Germantown
Maryland

Strategies for Development of the Germantown Business District

June 25–30, 2006
An Advisory Services Panel Report

ULI—the Urban Land Institute
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This Advisory Services panel report is intended to further the objectives of the Institute and to make authoritative information generally available to those seeking knowledge in the field of urban land use.

Richard M. Rosan  
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Because the sponsoring entities are responsible for significant preparation before the panel’s visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI’s five-day panel assignments are able to make accurate assessments of a sponsor’s issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI’s unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academicians, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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## Contents

ULI Panel and Project Staff 6
Foreword: The Panel's Assignment 7
Overview and Summary of Recommendations 11
Goals and Objectives: The Vision 16
Market Potential 17
Planning and Design 25
Development Strategies 40
Implementation Strategies 47
Conclusion 53
About the Panel 54
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A t the invitation of the Gaithersburg-Germantown Chamber of Commerce, in partnership with a number of private developers, Montgomery College, and Montgomery County, a ULI Advisory Services panel was convened to respond to a series of questions concerning how best to assure the growth of employment in Germantown given current market trends. As Germantown continues to invest in the newly vibrant core of its Town Center, the community is at an important juncture in its history. In addition to its decades of being a desirable place to live, Germantown is poised to become an increasingly desirable place to work and visit.

Background

Germantown is an unincorporated but urbanized census-designated place located 26 miles north-west of downtown Washington, D.C., in Montgomery County, Maryland, the most populous jurisdiction in the state and one of the most affluent counties in the nation. Germantown is the sixth-most-populous census-designated place in Maryland, and if it were to incorporate, it would be the state’s second-largest city after Baltimore.

Settled as a crossroads community in the 1830s and 1840s by a large number of German business owners from both Germany and Pennsylvania, Germantown catered to travelers on the roads and later the railroad, as well as to local landowners and farmers. In 1972, Germantown was still a rural farming village of less than 3,000 people. Since then, its population has grown by about 2,000 people per year, mostly due to its proximity to Interstate 270 and its designation as a “corridor city” in 1969 when Montgomery County adopted its “On Wedges and Corridors” land use plan. The growth management policy concentrated growth along the I-270 corridor, creating compact communities bordered by farmland and forests. In 1974, the county downzoned rural areas to one dwelling unit per five acres and then, in the 1980s, created a transfer of development rights program. To date, Montgomery County’s renowned Agricultural Reserve has protected more than 90,000 acres crowning the northwestern third of the county.

Germantown is home to a diverse and growing population. As of the 2000 U.S. census, the community was home to 55,419 people in 20,893 households, with an ethnic makeup of 62 percent white, 19 percent African American, 10 percent Asian, and 10 percent Hispanic of any race. The community is also home to a large number of families, a
fact undoubtedly tied to the strong reputation of its schools, its recreational opportunities, and its safe residential neighborhoods. The census found that 29 percent of the population was under age 18, and 43 percent was between 25 and 44. The median income for a household in the area was $62,431. For the most part, the Germantown population is well educated and holds highly skilled jobs.

Germantown’s residential growth is expected to continue its rapid pace: the 2005 census update puts its population at 85,000, and the community is expected to grow to 95,000 residents by 2010. Germantown has rapidly built out its residential neighborhoods, and now there is pressure for additional residential units on undeveloped or underused sites designated for commercial development in its 1989 Master Plan. While the residential market is strong, the county has been understandably cautious about rezoning or writing zoning text amendments to the master plan to make this possible. Indeed, giving these parcels over to residential use would run the risk of depleting the county’s job preserve, which is centered along the I-270 spine.

Many in the Germantown community and the county government believe Germantown needs a more balanced ratio of jobs to housing. Straddling I-270, the Germantown Employment Corridor was designated in the 1989 Master Plan as the...
preferred location for job growth. The majority of parcels in the Employment Corridor are zoned I-3, which is a research and development (R&D)/business park zone, with some town sector (TS) and I-1 zoning. While many of the planning policy goals for Germantown have been achieved, the objectives for the Employment Corridor have not been realized. Most commercial sites in the corridor are developed well below the maximum floor/area ratio (FAR) for the zone. In addition, several signature sites, with prime visibility from I-270, remain undeveloped. The construction of the urbanized Town Center in the past several years has brought new vitality to Germantown. While the development of office structures has been slow compared with activity in Germantown’s booming single-family and townhouse market, the many undeveloped and underdeveloped office sites offer the greatest opportunity for Germantown’s future economic sustainability.

In addition to the availability of prime development sites, Germantown’s future prospects are enhanced by its desirable location. As one of the I-270 corridor cities, Germantown is poised to benefit from its proximity to the interstate and the commerce that it generates. I-270 is a spur highway connecting Interstate 70 in Frederick, Maryland, to Interstate 495, the Capital Beltway, just north of Bethesda. The interstate is a major regional commuting corridor serving mostly commuters traveling south to jobs in Washington, D.C., metropolitan area’s strong job market and the shortage of affordable housing in the region. Average house prices decline as one travels north along I-270 and farther away from the expensive Washington real estate market, making Germantown attractive to young singles and families.

The Assignment

Adopted in July 1989, the Germantown Master Plan guided future residential and commercial development around a series of village centers and a town center. It built on the spirit of the 1974 Master Plan, while also updating it to address the market conditions and trends of the late 1980s. Before its designation as a corridor city in 1969, Germantown was a small community with no vision for its future. The 1974 Master Plan modeled the development of Germantown on the new town concept popularized by Reston, Virginia, developed by Robert E. Simon in 1964, and Columbia, Maryland, developed by James W. Rouse in 1967. Unlike these famous prototypes, Germantown would not be developed by a single developer because of fragmented land ownership. As a result, the 1974 Master Plan envisioned the county as the master developer to coordinate development to best form a cohesive community.
The 1989 Master Plan called for land use and transportation systems to accommodate 37,000 dwelling units and 78,000 jobs to “provide greater opportunity for people to both live and work in Germantown.” The housing objectives have largely been realized, since residential development has occurred at a much faster rate than office development, and the Town Center is well underway, with a new public library set to open in fall 2006. The objectives for the Employment Corridor, on the other hand, have not yet been fully realized. A great deal of land remains undeveloped and many of the sites zoned I-3 and TS have been developed well below the zoned density. Many sites, for example, have an FAR of 0.25 or 0.3, yet by right could have an FAR of 0.5. The residential and retail markets along the I-270 corridor have been strong, but the commercial market has been slower to move north from Washington and the southern portion of Montgomery County, where it is stronger.

The Gaithersburg-Germantown Chamber of Commerce responded to this problem by creating a task force to study Germantown’s jobs-to-housing imbalance. Its 2005 report, the Germantown Economic Development Strategy, focused on the community’s assets and recommended an in-depth study of the Employment Corridor and an investigation as to whether mixed-use development might be the best option for the corridor.

