Poole Economics, Inc., and an average share of building permits in East Frederick between 2000-2012, Panelists determined that East Frederick could expect to add slightly more than 800 new households by 2020. Approximately 70% (or 576) of these new households will be single-family households, and 30% (or 253) will be multi-family. All in all, household growth in East Frederick will be relatively small.

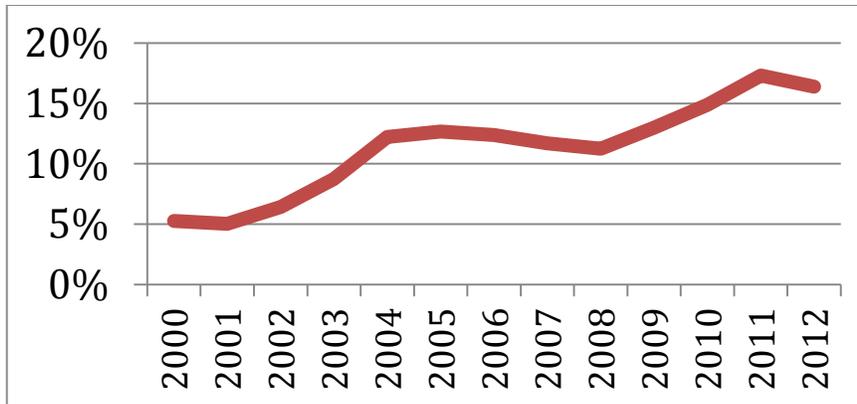
Residential Market Projections for Frederick County, Frederick City, and East Frederick

	2012	2015	2020	2030	2040
Projected County Households	85,901	101,349	117,184	145,351	171,568
Cumulative Projected Net New County Households		15,448	31,283	59,450	85,667
Single Family	85%	13,121	26,571	50,495	72,762
City	22%	2,845	5,761	10,948	15,776
East Frederick Capture	10%	284	576	1,095	1,578
Multifamily	15%	2,327	4,712	8,956	12,905
City	54%	1,251	2,533	4,814	6,937
East Frederick Capture	10%	125	253	481	694
Total Units	10%	410	829	1,576	2,271

Residential market projections indicate that the East Frederick Study Area will see 829 new households by 2020. (Graph Source: ULI Washington).

Frederick also faces high office vacancy rates, according to analysis based on Costar Property analytics for all classes of office in The City of Frederick at the end of 2013. Panelists suggested that the current volume of available office space likely results from development that was speculatively built during the real estate boom in the mid-2000’s, and acknowledged that filling this vacancy gap creates an initial challenge for developing East Frederick.

City of Frederick Office Vacancy Rates



Current office vacancy rates, which peaked in 2011, create an availability of space in East Frederick. (Graph Source: ULI Washington).

Furthermore, demand for future office space is low. Panelists analyzed employment projections, using data from Woods and Poole Economics, Inc., and found that by 2020, the demand for office space is projected to be 119,100 square feet. This relatively small demand could be captured either by one large user, or within one building by several small users. According to the Panel, these combined projections represent a realistic expectation for growth in East Frederick over the next several years, and underscore the importance of taking an incremental approach to achieving the vision set forth by EFR.

Frederick County Office Employment Projections

	2012	2015	2020	2030	2040
Frederick County Employment	41,550	44,937	51,078	65,383	82,706
Net New Office Employment		3,387	9,528	23,833	41,156
Average Square foot per Employee		250	250	250	250
County Employment Growth-Based Office Demand		846,750	2,382,000	5,958,250	10,289,000
East Frederick 5%		42,338	119,100	297,913	514,450

East Frederick can expect a demand for office space totaling just over 119,000 square feet by 2020. (Graph Source: ULI Washington).

Strengths and Challenges

Prior to outlining their vision for redeveloping East Frederick, Panelists encouraged stakeholders to refine and articulate East Frederick’s competitive advantages and unique challenges in order to streamline development goals. Panelists immediately recognized the excellent and high quality of life that Frederick has to offer; the historic and built environment, combined with the natural environment and proximity to agriculture, is extremely appealing to current and potential residents. Panelists also recognized how the millennial generation, cited roughly as people between the ages of 25 and 35, have influenced and shaped the art scene and overall culture of Frederick, particularly in the historic downtown. Millennials are a solid driving force behind economic development, according to the Panel, and many jurisdictions find themselves strategizing how to attract millennials in the first place. Panelists encouraged The City of Frederick to capitalize on this competitive advantage, which undoubtedly contributes to Frederick’s hip and artsy vibe.

Furthermore, Frederick residents also have remarkable local and civic pride, which Panelists pointed out invariably leads to a shared sense of personal investment in Frederick's longevity, livability, and livelihood. 60% of Frederick's workforce also lives in Frederick, resulting in a relatively limited amount of commuter migration. For those residents who need to commute outside Frederick, Panelists acknowledged that the MARC station represents an opportunity to enhance transportation options. Finally, the Panel recognized that the existing flexible zoning ordinance in Frederick can limit traditional barriers to construction, which thereby avails opportunities for investment.