The ULI Advisory Services panel was specifically asked to update the vision for the area’s existing and future commercial development—to decide if office space is the best use of the land and, if so, what form it should take. Additionally, the sponsors wanted to know if attracting commercial development was dependent on Germantown becoming a more sustainable and vibrant community. Further questions focused on place making, linkages to Germantown’s fledgling Town Center, and implementation strategies.
Overview and Summary of Recommendations

After an intense week of site tours, presentations, interviews, and work sessions, the panel was able to identify the issues and formulate recommendations. The panel devised a plan to address the lack of development in the Germantown Employment Corridor. As envisioned by the panel, the corridor will be revised and renamed the Germantown Business District (GBD), an area with boundaries separate from those of the corridor. The area is bounded by Black Hill Regional Park about one mile north of Father Hurley Boulevard to the north, Frederick Road to the east, Middlebrook Road to the south, and the B&O Railroad and Wisteria Drive to the west. It will be the center of Germantown’s future commercial and mixed-use growth. The GBD will create a higher quality of life for Germantown residents while maximizing development potential for landowners.

The GBD plan is centered on the “Germantown Crescent,” intended to be a cohesive extension of the Town Center core west to the Maryland Rail Commuter (MARC) station, east to I-270, and north along Century Boulevard to Father Hurley Boulevard. The Germantown Crescent strategy will result in the creation of a vibrant center that will attract mixed-use development, including commercial, retail, residential, and cultural projects, while maximizing development potential for landowners and improving the quality of life of Germantown residents. The plan also includes recommendations for the other five nodes in the GBD, which have equal importance, but have been assigned a different phasing strategy so they can benefit from the stronger market that will result from the mixed-use buildout of the Crescent. The recommendations set forth are summarized below and described in more detail in this report using the following organization:

- goals and objectives—the vision for Germantown;
- Germantown’s market potential;
- planning and design implications;
- a development strategy; and
- an implementation plan to bring the strategy and planning to fruition.

Market Potential

With the availability of vacant and underdeveloped sites, Germantown is poised to take advantage of a future upswing in the commercial development market. The community’s residential growth since the 1989 Master Plan has been a success. As a result, Germantown is a wonderful place to live. Attention is now needed regarding how to make it a desirable place to work and to locate a company. The Washington metropolitan area’s ever-expanding commercial market has started to discover and develop sites in Gaithersburg, Germantown’s neighbor to the south, so Germantown is the logical next recipient of such attention as the market progresses along the nodes of the I-270 corridor. No one, not even developers and local governments, can “move the market,” but a community can change how well it is prepared to respond to the market. This can be done in two ways—by being ready through appropriate zoning, permitting processes, and land availability, and by being perceived to be ready by the marketplace and by the community’s own residents through a well-crafted marketing campaign.

To be successful, new development in the Germantown Business District, beginning in the Crescent and extending throughout the GBD, will need to be strategic, so that the long-term job reserve of the Employment Corridor is used only for projects that will support the growth and continuing maturation of the Town Center core. The reserve is in place to protect the long-term employment needs of Germantown and the county, so parcels should be developed in accordance with the report’s recommendations rather than given over to
single-use development that would jeopardize the important goals of the Employment Corridor.

At the same time, the strategy needs to have sufficient flexibility to meet the unstable nature of the real estate industry, especially in regard to commercial development. This is true regarding both the invariable cycles of supply and demand and the unanticipated changes in the nature of users as the economy evolves. Finding the right level of flexibility is difficult, but the goal is to provide the balance that best responds to the market. For this reason, the panel recommends that development take a mixed-use form, with office, residential, and retail uses. But because preserving the job reserve is critical for Germantown’s long-term employment growth, the panel recommends that new projects only be approved if they include the employment density assigned to that site in the 1989 Master Plan.

Within the Germantown Business District, the panel has identified the sites best poised for development or redevelopment. Indeed, the GBD’s nodes are the key for contributing to Germantown’s commercial future because they will be home to the corporate office buildings and biotech companies that offer Germantown’s educated population places to work that are closer to home. This will only happen, however, if the Town Cen-
ter is strengthened and expanded to create a vibrant, mixed-use center full of uses and amenities to distinguish it from other communities. The broader Germantown Crescent, as envisioned, has the potential to be such a center, with a range of housing opportunities in addition to commercial development.

To be successful, the Germantown Crescent will need to feature a mix of uses, including office, residential, retail, and hotel space, as well as landscaped public spaces. The dining and entertainment establishments will need to be varied to attract young patrons and families while also creating an active street life. With all of these components, the Crescent will draw people not only from the nearby office buildings and residential neighborhoods, but also from the larger region as it becomes a signature destination. The strong existing residential base offers a built-in market of workers for the potential new companies and corporate headquarters in the GBD, as well as a ready evening and weekend market for the expanded retail and cultural offerings.

**Development Strategies**

Germantown is about to start the next chapter of its history, in which it will be known for its office and mixed-use development and not just for its residential neighborhoods. With key sites in the Crescent and Germantown Business District still undeveloped, Germantown has an incredible opportunity to create a prime location for new development. The panel offers development recommendations for each of the six nodes in the GBD. For example, the Montgomery College node offers huge potential for Germantown’s economic future because the institution is developing a science and technology park adjacent to the campus. The panel recommends that the college build on its academic strengths and biotech partnerships to include a mixed-use plan that integrates the campus with the surrounding employers and the community.

In addition, one of the daunting tasks is creating a common identity so that everyone who lives or works in the community feels a sense of pride in Germantown. The panel recommends implementation of a coordinated marketing strategy to create a brand identity and to differentiate the GBD from its competition. This should include a signage program in the Crescent that could be replicated in the GBD’s other nodes. Signature sites in the GBD, especially those with high visibility from I-270 and other major roads, should be developed with an effort to create a unique architectural statement about Germantown.

Among the guiding principles of the Germantown Economic Development Strategy, there are three the panel believes are especially important both for the context of the following recommendations and for use by the community and its leaders as a guide as they undertake some or all of these actions:

- **Risk greatness.** The panel hopes community leaders are truly prepared to accept this guiding principle because many of the recommendations in this report are based on the assumption that they are. Some of the recommendations might stretch the leadership’s tolerance for risk.

- **Accept change.** It is axiomatic that change will continue to occur; how a community responds to that change and its willingness to make the changes, however, will be a large determinant of its future success in achieving goals.
Establish priorities. Resources, both financial and those related to a community’s energy level, are always limited, and those limitations often mean that not every project can be executed at the same time. This report represents one alternative for how to bring commercial and mixed-use development to Germantown. Community leaders will now have the challenge of setting their priorities and following them.

The panel suggests adding one more guiding principle to this list:

Educate residents. There is currently a lack of understanding and support from Germantown residents regarding the benefits of a balanced jobs-to-housing ratio. Changes in the status quo are always hard for people to accept. Community support will be needed to change the status quo and implement the panel’s recommendations.

Planning and Design

Creation of a successful employment zone in Germantown is dependent on a number of essential elements needed to attract companies and overcome the present market challenges. An element critical to the success of the Germantown Business District is creation of a mixed-use, pedestrian environment that will lure residents, workers, and, ultimately, companies to locate in Germantown. As a result, the panel prepared planning concepts that intensify commercial activity in the Germantown Crescent as the logical reinforcement and expansion of the Town Center core.

The panel recommends that the 1989 Master Plan be revised specifically for the GBD area and completed on an expedited schedule to spur growth. The single-use zoning of the Employment Corridor is not the form that will best serve the market of the next five to ten years for higher-density-employment users. The superblocks currently found in the GBD, such as those adjacent to the Town Center in the Crescent, will need to be redesigned with a compact street grid that prioritizes pedestrian movement and a vibrant retail environment.

The planning concepts should be applied to the other five GBD nodes so that as the market responds to the Crescent, there will be a natural expansion of that vibrancy and intensity of mixed-use development throughout the district. To best achieve a unified GBD, the connections between the east and west sides of I-270 need to be strengthened. An overpass for I-270 approved at Dorsey Mill Road will improve the east-west circulation in the northern portion of the GBD, and more thought should be given to east-west circulation in other parts of the district.

Germantown is located along a key highway corridor providing the community with easy access to Washington and, upon construction of the Intercounty Connector (ICC), to Baltimore and Baltimore/Washington International Thurgood Marshall Airport (BWI). There is, however, heavy congestion on I-270 and increasing appetite for alternative forms of transportation. Use of MARC trains and Ride On buses will meet part of this need, but the Corridor Cities Transitway (CCT), a planned light-rail or bus transit system, when built, will spur transit-oriented development. In the meantime, since the timing of the CCT is uncertain, the panel suggests the creation of a streetcar or trolleylike bus as an interim measure to connect the various nodes in the GBD. The first
section of the route to be implemented should be within the Crescent.

**Implementation Strategies**

Germantown has an advantage in implementing the Germantown Business District concept because it has prime vacant and underdeveloped sites available for redevelopment. The recent development of the Town Center core has shown that the county can create a new product and that the community will accept it. The fact that this panel is sponsored by a partnership of the Gaithersburg-Germantown Chamber of Commerce, Montgomery College, Montgomery County, Hughes Network Systems, and seven of the major landowner/developers in the corridor is testament to the fact that the chamber and its partners are already committed to improving Germantown.

To ensure that the panel’s recommendations are implemented, the county should appoint a high-level “champion” to be a leadership and development catalyst within the county government by focusing attention on Germantown. The chamber should spearhead an effort to form an association of landowners within the Germantown Business District to work with the county champion.

The creation of this public/private partnership, similar to the body that would operate an urban service district, will be critical to Germantown’s success. Such a partnership can create a master vision while the county leads the revision of the master plan targeted on the same GBD area.

The partnership also can involve landowners in the process, thereby encouraging them to create site-specific plans that fit within the revised overall vision. It is advisable to have the partnership create a community vision concurrently with the county’s master plan process, rather than use the more typical sequential process, because it will allow all parties to respond to the market sooner. This will save money and time, and encourage development that would be in the best interests of the broader community.

While it will be up to the county to determine the regulatory framework that will govern new development in the Germantown Business District, the chamber should encourage the inclusion of an expedited review process. Such a process, especially applied to the Crescent as the logical first phase of the GBD’s development, will create incentives for the form and type of development called for in the revised master plan for the GBD.

Looking north along I-270 and across Germantown Road, this aerial photo shows Seneca Meadows and the Milestone Business Center on the east side of I-270 and the Corner on the west.
Germantown has a rich past, is a strong community today, and has a bright future. As it moves forward, the leaders and residents should take note of a statement on the Germantown Historical Society’s Web site, “Only through remembrance of the past can we begin to shape the future.” Indeed, every community should be acutely aware of the heritage it inherits. The notion of planning for future generations, learning from the lessons and events of the past, can guide decision makers and civic leaders.

The panel found from those people it interviewed and others who spoke informally that a shared sense of pride exists in Germantown. Some are longtime residents who now have families in one of the many vibrant residential neighborhoods. Others are the new diverse residents of Germantown who have brought enthusiasm for the schools and for the cultural opportunities found in the community. The biotech and high-tech jobs and Montgomery College attract many types, including young workers looking for an active street life and strong job opportunities.

In developing a vision for Germantown, the panel focused on five concepts that it believes are critical for Germantown’s future and will help guide the implementation of the panel’s recommendations. The five concepts are derived from the following words: create, connect, celebrate, concentrate, and clarify.

In Germantown, there is both a challenge and an opportunity to create a sense of community among all the residents, which will help bring the homeowners associations and residential villages together. There is also a need to create a sense of pride in the Town Center core and its potential.

The connections among the various parts of the community need to be strengthened. There are opportunities for increased connections in the Germantown Crescent if the superblocks are broken up. In addition, Century Boulevard needs to be completed and the Dorsey Mill Road overpass constructed.

As a community, Germantown has a great deal to celebrate. The panel encourages the active celebration of Germantown’s “centers of excellence” —amenities open to the public that truly contribute to Germantown’s quality of life for both its residents and its workers. They include the following:

- the Town Center;
- BlackRock Center for the Arts;
- the soon-to-open public library;
- the planned urban park in the Town Center;
- the greenbelt surrounding Germantown and the community’s proximity to the Agricultural Reserve;
- Montgomery College;
- the Maryland SoccerPlex and Discovery Sports Center;
- South Germantown Recreational Park;
- Germantown’s public schools; and
- the Germantown Historic District surrounding the train station.

The success of the Germantown Crescent, and ultimately the GBD, is dependent on a concentration of committed residents and workers, and a concentration of activities in order to provide the critical mass of energy needed for a vibrant Town Center.

Finally, Germantown needs recommendations that clarify the community’s assets and its strengths as a potential location for new or relocating companies.
Germantown is primarily a residential community of moderate density with both single-family homes and townhouses. While blessed with good schools and beautiful neighborhoods, Germantown has only recently witnessed the creation of the Town Center, where people can live, work, shop, and partake in cultural activities. As the population and the number of amenities grow, Germantown is increasingly becoming known as a destination rather than as a pass-through or bedroom community.

However, with the exception of the new development in the Town Center core, there are few mixed-use buildings in Germantown. The 1989 Master Plan has been successful in achieving residential development, but less so in attracting employment. While the community is getting its share of the corridor's office development, this development does not always locate within the Employment Corridor. Commercial development in Germantown often locates on cheaper land away from I-270.

In addition, most commercial development is meeting the market demand for flex space or low-rise buildings in office park/campus settings. A few buildings are mid-rise, but that is not the norm. The 1989 Master Plan assigned I-3 and TS zoning throughout the Germantown Employment Corridor to encourage denser office and R&D opportunities. This zoning allows an FAR of 0.5, or 0.6 with a traffic plan, but most parcels in the corridor have been developed at an FAR of 0.25 or 0.3 in campus or parklike settings. The underdeveloped sites are indicative that the market has not been ready for higher-density development. It is notable that the county upzoned the corridor cities, of which Germantown is one, when it created the Agricultural Reserve, but the market has not yet sought this additional density in Germantown. The Hughes Network Systems site is an example of an underused site: the headquarters houses 900 employees in a 300,000-square-foot facility on 50 acres.

Regional Context

Germantown is located in Montgomery County about 12 miles from the northwest border of the District of Columbia. The economy of Washington, D.C., and its environs is mostly on the rise due to the continued strength of the federal government and the defense and health industries. While the job market has remained stronger in the Washington metropolitan area than in other regions, the market is not deep and the growth of several sectors, including defense and biotech, has slowed from its recent breakneck pace.

The office and housing markets remain strong across the region, though there are pockets with high vacancy rates and signs that the real estate market is slowing. Overall, Montgomery County’s market for commercial space showed signs of improvement in 2005 with a decline in vacancy rates, an increase in absorption rates, and the stabilization of rental rates.