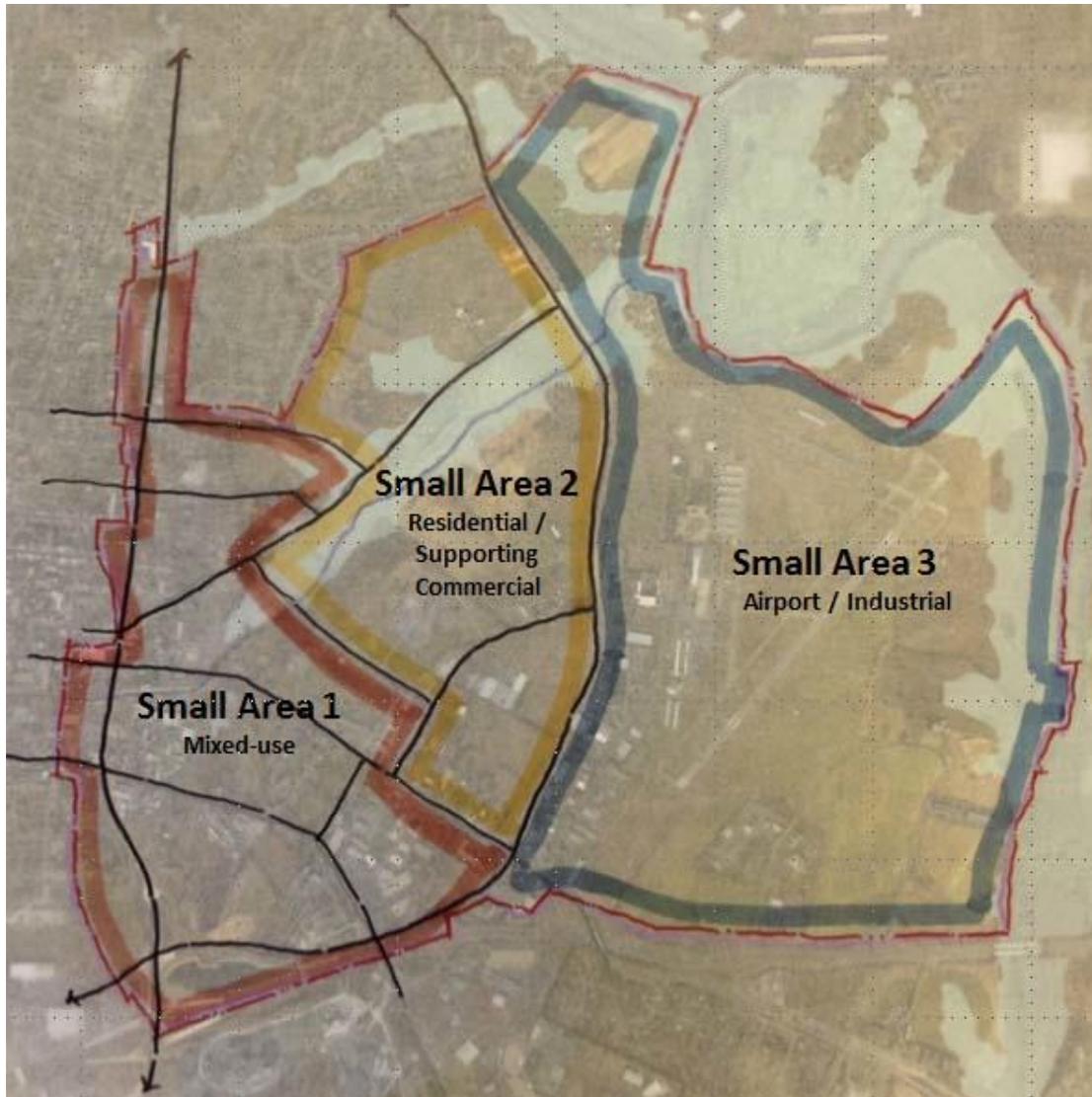
The strengths of the study area are matched by key challenges, the most prevalent of which is the rate of absorption. Vacancy rates are already high, and filling this void will be difficult, particularly because competition for investment exists both with other jurisdictions and within Frederick County. According to Panelists, office markets in Montgomery County, Frederick's southern neighbor, are more likely to attract tenants due to its closer proximity to the District of Columbia and to key employers in the public and private sector. Aging retail elsewhere in Frederick County also presents competition for the City to attract development within its boundaries. According to Panelists, retail developers looking for opportunities in the outer suburbs of Washington, DC will have to make a choice either to redevelop existing and aging retail in Frederick County, or to invest in a new market – complete with unknowable risks – within the City limits.

Another key challenge is that new retail and other commercial business are often unable to understand the potential market demand for their goods or services in Frederick, and are therefore unwilling to invest. The Panel cited that rents for commercial spaces and their corresponding sales might illustrate that The City of Frederick is "a little too quaint" for a developer to feel comfortable investing. There is also a general perception that doing business in Frederick is hard, in part because of bureaucracy, taxes, high impact fees, and changing and arbitrary land-use ordinances. Finally, Panelists warned that a squandered effort to invest unsystematically throughout the large study area could result in a dispersion of users, and strongly suggested that investment be focused and methodical in order to be successful.

Planning and Design

The study area's large size, coupled with EFR's ambitious goals and the Panel's market analysis, caused Panelists to recommend scaling planning endeavors through identifying and developing a Small Area Focused Plan for East Frederick. The proposed plan establishes an overall conceptual grid that includes a framework for all land uses, while also recognizing that three small areas – each measuring approximately 600 acres – uniquely possess their own set of characteristics.

East Frederick Small Area Focused Plan



The East Frederick Small Area Focused Plan establishes an overall conceptual grid that includes a framework for all land uses, while also recognizing that three small areas within the larger study area each have a unique set of characteristics. (Map Source: ULI Washington).

The Small Area Focused Plan for East Frederick is intended to be progressive, and will take decades to complete. Panelists counseled that development should occur incrementally and methodically, all the

while remaining consistent with the grand vision for East Frederick. Each Small Area should be approached differently – and at different points in time – due to their unique attributes. At the same time, Panelists encouraged stakeholders to think boldly and creatively about East Frederick’s potential.

Existing Streets in East Frederick

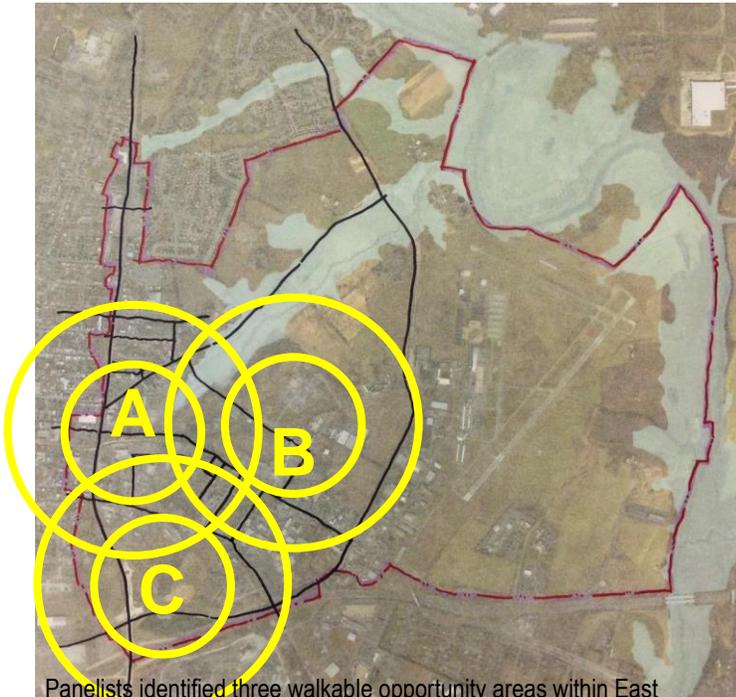


All development within the Small Area Plan for East Frederick must respect the overall conceptual grid, which is based on the study area’s existing infrastructure. (Map Source: ULI Washington).

With the existing grid in mind, and in response to the desire to make East Frederick friendly for pedestrians, the Panel started out by measuring walkability within the study area, and identified three opportunity areas to begin focusing investment.

Walking Radii in East Frederick

Walkability, defined as what is reachable within a five-minute walk, or ¼-mile radius, should determine



Panelists identified three walkable opportunity areas within East Frederick. The smaller circles indicate a five-minute walking radius, while the larger circles signify a ten-minute walking radius. (Map Source: ULI Washington).

the starting point for expansion in Frederick because it encourages pedestrian activity in existing opportunity areas. In phasing development over time, the Panel recommends first prioritizing Area A, which is closest to Historic Downtown Frederick. Areas B and C, which lie on either side of Patrick Street, should be phased in later, and could serve interim uses while Area A is under development, similar to the development strategy for Potomac Yards in Alexandria, VA. Panelists noted that Patrick Street would serve as a uniting seam between the neighborhoods that develop are nodes B and C, fostering the interrelationship of the small areas within the East Frederick Small Area Focused Plan.

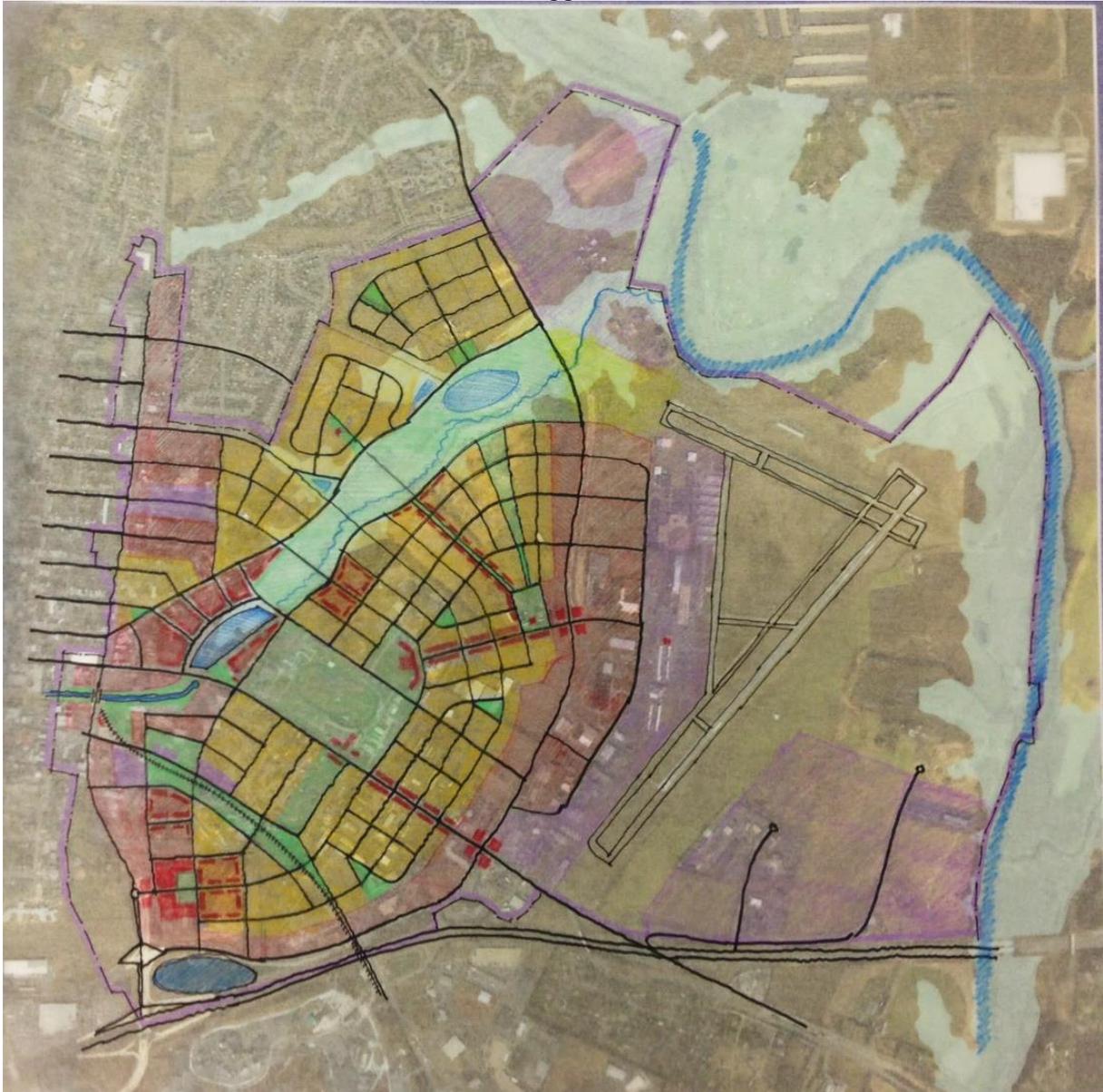
The success of the East Frederick Small Area Focused Plan hinges on the connectivity of the larger grid. Although each Small Area has unique characteristics, the overall grid serves as the unifying feature for East Frederick. The recommended street grid of the East Frederick Small Area Focused Plan marries the existing infrastructure of the study area with the identified development focal points, and serves as the backbone for the Panel's recommendations.

Case Study: Potomac Yards, Alexandria, VA

The **Potomac Yard** site is a 295-acre tract of land and former rail yard located in northeastern Alexandria, VA. In 1987, the city of Alexandria began **exploring redevelopment options** for this site. While there was immediate market demand for a surface parked retail power center, the City, along with CSX railroad, envisioned a much **denser and more viable mixed-use project** in the 15-20 year timeframe. Accordingly, the developer agreed to execute leases with the retail tenants for a base term of **10 years**, with the option to extend at the landlord's discretion. This phased leasing strategy would allow for **future redevelopment at higher densities** when the market warranted.