A key economic driver in the Montgomery County market is the I-270 corridor, dubbed DNA Alley by some, reaching from Bethesda to Frederick. It is home to a cluster of biotech companies, includ-
ing micro- and nanotechnology firms, as well as the suppliers, trade associations, and educational institutions that play a part in the cluster. Important work, such as decoding the human genome, has been carried out here, and Celera Genomics, MedImmune, and Human Genome Sciences, all nationally known biotechnology companies, have offices near or along the corridor. While this cluster does not yet rival Silicon Valley, Route 128 outside Boston, or the Research Triangle in North Carolina, the institutions and private companies are doing important and pioneering work, often of global significance. High-tech companies, such as IBM, Lockheed Martin, Hughes Network Systems, and others, also are located on or near the I-270 corridor.

The corridor rivals downtown Washington and the Dulles tech corridor in northern Virginia as one of the major employment centers in the region. In fact, the I-270 corridor benefits from its proximity to northern Virginia and the wealth of federal agencies in Montgomery County and the region. Indeed, the federal government is one of the most influential players in the county’s market due to its role as employer, landowner, and tenant. Many companies locate near or along the corridor to take advantage of transportation access as well as proximity to the NIH, the FDA, the National Institute of Standards and Technology, and other agencies.

Market Conditions

Germantown and the county have long been home to an educated and highly skilled workforce. Though the Germantown Employment Corridor was created to capture this asset for local employment, and several important companies and institutions are located in Germantown—including Hughes, Qiagen, the Department of Energy, and Montgomery College—the majority of residents in Germantown commute to locations outside the community for their jobs. About 76 percent of Germantown residents hold jobs in Montgomery County, but only about 10 percent of the population works in Germantown itself. These residents make up only a small portion of the 17,064 people who work in Germantown, resulting in traffic congestion on the local arterials and I-270, and in Germantown being perceived as a bedroom community.

Of the 17,064 jobs in Germantown in 2003, 19 percent were in the retail sector and 13 percent in the food and hotel industry. While 15 percent of the jobs were in manufacturing and 17 percent were in the professional, scientific, and tech industries, an increase in the number of highly skilled jobs is badly needed to meet the demands of the educated workforce living in Germantown. Though the list of the top 25 employers in Germantown includes several high-tech and biotech companies—such as Hughes Network Systems with 900 employees, Acterna with 500, Smiths Aerospace with 400, and Qiagen with 170 workers—there is room for many more such companies in the community.

As of April 2005, there was 4.7 million square feet of office, flex, and retail space in Germantown, while the fast-growing Washington suburbs of Gaithersburg and north Rockville had 28.7 million square feet. Of Germantown’s 42 office buildings, only 11 are rated Class A and only ten serve the flex/industrial market. In 2006, the office market in Germantown had an average rent of $24 per square foot and a vacancy rate of 12.8 percent, while the stronger flex-space market offered net rents of $14.43 per square foot and a vacancy rate of only 3.7 percent. Germantown has a total of 830,000 square feet of vacant office and flex space, although this is in part due to the 300,000 square feet of space sitting vacant at the former Orbital Sciences property. The community’s commercial rental rates have held strong in the recent past and there is only a modest disparity between its full-service rates and those of its neighbors to the south.
According to the Maryland Department of Assessments and Taxation, during the past six years, Germantown ranked second in Montgomery County in commercial construction with 2.3 million square feet built, representing 13 percent of the county’s total. Of that space, 51 percent is office space, 23 percent industrial/warehouse, 15 percent retail, and 11 percent for other uses. According to some estimates, about 4 million square feet of commercial gross floor area is in the pipeline for Germantown, with 3.5 million of that coming as office construction. Germantown has strong net absorption on par with that of Bethesda, but it is significantly lower than that of Gaithersburg/north Rockville and Frederick. While Gaithersburg/north Rockville has seen a boom in the past several years, especially for the biomedical industry, it has a much higher amount of vacant space—2.86 million square feet. The vacant space to the south of Germantown, however, is often favored by companies because it is only slightly more expensive than Germantown space but it is closer to the Metrorail system and NIH, FDA, etc.

While the development rate of office buildings is not as slow compared with other areas of the county as the community perceives it to be, the disparity between office and housing development is notable. According to county data, in 2005, Germantown had met 78 percent of its 1989 Master Plan housing capacity (37,000 units) and only 31 percent of its Master Plan employment capacity (78,000 people). The housing market in Germantown is extremely strong. The community ranked second among the county’s 28 planning areas in housing production between 2000 and 2005, according to the Maryland Department of Assessments and Taxation. During this period, 4,520 housing units were built—almost 17 percent of the units built in the county—a total surpassed only by the 4,900 units constructed in Rockville. With time and the improvement of the amenities Germantown has to offer, the jobs-to-housing imbalance will improve.

**Influencing Factors**

Over the coming decades, several factors will affect development in Germantown and should influence decision making by the community so it can best position itself in the future. These include Montgomery College, the Base Realignment and Closure (BRAC) Act, and the Intercounty Connector.

**Montgomery College**

Montgomery College plays an important role in the I-270 corridor and has the potential to be a huge economic driver for Germantown. The college benefits from its proximity to Johns Hopkins University in Baltimore and the University of Maryland (UMD) at College Park. In addition, UMD has a campus in Shady Grove where its Biotechnology Institute is located. UMD will soon move its undergraduate program in biotechnology to Montgomery College from Shady Grove, which will present many opportunities for the college.

Johns Hopkins and UMD have spawned a large number of start-up companies that have ventured out on their own, and the college will follow suit as its programs and proposed science and technology park grow. Indeed, the biotech industry relies heavily on relationships with academic institutions for research and talent. The college has the potential to provide initial staff for new biotechnology companies, and full-time staff can be drawn from graduating students or cooperative programs. The reputation of the entire corridor will grow as Montgomery College becomes a larger player in the biotech industry.

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<th>Location</th>
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*Source: Maryland Department of Assessments and Taxation.*
An Advisory Services Panel Report

20

Base Realignment and Closure

Several federal initiatives, including the U.S. Defense Department’s Base Realignment and Closure program, undoubtedly will affect the Germantown market. The 2005 BRAC recommendations are projected to have a positive impact in Maryland, primarily benefiting the Baltimore area through the expansion of Fort Meade, though Frederick and Montgomery counties are poised to see an impact as well. Nearly 1,000 personnel will relocate from the Walter Reed Army Medical Center in Washington to the Bethesda Naval Medical Center and an annex in Forest Glen, but this will have little direct impact on Germantown other than to make the I-270 corridor a more appealing location for related companies.

Fort Detrick in Frederick, which employs 7,600 personnel in several research institutes, armed forces centers, and the Secret Service, is expected to gain 120 military and civilian jobs in the short term and several hundred long-term jobs due to creation of the new Medical Biodefense Research Lab. The construction of this and other high-security labs at Fort Detrick might encourage spin-off companies and associated firms to locate in Frederick—and possibly at Germantown—rather than at sites farther south along the I-270 corridor. In addition, the National Cancer Institute will be relocating to Frederick from the NIH campus in Bethesda and thus will be bypassing Germantown and other closer-in communities along I-270 to be closer to the cluster of research institutes at Fort Detrick. It is possible that Germantown’s location halfway between Bethesda and Frederick will make it an appealing place to build a business for smaller contractors and others that would benefit from proximity to both the NIH and Fort Detrick. BRAC requires that all actions be completed by 2011, so the impacts will be felt over time rather than immediately.