For more information, visit: www.alexandriava.gov/PotomacYard

East Frederick Small Area Focused Plan with Suggested Overall Street Grid



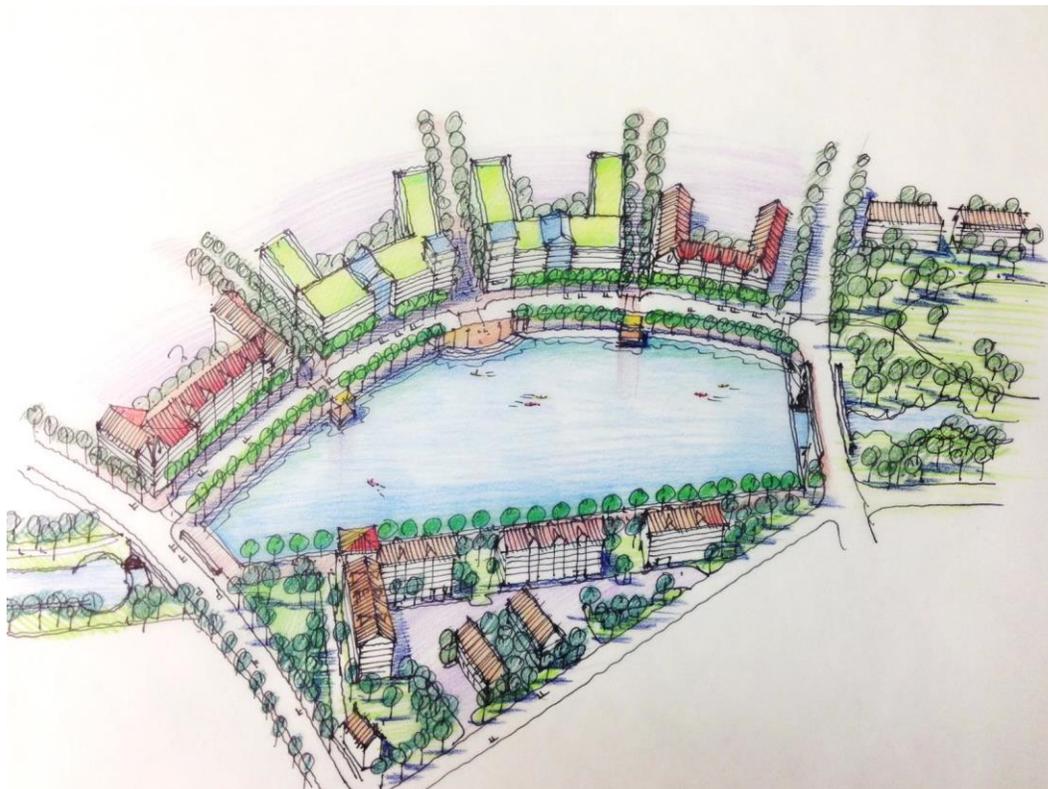
The suggested street grid for East Frederick ties together existing infrastructure with future investment potential. Yellow shading indicates recommended residential development; brown shading indicates recommendations for more moderate density, and red shading indicates recommendations for retail development. (Map Source: ULI Washington).

This bold plan envisions co-locating Carroll Creek and a linear park as its signature component. According to the Panel, Carroll Creek is a beautiful piece of existing infrastructure that could serve as a unifier – A Place To Be – in East Frederick. Building out Carroll Creek with a linear park creates a public amenity that increases real estate value, said Panelists, which will in turn drive up absorption. At the same time, this recreational amenity could also serve as part of a storm water management strategy for East Frederick.

Since Carroll Creek is a central fixture of the plan, most of the suggested street grid is oriented towards the Creek. Aspirational bridge crossings at 5th and 8th Streets reinforce Carroll Creek as a unifier within East Frederick.¹ Panelists also recognized Monocacy Boulevard, in particular, as a significant piece of urban infrastructure that serves as a strong edge of the community. Monocacy Boulevard gives the study area form, and highlights East Frederick's flood plain along Carroll Creek.

This development plan envisions Carroll Creek terminating in a body of water at the center of the study area. Lake Carroll, which would measure approximately 1100 feet by 400 feet, would serve as a major lifestyle amenity and as a signature focal point for East Frederick. According to the Panel, investment in local amenities is a surefire way to drive private investment. Because adjacency to water enhances real estate values, investing in Lake Carroll could catalyze private real estate development in East Frederick.

Aerial View of Lake Carroll



Water drives real estate value, and investing in public amenities such as Lake Carroll would attract private investment, according to the Panel. (Image Source: ULI Washington).

While the bold anchors of this plan underscore East Frederick's potential, achieving this overall grand vision requires careful planning. The proposed East Frederick Small Area Focused Plan divides the study area into smaller components that should be developed in a manner that respects this grid, while simultaneously building on each area's unique characteristics. Further information about the Panel's recommendations for the three Small Areas is detailed below.

¹ Panelists recognized that the cost of building bridges could be prohibitive, and encouraged stakeholders to first consider prioritizing pedestrian crossings, and perhaps eventually constructing vehicular crossings.

Small Area 1: Mixed-Use Magnet

Small Area 1 includes East Street north of 4th Street, the MARC station, the Historic Fairgrounds, and the Frederick Brick Works Property, a mixed-use infill development along the new East Street Gateway. Because Small Area 1 is immediately adjacent to Historic Downtown Frederick, and has the potential to become equally vibrant, the panel envisioned Small Area 1 as an extension of downtown. In order to achieve this vision, the Panel recommends – in the short-term – supporting the development of the Frederick Brick Works Property into a lifestyle center characterized by stores facing the street with most of the surface parking in the rear. The site's location – adjacent to I-70 – makes it an entry point into East Frederick, and because this type of retail does not yet exist in the study area, such development could generate enthusiasm and excitement.

Other short-term recommendations for Small Area 1 include relocating the Post Office from East Patrick Street to Small Area 3. This relocation would provide the opportunity to develop on key property central to Small Area 1. Additionally, the Panel recommended incenting the development of multi-family residences in order to kickstart other development in the area. In particular, developing the Wormold site, which is already slated for multi-family development, should be made a priority to encourage others to follow suit. Recognizing that urban form is important, the Panel recommended establishing design guidelines for East Street, north of 4 Street, and encouraged the City to consider such factors as streetscaping, build-to lines, rear-parking, and potential for residential behind or above commercial development along East Street. The Panel also recommended supporting pedestrian-friendly amenities in the area close to the MARC station.

Frederick Brick Works



Developing of the Frederick Brick Works Property into a lifestyle center could serve as a gateway into East Frederick from I-70. (photo source: <http://www.frederickbrickworks.com/products/brick.html>).

Frederick Fairgrounds



The Frederick Fairgrounds, home to The Great Frederick Fair, has a long-standing and rich connection to the East Frederick Area. (photo source: <http://www.architecturalconceptsgroup.com/3d.html>).