The FDA is currently consolidating all its offices and labs from Rockville into the former campus of the White Oak Naval Ordnance Laboratory in Silver Spring. The project, with an expected completion date of 2008, has the potential to disperse the concentration of related research businesses in northern Bethesda and Rockville to sites closer to Silver Spring and Washington.

Intercounty Connector

Germantown also will be affected by construction of the Intercounty Connector, a longstanding and fiercely contested east-west highway first proposed in the 1950s. The ICC was recently approved and fully funded by the state and federal governments and will be constructed in five phases starting in spring 2007. It will travel 18 miles, connecting I-270 with I-95 and U.S. Route 1 south of Laurel in Prince George’s County, Maryland. While contested mostly on environmental and eminent-domain grounds, the ICC is viewed by many as a potential economic driver for the areas along its route. For example, the ICC likely will result in significant reductions in travel time between Germantown and BWI and I-95.

While it remains to be seen how many additional jobs the ICC will provide for the I-270 corridor, the road has the potential to spur new development at its interchange with I-270 and nearby communities, such as Gaithersburg and Germantown. The additional congestion that the ICC might bring to the corridor certainly will result in a greater need for the Corridor Cities Transitway. While construction of the CCT has yet to be funded, it would provide needed transportation capacity between Shady Grove and Clarksburg while also making jobs along the I-270 corridor more accessible.

Focus Area: The Germantown Business District

The future growth of the Germantown Business District will primarily be a function of the marketplace and patience. Germantown leaders, business
owners, and landowners, however, need to think about actions that will enable Germantown to gain a competitive advantage as the market evolves. From the data available, it is evident that Germantown has grown as would be expected, with residential growth outstripping job growth. While the perception is that Germantown has not gotten its fair share of the county’s employment growth, the panel believes it has gotten its expected share of that growth in the form that best served the market—flex space and campuslike office parks—although that growth occurred neither in the locations nor at the density or rate anticipated by the 1989 Master Plan.

**Competitive Context**

When the Gaithersburg office market is saturated, it is more than likely that demand then will move farther north to Germantown, even though its market provides a different product than that offered by Gaithersburg. In addition, as amenities and a vibrant extension of the Town Center core are developed, Germantown will increase its competitiveness, attract companies to locate there, and offer more varied commercial and mixed-use products. An expanded Town Center also will increase the tax base, though that most likely will not be an immediate result. Typically, office space located in a mixed-use, amenity-rich environment such as that anticipated for the Crescent and the GBD is more attractive to tenants and therefore leases out more quickly than space in the same submarket without those characteristics.

The report *Economic Forces That Shape Montgomery County*, by the Research and Development Center of the Maryland–National Capital Park and Planning Commission (M-NCPPC), notes that the county’s biotechnology cluster, not including consumer-oriented businesses, grew by 9 percent between the second quarters of 2004 and 2005. Germantown needs to capture a greater share of this growth and to encourage that growth to locate in the GBD. While a share of the biotech growth, such as Qiagen, is locating in Germantown, a larger portion is locating to the south in north Rockville and Gaithersburg.

Germantown is losing potential growth to Gaithersburg and points south because it does not yet offer the type of mid-rise product many companies desire. As a result, Germantown’s main competitors are Frederick and Clarksburg to the north rather than southern Montgomery County.

Many companies are moving north to sites with cheaper land so they can be close to their workers who are moving farther north along the I-270 corridor to find affordable housing. Gaithersburg competes with Germantown to some degree, but has more in common with Rockville and Bethesda than Germantown, with its lower-priced land and space. While Gaithersburg is incorporated, the boundaries between it and Germantown, with the exception of the areas where the greenbelt is identifiable, are becoming less distinct. A new exit off I-270, planned for Watkins Mill Road to the south of Germantown, will bring more development to the quickly expanding northern part of Gaithersburg.

All office development in Montgomery County, except that in Clarksburg, pays a transportation impact tax of $5.30 per square foot. The tax, set by the Montgomery County Council, is assessed on new buildings and additions to commercial buildings in order to fund, in part, the improvements necessary to meet the increased demand for transportation and schools resulting from the development. As noted in the *Germantown Economic Development Strategy*, this represents a significant real cost that makes development in Germantown more expensive than in some of its competitors outside the county. The transportation impact tax rate is higher in Clarksburg ($6.35 per square foot), but the money is reinvested in Clarksburg’s infrastructure, while the monies...
paid for development in Germantown are distributed across the county.

**Target Market**

The natural target market for Germantown is companies with highly skilled workers and a need to be near the biotech companies, universities, and federal agencies along I-270 and in Washington and Baltimore. In addition to biotech and high-tech companies, Germantown will continue to attract professional service firms and government agencies.

Until the market picks up and the Germantown Crescent takes shape, there will be two primary types of commercial development—mid-rise office/R&D buildings in campus settings on the cheaper land away from I-270, and one- or two-story flex space with surface parking. Currently demand for multistory office buildings is weak, while demand for flex space is high because there is a dearth of such property available on the market.

It is important to maintain the job preserve along I-270—both because it is a core principle of the 1989 Master Plan and because the preserve has the potential to supply jobs to the region for the next 50 years. The job preserve also has the potential to allow a larger number of Germantown residents to live and work in the community. It is clear that Germantown residents and business owners need to be educated about the Employment Corridor’s benefits in terms of future growth and potential reduction in congestion if fewer residents commute out of Germantown.

To understand the two categories of target property users that should be targeted for the Germantown Crescent and ultimately the GBD—commercial office and R&D—it is important to know their needs. R&D development often consists of one- or two-story buildings in a campus-like setting. For the most part, R&D space is constructed at a fairly low density and typically accommodates fewer workers per 1,000 square feet of space than other commercial space. In addition, R&D space typically has lower rents and lower intensity of use than office space.

Office development, on the other hand, is usually constructed at higher densities; for example, the Montgomery County O-M zone, which calls for office development, has a designated FAR of 1.5. Biotech companies tend to be capital-intensive: their spaces are expensive, with large amounts of lab space, costly equipment, and large teams of scientists and workers. Office uses definitely would be the most suitable for sites adjacent to I-270 because they would benefit from the greater visibility and transportation access available, and, thus, the higher densities. Development of flex space and R&D space should be encouraged on the eastern side of I-270. Models exist of high-density R&D space at research university campuses, and these should be explored for Germantown because this type of development would result in a more concentrated cluster of companies and a more walkable public realm.

A comprehensive effort to swiftly revise the 1989 Master Plan for the targeted GBD area in anticipation of an improved market will result in changes in Germantown’s commercial development within five years. Between five and ten years, there will be increased opportunities for infill development on the east side of I-270 when the Germantown Crescent will largely be developed. It will be important for the revised master plan to call for compact, walkable development in the GBD to make sure that parcels do not remain underused. These attributes will be immediately important on the west side of I-270 with the expansion of the Town Center into the Germantown Crescent and north to the Northwest Center. In addition, the revised master plan should identify the GBD’s signature sites and reserve them for high-density development for key companies.

**Incentives**

In the competition to retain and attract employers, local governments are increasingly offering economic incentives to offset the high costs that businesses associate with locating or expanding in a specific region or jurisdiction. Typically, there are two varieties of incentives: those available to any qualified company, and those that are discretionary and must be specifically granted.