The Fairgrounds, a key piece of infrastructure in East Frederick, is also located in Small Area 1. The Panel recommended increasing the Fairground's use by strongly promoting the space as a public amenity for residents and visitors. Several creative techniques and activities could be used to draw additional people to this site, including programming more frequent farmers' markets, community supported agriculture or farmshare pick-ups, and culinary arts classes. Panelists acknowledged Frederick's nationally famous culinary arts scene, and contended that this provides a competitive

advantage for such activities. Panelists also advocated supporting retail along Patrick Street as it extends from the Fairgrounds towards the Airport. Improving the street edge, imposing design guidelines on existing retail, and providing for other cosmetic enhancements would not only increase value, but also create Patrick Street as a charming and walkable main street with “mom and pop” retail that could serve as a connector between one section of East Frederick and another.

Longer-term recommendations for Small Area 1 are bold and visionary, and include creating a city lake – Lake Carroll – as the main recreational amenity for the entire Study Area. Panelists envisioned that Lake Carroll would be surrounded by high-density residential development with ground floor retail so that residents and visitors alike could walk the banks of the Lake while enjoying easy shopping, delicious food, and good company. Investing in Lake Carroll as a public amenity would undoubtedly bring investors and development to the area, according to Panelists.

Over the long term, the Panel also recommended encouraging relocation of heavy industrial uses to Small Area 3, as this could open up the development potential for East Street.

Eye-Level View of Bridge over Lake Carroll



Lake Carroll, the suggested terminus of Carroll Creek, is a key piece of the East Frederick Small Area Focused Plan. Located in Small Area 1, Lake Carroll would be surrounded by high density residential development with ground floor retail. (Photo Source: ULI Washington).

Small Area 2: Residential Neighborhood

In contrast to the mix of uses envisioned for Small Area 1, the current housing stock and existing infrastructure in the area defined as Small Area 2 presents an opportunity to develop a neighborhood. Panelists envisioned that a mix of housing choices would characterize this neighborhood, including townhomes, single family housing, and two-over-two – similar to the diversity of housing available in the Del Ray section of Alexandria, VA. The Panel recommended anchoring this neighborhood with an elementary school, and providing for neighborhood-supported retail along Hughes Ford Road. Creating this local retail corridor will support the sense of community, as well as enhance connectivity within the

study area by creating a connection between the newly constructed elementary school and the airport in Small Area 3.

Panelists also advocated for preserving the Renn Farm house, located on a 220-acre parcel between Monocacy Boulevard and Gas House Pike. Building a linear park that connects this farmhouse to the Nicodemus Property on East Church Street – a 64-acre residential development consisting of 444 single-family units, townhouses, and multi-family homes – would also provide neighborhood enhancements and connectivity. Over time, Panelists proposed that this linear park could eventually extend as a pedestrian bridge over Carroll Creek, reinforcing Carroll Creek as a unifying feature and amenity.

Examples of Varied Housing Stock



Panelists suggested developing Small Area 2 into a neighborhood with a mix of housing options, like the Del Ray neighborhood in Alexandria, VA, which features styles such as single-family homes (l) in close proximity with apartment-style living (r). (Photo Source: <http://gwslepthere.com/2010/05/17/2010-del-ray-house-and-garden-tour-in-alexandria-va/> and Google maps, street view).

Small Area 3: Airport and Industrial

Whereas Small Areas 1 and 2 provide opportunities for commercial and residential activity, the airport's existing location, combined with the current land use patterns on the study area's east side, present a different prospect. Panelists recommend creating Small Area 3 as a place dedicated to light industrial and commercial uses – including services that support the airport, as well as a potential relocation of the Post Office from Small Area 1. Some of these uses could provide jobs and tax revenue. Other uses could eventually serve as a location for new civic purposes – such as fire and police stations – that would be needed to support the growing uses of East Frederick.

Zoning for Success

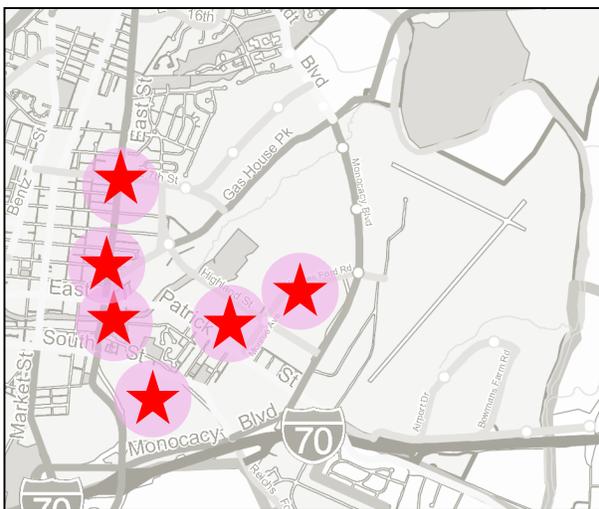
Configuring the suggested land uses so that they comply with the East Frederick Small Area Focused Plan will require stakeholders to consider rezoning East Frederick. In the short term, the Panel suggested that stakeholders first analyze the types of uses that should be encouraged, and then rezone accordingly. The Panel specifically recommended to first focus on Small Area 1, and to rezone it for the desired combination of residential and mixed-use development, including minimum density requirements. After Small Area 1 has been rezoned to achieve the desired mixed-use balance, stakeholders can then focus on the zoning needs of Small Areas 2 and 3. Approaching the rezoning

process in this phased manner allows for incremental control, and ensures that development is occurring desirably.

Transportation and Infrastructure

Revitalizing East Frederick into a vibrant, mixed-use, and walkable community complete with commercial and industrial use along the periphery necessitates addressing key infrastructure needs. Infrastructure – the basic equipment and structures that are needed for an area to function properly² – connects people from their homes to work, to shopping, and to other leisure activities. Building and enhancing such connections in East Frederick requires strategy as well as a clear identification of needs and desires.