Because much of the development proposed in this report can be developed privately or through public/private partnerships, it is appropriate to consider various types of financial incentives to en-
encourage the kinds of development desired. There is a strong need for economic incentives to draw biotech and high-tech companies to the Germantown Business District (until the amenity base is there to attract companies and residents on its own). The following financial tools, organized into the three types of incentives, might be best suited to attracting new commercial development to Germantown. It is imperative that the chamber and its partners be aggressive in pursuing and applying them to the GBD.

**Direct financial incentives.** These offer companies assistance in the form of cash grants, loans, bonds, equity financing and training subsidies. They include:

- **Direct subsidies.** These are cash payments used to attract development. This approach should be used selectively to draw a company that would dramatically transform the GBD.

- **High-quality jobs program.** This type of performance-based program provides quarterly cash payments to companies (often 5 percent of gross annual payroll) for ten years if they fall within a strict set of criteria. The criteria typically dictate industry type, a minimum annual payroll by a certain date, and a minimum number of jobs above a certain annual salary threshold.

- **Revolving loan funds.** This type of program makes loans available continuously, with repayments on existing loans enabling new loans to be granted. These types of loans often target small businesses.

- **Reduced parking requirements.** This type of incentive requires fewer parking spaces in order to encourage more efficient use of land, including the sharing of parking spaces, as well as greater reliance on pedestrian traffic and use of transit. It could be attractive in the GBD when a critical mass of residents and workers is in place and there is a greater demand for parking spaces and a need for structured parking.

- **Reduced-cost land and buildings.** This approach provides a business with a powerful incentive to locate in a particular area, because land acquisition and construction costs are often the biggest barrier to entry for a company choosing a site.

**Indirect financial assistance.** This approach typically takes the form of state grants or loans to local governments and community organizations to support business development, such as infrastructure improvements or workforce training.

While a workforce training program is less necessary in a place like Germantown with a highly skilled workforce, there might be a need train the young workforce that will be studying at Montgomery College or existing workers who need to be educated concerning the employment opportunities in the GBD.

**Tax-based incentives.** These involve a reduction or abatement in taxes paid to the state or local government. These include credits, abatements, and exemptions.

- **Tax abatement.** This could take the form of tax relief for new projects in the GBD for five to ten years.

- **Tax-free bond financing.** This incentive is attractive because the bonds do not require the financial backing of the municipality but instead rely on some form of credit enhancement providing an attractive interest rate.

- **Tax exemptions.** These remove the tax liability for certain business activities. Exemptions may be granted from a variety of taxes, but they are most frequently applied to income, sales and use, and other excise taxes.

- **Tax credit program.** This approach stipulates that if a company meets certain criteria and locates within a desired area, it can be eligible for a tax credit for a period of time, essentially enabling the company to reduce its tax burden.

- **Tax increment financing.** Tax increment financing (TIF) enables a community to capture the future tax benefits of a real estate improvement to pay the present cost of the associated infrastructure improvements.

An in-depth study should be completed concurrently with the revised master plan to investigate the most appropriate financing tools and incentives for the GBD. It is imperative that these incentives be in place when the new master plan is
Economic incentives should be targeted to appeal to new and existing companies by taking into account the costs associated with relocating or constructing a new building, such as expenses for startup, land acquisition, construction, environmental permits, operations, recruitment and training of a skilled workforce, energy, transportation, and taxes.

In addition, attention should be paid to how incentives are made available. A more tailored and flexible approach is likely to be more successful than blanket incentives. The study should investigate the best way to include enforcement provisions in agreements. Finally, the study should research potential partnerships between organization and industry groups that might facilitate and encourage increased economic development in the GBD.

The Montgomery County Council has funded one staff person in its Department of Economic Development (DED) to focus on economic development issues in Germantown; such a position has the potential to bring new development to Germantown and to encourage institution of the necessary tools and incentives to attract the best companies. It will be critical for the chamber of commerce and local leadership to educate this employee about the benefits of and need for focused development in the Germantown Business District.

This individual will be a key to Germantown having access to economic development incentives available from the county and state. The in-depth study of incentives should create measurable goals for the DED staff person. In the meantime, the county-funded DED staff person should immediately become familiar with the existing master plans, the chamber’s Germantown Economic Development Strategy, and this report. The next step is for the staff person to develop a program of work that will align with the work of the chamber.

Germantown leaders should request that no impact tax be assessed on development within the GBD because it will be infill development that is creating a strong employment base within the most urban parts of Germantown.

Identity
An underlying concern of the panel is a lack of identification of Germantown as a “place” rather than simply three interchanges on I-270. This situation means that there is little way to differentiate Germantown as a location that competes on more than price. While there is increasing pride regarding the amenities that make Germantown a wonderful place to live—the BlackRock Center for the Arts, the Maryland SoccerPlex, and the new library—these amenities also can have value for potential businesses. It is important to note that the elements that elevate the quality of life can make locating in Germantown more appealing because a full-service Town Center core will be attractive to both new residents and workers.

A related issue is the absence of a midlevel public entity. Citizens look to the county, and namely the Upcounty Regional Services Center, for most services, and to their homeowners association for local connections. This lack of a “town” exacerbates the identity problem in the marketplace for Germantown, even though it has about 90,000 residents.
During the interview process, the panel continuously heard about the need to create a sense of place in Germantown and how the Town Center is starting to serve that purpose. The strength of community identity and pride in Germantown’s residential neighborhoods, schools, and open-space resources is evident. What is lacking is identity and pride for the entire Germantown community from both insiders and outsiders.

The foundation, however, is being formed through the work of a committed group of landowners, developers, and leaders active in Germantown, and the study area in particular. Their understanding of the issues and commitment to making Germantown a better place to live and work will only bring good things to this community. This group of stakeholders will inevitably offer support for the planning and redevelopment of the Germantown Business District. They do not need to be convinced of the importance of this project to the community and—for developers and landowners—to the future potential of their parcels.

The panel has attempted to absorb and build on the extensive thinking and planning that has already taken place for the Town Center. Ultimately, the recommendations are intended to continue and enhance the urban-style core that is beginning to take shape in the Town Center. Implementation of the vision presented here for Germantown and especially the Germantown Business District requires creation of the physical form that will serve the new residents, businesses, services, and shops. This section of the report will suggest updated tools reflecting current ideas and new planning concepts that will help Germantown meet the needs of 21st-century residents.

The Town Center is well on its way to becoming the hub of activity, but it needs additional residents and, most important, businesses supplying jobs within walking distance or a short car or bus ride. At its center are two civic buildings—the BlackRock Center for the Arts and the new library slated to open in fall 2006—and the enormous potential of these resources will continue to grow with time. The high quality of investment in the Town Center’s public realm is impressive, leading to the addition of sidewalks, street trees, furniture, screening, and lighting. There are, however, vacant parcels that need to be filled in along the Germantown Crescent in order to extend the Town Center.

Relating to the future development of the Town Center, the Upcounty Regional Services Center building and the adjacent shopping complex should be better connected and integrated into the main street. Small second-floor offices for local businesses and professional services would be desirable additions as new retail pads are built to fill the gaps along the street. Also, a small museum celebrating Germantown’s history would be a great amenity; it could be programmed to augment the Germantown Historical Society’s office at the old Germantown Bank building by the train station and the Waters House, operated by the Montgomery County Historical Society, in the Milestone subdivision. A public square might evolve from the fountain diagonally across from the cinema complex and adjacent to the Jasper’s restaurant. That part of the Town Center needs a...
place for public gatherings to complement the transit center, which is filling that role to some degree. Mid-rise housing might also be included in the mix of uses nearer I-270. More entertainment options would strengthen this area by attracting residents and office workers for evening activities.