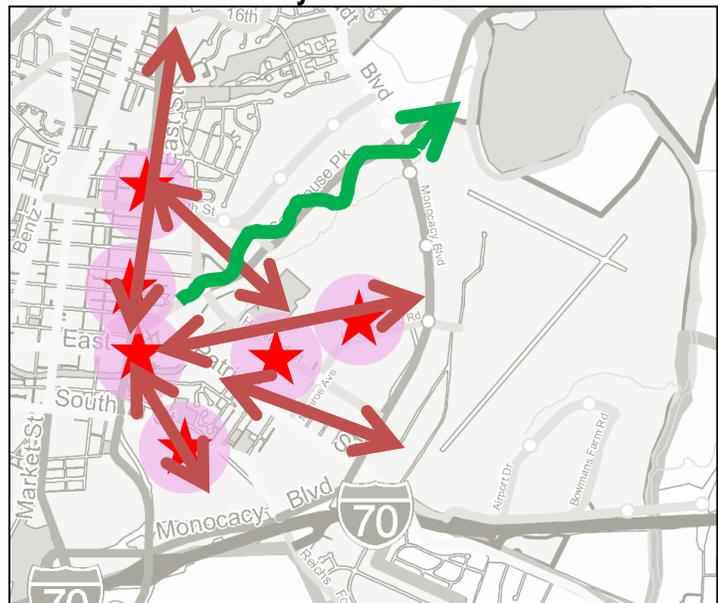
East Frederick Activity Hubs



The City of Frederick’s 2010 Comprehensive Plan identifies arterials and significant areas that the City has already prioritized for investment. Panelists commended this Plan as a strong starting point for pinpointing key connections that could serve as future activity nodes, and identified several junction points as obvious hubs for future activity. Some of these junction points include the intersection of East and 7th Streets, and the intersection of East and Church Streets. Areas immediately surrounding the MARC station, the revitalized Brick Works site, and the Fairgrounds and future elementary school in Small Area 2 can also become places of activity and heavy foot-traffic.

These

East Frederick Activity Hubs and Desire Lines



Activity Hubs, where people

naturally gravitate to socialize, work, and play, should be the focus for identifying and developing transportation desire lines, or paths that develop as a consequence of foot- or bicycle-traffic. Desire lines represent the shortest or most easily navigated route between an origin and destination. As desire lines develop, the Panel encouraged stakeholders to transform them into Complete Streets – streets that safely and adequately accommodate motorized and non-motorized users, including pedestrians,

time. (Map Source: ULI Washington).

² Definition of Infrastructure provided by online Merriam-Webster Dictionary (<http://www.merriam-webster.com/dictionary/infrastructure>).

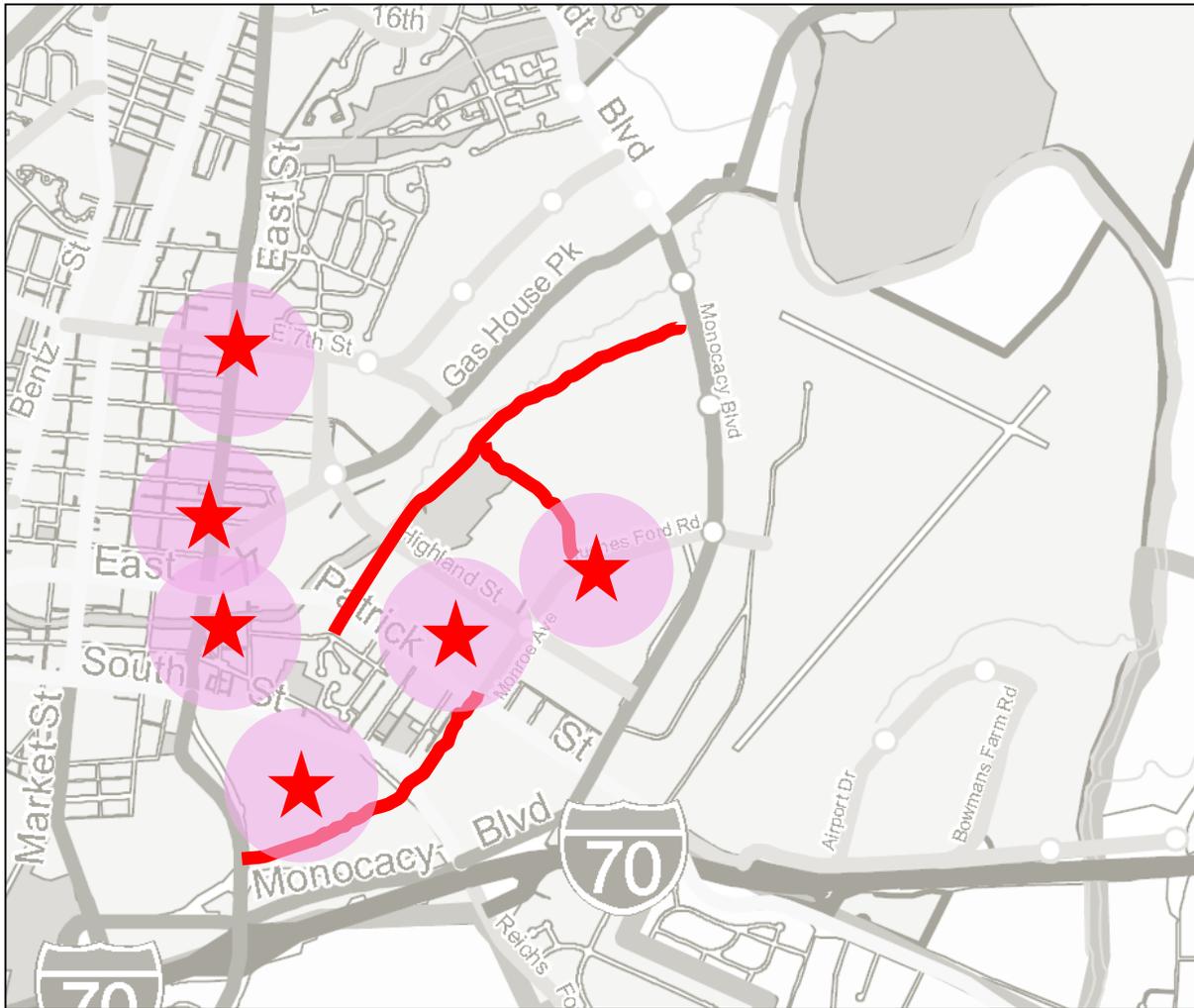
bicyclists, motorists, emergency vehicles, and transit riders of all ages and abilities, in a manner appropriate to the function and context of the facility.³ Implementing Complete Streets is a planning tool that will enhance and provide opportunities for transit to be effectively phased into development. According to the Panel, key desire lines will also indicate where the transit route system will evolve over time.

The Panel also recommended creating three additional connections – or collector streets – for the new activity nodes identified in the recommended East Frederick Small Area Focused Plan. One new street would run along the east side of Carroll Creek, a second collector street would connect the Brick Works site to Monroe Avenue, and the third would help establish the future grid by connecting the first two collector streets and by providing a potential connection for a Seventh Street extension of Carroll Creek. The three new streets, which Panelists thought were generally feasible and would provide good connectivity, should be multi-modal and accommodate cars, cyclists, and pedestrians. The collector streets would also serve as “workhorse” streets by tying together larger development sites and parcels, and by dispersing traffic throughout the entire street network.