While the concepts presented below are not likely to be wholly new—many of the goals and ideas here are already shared by the community—the panel hopes they offer some significant and provocative ideas for how to create a viable and expanded Town Center with a strong mix of jobs, housing, and retail. This section of the report lays the foundation for the panel’s concept of the building blocks that should be used to create a dynamic and successful plan for the Germantown Business District. The foundation starts with an understanding of the overall context of the Town Center and then a focus on the unique and site-specific attributes that will define successful expansion of the Town Center into the GBD.

**Overview and Context**

Germantown has an invaluable opportunity to capitalize on the strengths of the existing Town Center core and the inevitable job growth that will come to the Germantown Business District with time. A long-term, strategic vision for the GBD is necessary to sustain and expand the community and for it to remain competitive in the changing business environment along the I-270 corridor.

The panel’s recommendations are intended to give this process a head start by offering objective ideas on how to integrate key design and planning elements for any individual development parcels with those common design principles and guidelines that should be the basis for developing and implementing a strategic plan. The panel seeks to further advance this planning process by recommending that the M-NCPPC revise Germantown’s master plan through an expedited process that will lead to adoption of the recommendations in this report and a focus only on the Germantown Business District.

Germantown has a historic opportunity to start changing its growth patterns by creating the Germantown Business District in preparation for future growth. Once the Town Center starts to expand throughout the GBD, the current imbalance between housing and jobs will start to change as companies are attracted to the high quality of life and sense of place offered by the GBD. Completion of the ICC will also bring growth to the I-270 corridor, and by adopting the recommendations in this report, Germantown will have positioned itself to take its share of that growth.

The county, with support from key leaders and landowners in Germantown, needs to affirm Germantown’s future role as a great place to live and work by refocusing its assets and adopting new development strategies to create an environment through which the community can benefit from these new conditions. This will involve adoption of planning policies and urban design standards, infill development, and the creation of an identity, all of which will attract and retain commercial and mixed-use development. In addition, it will be imperative for the key stakeholders to educate the public concerning the benefits of the Germantown Business District and the future growth that will come to Germantown.

Germantown has been built from the outside in, with residential development leading the way, and employment and a central core following. The panel’s emphasis has focused primarily on the Germantown Business District, which will serve as the community’s crown jewel, creating a great central place for residents to gather, as well as the most visible commercial hub for retail, mixed-use,
Much has been accomplished in a short period, with empty fields giving way to shops, small offices, higher-density housing, movie theaters, the Black-Rock Center for the Arts, and an active transit center, with a library and park coming soon. While the existing Town Center constitutes a good start, more needs to be done. The Town Center must be completed in a strategic manner. Important decisions on upcoming projects need to be made by private landowners and planners, and some missteps have been made along the way that need to be corrected over time. This report addresses the challenges facing Germantown in terms of identity, the Town Center, and future employment opportunities, as well as aspects of the public realm, especially street and transit connections.

The GBD: Restructuring the Employment Corridor

The study area—defined by the panel as the Germantown Business District—consists of the following six nodes:

- the Germantown Crescent;
- the Northwest Center;
- the Department of Energy;
- Milestone Business Center;
- Seneca Meadows; and
- Montgomery College.

Restructuring the Town Center: The Germantown Crescent

In order to attract employment to Germantown, the walkable and compact form, the intensity and mix of uses, and the vibrancy found in the Town Center core need to be expanded west to the MARC station and east to I-270, then north along Century Boulevard to Father Hurley Boulevard and through the Oxbridge and Lerner parcels in the Northwest Center. The area resulting from this logical expansion is referred to by the panel as the Germantown Crescent.

Principles that can help guide development of the Germantown Crescent include the following:

- mix uses to attract employers;
- create a pedestrian-friendly place;
- break up the superblocks; and
- complete the transportation infrastructure objectives laid out in the master plan.

Germantown Station. The Germantown Station neighborhood, which extends west of the existing Town Center core to the B&O Railroad and the MARC station, should become a mix of retail, additional office, and residential uses. All uses in this portion of the Crescent should be promoted for their proximity to the MARC station. Resi-
dents of Gaithersburg and other communities with MARC service could commute to businesses in the Germantown Station area by train. Historic buildings near the MARC station, several of which do not appear to be in use, should be used for neighborhood-scale retail while the local history museum should be more broadly advertised and highlighted as a community resource.

The appeal of urban living close to transit is that it allows commuters to leave their cars in the garage and walk to transit. Transit-oriented development that includes residential, retail, and office space should be considered in the district within a quarter-mile walk of the Germantown Station—although rail commuters often have a greater tolerance for walking, and recent studies indicate that the radius can be expanded to a half mile. The trail connecting a nearby residential neighborhood to the east side of the station and the pedestrian bridge crossing the railroad should be emulated throughout the area within a half-mile radius of the station to encourage walking and biking to the station. The 1974 Master Plan concentrated employment adjacent to the railroad and I-270, so there is a precedent of transit-oriented development in Germantown, even though it was never fully developed. Residents and workers in the Germantown Station area would also be within an easy walk of the Main Street section.
The panel also emphasized the following points regarding the Germantown Station area:

- High priority should be given to office and residential development on strategic sites close to the station to take advantage of the good transit access and the charm of the historic neighborhood.

- Greater attention should be given to pedestrian and bicycle access to the station by way of trails and bike paths.

**Main Street.** The section of Century Boulevard running from Middlebrook Road to Aircraft Drive is the portion familiar to most Germantown residents as “Main Street”—a place to shop, to meet the neighbors at the Safeway, to catch an exhibit or performance followed by dinner, to catch a transit connection to another area of the community or region, and, for a lucky group, a place to call home.

The existing Town Center core should continue to be primarily a retail and public services district with offices and residences. This mix of uses represents the urban ideal to many, and it is an increasingly popular feature for suburban communities. The chamber and its partnering sponsors for this panel should advocate that the public library open as planned in fall 2006 and that the urban park, Center Park in the Town Center, proposed for a site north of the library, come to fruition in
In a timely manner. In addition, the restructuring of transit services has given the Main Street good bus connections to other parts of the community, and speedy connections to Metrorail at Shady Grove.

In the short term, the Main Street portion of the Crescent would benefit from the streetcar or trolleylike transportation loop proposed by the panel. In the long term, there is potential for greater density and structured parking for underused sites, such as the supermarket parking lot and the car dealership. The challenge related to this part of the core will be to build out the vacant parcels in an appropriate manner, and to fix some of the missteps as the real estate market opens up more profitable development prospects.

The Corner. The neighborhood between Aircraft Drive and I-270 has been identified by the panel as “the Corner” in reference to the bend in Century Boulevard. The Corner should include a balanced mix of mid-rise office, retail, entertainment, hotel, and residential uses. Mixed-use development should play an important role in this section of the Crescent, especially since it forms the most logical extension of Main Street and has easy access to the new transit center and future CCT stops. The Corner contains key signature sites that should be developed with the vista from I-270 and the creation of Germantown’s identity in mind. This section of the Crescent contains many vacant or underdeveloped parcels, which represent the greatest opportunity for significantly expanding Germantown’s job base, as well as establishing a new caliber of commercial development, one that will further identify the community as ranking among Montgomery County’s leading business centers. Existing development primarily takes the form of low-rise suburban office buildings with large setbacks from the street. Though the Century XXI building adjacent to the movie theater provides the only structured parking in the Crescent, the site is underused and the building is not compatible with the marketplace and needs of tenants. New development must establish a new standard of high-quality urban development—one that can be emulated at other parcels as obsolete buildings are replaced.