Panelists advised that a much finer street grid is needed to promote walkability, and emphasized that adding streets should be done in a context-sensitive manner to recognize specific site constraints and opportunities; new streets should appropriately match both the desired connectivity need and the existing infrastructure. The ultimate conceptual street grid, including the need for the three new collector streets, would serve as the starting point for individual property development plans. According to the Panel, amendments to the ultimate conceptual grid would be accepted if the resultant grid followed in the same levels of site accessibility and area-wide connectivity. Implementation monitoring would also be a key element of the plan’s success to ensure that the multimodal improvements are implemented in a manner and pace that is commensurate with the land development.

³ For more on Complete Streets, including information on the Complete Streets Policy for the National Capital Region, which was adopted by the Metropolitan Washington Council of Governments on May 16, 2012, visit: <http://www.mwcog.org/uploads/committee-documents/mV1dXI9e20120510092939.pdf>.

Creating Connectivity in East Frederick



Three new collector streets, identified in red, should be constructed in a context-sensitive manner in order to provide key connections within the study area. (Map Source: ULI Washington).

Implementation

Although East Frederick possesses great potential to accomplish the bold vision set forth by both EFR and by the East Frederick Small Area Vision Plan, Frederick's current rents do not support the intensity of development envisioned by the Panel, and this presents a significant barrier to attracting development. According to the Panel, a standard four-story walk-up apartment with surface parking

would need to yield rents of \$2 per square foot in order to be profitable. Today, at Frederick's peak market, Panelists judged that rents yield approximately \$1.90 per square foot – just shy of the profitability margin. This, combined with high impact fees, current vacancies, and low projections of future growth, create unfavorable conditions to attract developers.

In response to these challenging realities, the Panel recommended several implementation strategies to entice new development. The first recommendation is to create a New Construction Incentive Program, which would require the City to provide short-term incentives to spark development at a minimum of a 7% yield. As part of this program, the Panel suggested lowering or removing impact fees and regulatory requirements – such as affordable housing and parking minimums – for the first phase of development, or until rental rates climb high enough for developers to justify new construction. Panelists also recommended attracting development by implementing market-driven and financially feasible zoning regulations for such things as parking, loading, and retail. Other suggestions included capitalizing on the potential of public/private partnerships, and continuing to provide common City-maintained shared parking garages.

Secondly, the Panel recommended creating a Comprehensive Financing Program. Such a program would first require an economic study of the base property values as they compare with the potential redevelopment values in East Frederick. Once this analysis is complete, Panelists recommend establishing a Tax Increment Financing Program, which, if set in place today, would allow the City to capture incremental tax revenues generated from property values as they increase over time. As East Frederick grows, new projects would deliver higher rates. As these increased property tax revenues are captured, a portion would be allocated to provide debt services on municipal bonds.

A third recommendation is to establish a Special Area Tax District in Small Area 1 as a way to incentivize the light industrial uses along East Street to relocate to a less expensive area – perhaps to Small Area 3. The Panel also recommended attracting key tenants to the area through providing City tax abatements, which could be particularly useful in cultivating activity hubs by luring attractive tenants – like grocery stores or movie theaters. Crowd-sourcing, according to the Panel, is also a great way to generate small amounts of funding while simultaneously engaging neighbors and building local pride.

Finally, the Panel recommended affirming and augmenting an East Frederick Marketing Program. Frederick is a very special and unique place with a lot of diverse offerings, and Panelists agreed that separate formal market studies should therefore be developed to target different market segments, including but not limited to top-tier and life-style-oriented tenants, residential developers, and office developers. Each of these market segments will desire slightly different information. According to Panelists, and a detailed and targeted profile that delves deeply into who Frederick is, what kind of people live and work in Frederick, as well as demographic information, would be valuable in attracting the right kind of development to the right place.

Conclusion

East Frederick is a special and diverse place with great potential to build on its existing strengths, and Panelists agreed that the transformative potential of the area is extraordinary. Panelists collaborated over a day and a half to create a Small Area Focused Plan for East Frederick that capitalizes on existing and varied infrastructure like Carroll Creek, the Frederick Fairgrounds, and the airport to create a bold vision for the future for East Frederick.

Achieving this vision is not without challenges. Frederick must successfully attract development to areas that already possess vacancies, reconsider its zoning policies, and give careful consideration to infrastructure needs. Achieving this vision in its totality will likely take decades. Throughout the TAP, Panelists emphasized the importance of a phased and incremental approach that respects the overall grid while also featuring the unique assets within each Small Area.

In spite of these challenges, the Panelists encouraged East Frederick Stakeholders to courageously articulate Frederick's strengths – its active community base, its funky character, its appeal to millennials – and to capitalize on these assets as it looks to plan the future. The Panel is convinced that through ambitious and visionary thinking, and through a phased and incremental approach, East Frederick will prosper into the revitalized, vibrant, safe and diverse place envisioned by stakeholders.

About the Panel

Andrew Brown, Panel Co-Chair

Stanford Properties

Mr. Brown directs all activities of Stanford Properties, LC, a real estate investment and development company based in Bethesda, Maryland. Andrew has acquired and developed over twenty-five residential and commercial projects with an aggregate value in excess of \$250 million since the company's founding in 1992. His recent projects include conversion of an underperforming retail big-box center into a high density residential condominium project; development of a traditional grocery anchored retail center; and development of a 50 acre mixed-use residential and retail town center. Andrew directs site selection, acquisition, governmental entitlements, financing, construction, leasing, and ongoing asset management of completed projects. Prior to founding Stanford Properties, Andrew was the Director of Retail Development for Baier Properties, Inc. where he oversaw development of numerous retail and residential land development projects, and prior to that held positions in acquisition and project management with two Washington based real estate firms. Andrew received his B.A. in Economics from Stanford University in 1983. He is an active member of the Urban Land Institute where he is an Officer of the Washington District Council's Advisory Board. He is also a guest lecturer at the Schools of Architecture and Engineering at the University of Maryland. Andrew is a founding member of Greater D.C. Cares, Inc.; a founding member of the Stanford Real Estate Association, and the President and Founder of New Community Foundation, Inc.

Patricia A. Harris, Panel Co-Chair

Lerch, Early & Brewer

Ms. Harris is a land use attorney at Lerch, Early & Brewer in Bethesda, Maryland. She assists developers and property owners with securing approvals needed to develop their properties, including site plans, special exceptions, subdivision approvals, historic preservation, local map amendments, zoning text amendments, master plan recommendations and building permits in Montgomery County, Maryland. Patricia is knowledgeable about transit-oriented, mixed-use development and other issues related to smart growth. Patricia also has significant experience representing national retailers, including Costco, McDonald's and TD Bank. Patricia represents churches and schools in zoning and land use matters, and is active in Montgomery County economic development issues. She has served on the boards of directors of the Bethesda Urban Partnership and the Greater Bethesda-Chevy Chase Chamber of Commerce (where she now serves as counsel and previously served as vice president of Government Affairs and Economic Development). Patricia received her Bachelor of Arts from the University of Delaware cum laude and her Juris Doctor from The George Washington University Law School.

John Asadoorian

Asadoorian Retail Solutions

Founding principal of Asadoorian Retail Solutions, Mr. Asadoorian is a native Washingtonian. His entry into the world of retail real estate occurred in 1986. Having witnessed the ebb and flow of retail in the Nation's Capital, John developed a personal drive to see retail return to the city's core. In the years that followed, his entrepreneurial style suited him well as the Director of Retail Leasing for The Oliver Carr Company (now CarrAmerica) and then Grubb & Ellis as Senior Vice President. His experience is broad as he has assisted start-up retail and restaurant operations and has been retained by nationally known, multi-unit concepts. He is also adept at representing the interests of property owners and their unique demands. The breadth and depth of John's knowledge of the regional retail market comprises the Greater Washington and Baltimore markets. On a national level, his focus includes major urban centers. Recognized as an authority in the regional real estate market, John has been recognized as an expert by various zoning commissions and planning councils. He has spoken at various trade conferences and is quoted regularly in various newspapers and publications. John graduated from Syracuse University in 1984 and received a bachelor's degree in accounting.

Dennis Carmichael

Parker Rodriguez

Mr. Carmichael is a licensed landscape architect with 35 years of experience creating award-winning parks, plazas, and waterfronts. Dennis spent most of his career at EDAW, where his work included Wharf District Park in Boston, Centennial Olympic Park in Atlanta, North Shore Park in Pittsburgh, and West Main Street in Louisville. In 2006, Dennis served as president of the American Society of Landscape Architects (ASLA), and in 2009, he served as president of the Landscape Architecture Foundation (LAF).

Evan Goldman

Federal Realty Investment Trust

Mr. Goldman is Vice President for Development for Federal Realty Investment Trust. In this capacity, Evan manages the redevelopment of Mid-Pike Plaza in North Bethesda, Maryland and other redevelopment opportunities in Federal Realty's portfolio. Evan joined Federal Realty in July 2007 with ten years of experience in development, finance, and architecture. Prior to joining Federal Realty, he was a Partner at the Holladay Corporation, a mixed-use development company in Washington, D.C., where he began his involvement with the White Flint Partnership. Evan has also worked as an Associate for Tishman Speyer Properties, and as Vice President of Design for LeRoy Adventures. Evan holds an MBA in Real Estate and Finance from the Wharton Business School and a Bachelor of Science in Design and Environmental Analysis from Cornell University.

Christine Graziano

AECOM

Ms. Graziano has extensive experience in a diverse array of real estate and economic development advising services. Market studies and financial feasibility analysis form the backbone of Christine's professional experience for projects ranging from analysis for developers on specific sites to master plans for communities nationwide. Having had a large percentage of her clients in the public sector, she

has expertise in conveying market fundamentals to her public clients, while recognizing the developer's need for a deal to be profitable. Christine's professional interests focus on downtown revitalization, urban real estate, redevelopment studies, and the intersection of market realities with the goals of city planning and economic development. Before joining AECOM, she worked at ZHA, Inc. in Annapolis, Maryland. She holds a Masters in City Planning from the University of Pennsylvania School of Design.

Dan Hardy

Renaissance Planning Group

Mr. Hardy is a principal with Renaissance Planning Group and has experience in developing transportation solutions that balance transportation and land use options to optimize multimodal travel demand and transportation network services in congested communities. Prior to joining Renaissance, Dan served as the Transportation Planning Chief for the Montgomery County Planning Department. Dan managed a 15-person Transportation Planning Division responsible for transportation elements of Countywide growth policies, master plans, and development review cases in a rapidly growing County of nearly one million residents with high expectations for involvement in decision making. His expertise includes both developing and applying growth management policies and practices.

Lauren Jezienicki

The JBG Companies

Ms. Jezienicki has over 10 years of experience in the real estate industry. Seven of those years were concentrated in real estate development working on nearly 2 million square feet of complex mixed-use urban projects in the greater Washington, DC area. Prior to joining The JBG Companies in 2007, Lauren worked at The Shooshan Company in Arlington, VA on the Liberty Center mixed-use redevelopment project. Lauren received a B.S.A from Boston University, and an M.B.A with honors from Columbia University.

Cathy Lewis

Fairfax County

Cathy Lewis was born and raised in Fairfax County, Virginia. She went to the University of Virginia for undergraduate (history) and graduate (planning) degrees. Cathy worked for the U.S. Senate Committee on Governmental Affairs. While working on her planning degree, she interned in the Planning and Housing Departments for the City of Falls Church. She worked for the City of Gaithersburg on development review. In 1998, she began her career with the Fairfax County Department of Planning and Zoning. Her current job focus is reviewing Tysons rezoning applications.

Paul Moyer

Vanasse Hangen Bustlin

Mr. Moyer's extensive planning background and knowledge of the national capital region help VHB expand its planning practice throughout the Mid-Atlantic region, and bolsters the firm's ability to offer more comprehensive services to its federal, municipal, and private clients. Paul has worked on award-winning planning projects for federal, county/municipal, and private clients across the Mid-Atlantic as well as throughout the eastern U.S. His 25-year career has included master planning, environmental planning, and community planning, as well as extensive experience leading consensus-building processes. Paul has collaborated with VHB previously in Virginia on projects including the Laurel Hill Master Plan and Sportsplex in Fairfax, the Reuse Plan for the Naval Radio Transmitter Facility in Suffolk, and the Capital One Headquarters project in Richmond.

Duncan Slidell

Vice President of Development, Bozzuto Homes

As vice president of development for Bozzuto Homes, Mr. Slidell has bottom line responsibility for all of the company's actively-selling homes communities. Prior to joining Bozzuto in 2002, Duncan worked in the capital markets group at Friedman, Billings, and Ramsey, Inc., an investment bank in Rosslyn, VA. Duncan holds a Bachelor of Arts degree from Washington and Lee University as well as a Master's of Science degree in Real Estate Development from Johns Hopkins University.