Uptown. The Uptown neighborhood along Century Boulevard south of the Father Hurley Boulevard/I-270 interchange should include a strong concentration of office uses with a variety of residential and supporting retail.

An important parcel in the Uptown section of the Germantown Crescent is the Century/Orbital Sciences complex, represented by Trammell Crow, which currently comprises six buildings, five of which sit vacant on the underused site. Trammell Crow presented a plan to the panel for the site that includes 200 condominiums, 150 rental apartments, and 300 two-over-two townhouses. In addition to the residential component, which will require a zoning text amendment from the county, Trammell Crow plans three 180,000-square-foot office buildings on which ground will be broken in spring 2008. The current plan for the site also includes a hotel, which is allowed as a special exception to the I-3 and TS zones.

This site is adjacent to a proposed CCT stop, which would give residents and workers there the option of commuting to work by transit. The developers aptly note that structured parking would not be viable in the short-term unless there is a residential component to the project. The plan presented to the panel included structured parking on the highway frontage, which is an inappropriate use of such land. This portion of the site should be reserved for high-density office development to optimize the signature frontage on the site. The panel agrees that this site should include a mix of multifamily housing, office space, and retail uses.

As Century Boulevard turns north, this district provides opportunities for redevelopment of older...
suburban office buildings into a more diverse selection of uses, including residential and office space, as well as possibly retail space and hotels.

**Northwest Center.** Anchoring the northern end of the GBD employment zone on the west side of I-270 is the Northwest Center, which consists of two large sites that are important both for their size and their exposure on I-270. It ultimately will provide space for the critical northern expansion of the Germantown Crescent. When developed, the Northwest Center has the potential to form a stronger connection with the Milestone Center on the east side of I-270.

This is an area currently lacking good street connections, a limitation that will be improved by a combination county- and developer-sponsored project to extend Century Boulevard through the sites. This effort is in the planning stage and is expected to be underway soon. Completion of the CCT also will enhance the connection of these sites with the rest of the area west of I-270 as well as link them to the Milestone Center on the east side of I-270.

Notwithstanding the construction of these roadway connections, this area likely will lag behind the Corner and Uptown areas in office development because of its distance from the core. For that reason, the panel recommends that consideration be given to rezoning this area to add residential and retail uses to office uses in order to enhance the likelihood of earlier development. This area also might be attractive earlier for a large single user than for a multitenant development, as noted later in this report in the suggestion of a land swap with DOE.

Currently, the two parcels in the Northwest Center are primarily vacant. The Lerner Enterprises site is home to a golf driving range, but the owner has proposed a planned development, the Waters Landing Corporate Park. If approved, the park will cover 75 acres along I-270 and Crystal Rock Drive with 1.3 million square feet of office space and recreational activities. Oxbridge, the owner/developer of the other Northwest Center parcel, has received preliminary approval for 500,000 square feet of commercial development in two buildings on its approximately 25-acre site. However, without changes to the market, it appears
that this site will remain vacant for several more years because the owners do not believe there is demand for this much office space. As part of the entitlement process, the owners will build through their site the aforementioned extension of Century Boulevard, which is currently in the final design stages.

Summary. The intent of this strategy is to establish the center of Germantown as a major activity area attractive to community residents as well as a wide variety of office-space users and retailers. Retail will be an important use, but the focus of the strategy is to create a new concentration of office employment that will give Germantown the status of a full-fledged town offering a variety of commercial opportunities and services.

Development of the Crescent should be given a high priority because it has strong potential to help Germantown achieve its employment objectives. It will be necessary to revise land use regulations, as described in the implementation section of this report, and to the extent that public infrastructure funding is necessary, this portion of the Employment Corridor should be given first priority.

Opportunities on the East Side of I-270

The Germantown Employment Corridor includes roughly identically sized areas on the east and west sides of I-270. The portion of the GBD on the east side forms a reverse crescent that mirrors the Crescent and Northwest Center. The east side includes Hughes Network Systems, Montgomery College, the Seneca Meadows complex, and the Milestone Business Center.

The employment identity on the east side of I-270 seems to be set, with few undeveloped parcels remaining, although all developed parcels, except for Milestone, are well below the allowed density in the I-3 and TS zones. As a result, there is an opportunity for increased density and some mixed-use development as the market catches up with Germantown. Currently, I-270 acts as a physical barrier between the east and west sides of Germantown, primarily for pedestrians, and it appears that there is a mental divide also as the east side has been favored to some degree by flex and R&D development. This can be improved through construction of additional overpasses, such as the one planned at Dorsey Mill Road; through paying more attention to pedestrian needs; and through construction of the CCT when it is approved.

Montgomery College. Montgomery College, a respected two-year academic institution with a strong technology focus, is a major asset for Germantown and the region. The 230-acre campus, poised on a hill providing a dramatic view of Germantown, has plenty of room for expansion.

The college’s value as an economic driver for Germantown will be enhanced by its efforts to initiate a Montgomery College Life Sciences and Technology Park on a 35- to 40-acre campus tract near the Route 188 interchange with I-270. Montgomery College will undertake the project through a partnership with Montgomery County and Foulger-Pratt, a Rockville-based construction, development, and management firm. The development team is currently negotiating the development agreement and is in discussions with several lead tenants. Once a tenant is committed, the team will present a preliminary plan for the site to the county.

According to people interviewed, the science and technology park ultimately will house 4,000 employees in 1 million square feet of office and lab space, a biosciences center for the college, and county incubator space. The panel recommends that the college and its partners consider the following for the science and technology park:

• locating high-rise buildings on the signature sites visible from I-270;
• creating a walkable environment in the park, to echo the pedestrian-friendly campus, by fronting the buildings on the roads and sidewalks and placing landscaped parking lots at the rear or sides of buildings; and
• applying the revised master plan to Montgomery College to allow a mix of uses, such as a coffee shop, restaurant, and other neighborhood services, including more than the minimal amount of service retail allowed in the I-3 and TS zones.

Seneca Meadows. The Seneca Meadows property, a 156-acre site that fronts I-270 between Route 118 and Father Hurley Boulevard, is successfully serving the flex-space segment of the Germantown office market. Property developer and man-
ager Minkoff Development Corporation has completed nine buildings totaling 500,000 square feet and has two more under construction. Rents are competitive at Seneca Meadows; Building 2, for example, is offered at $17.50 triple net lease per square foot. The site has an abundance of parking, with 3.5 spaces per 1,000 square feet—typical of Germantown's campuslike office parks.

Low-rise office and flex space is the prudent use of this site, and the developer/owners should be encouraged to continue developing this product there. While demand for flex space will probably decline in the long term as office demand improves and moves north along I-270, it would be wise for the Germantown area to continue to offer such space. However, as the market evolves to higher land values, Minkoff likely will want to build three- to four-story offices in the northern section of the property as allowed by the 1989 Master Plan.

Milestone Business Center. The Milestone Business Center, represented by Trammell Crow, has two commercial buildings in place, and an approved site plan for three additional buildings with structured parking. An alternative plan also exists to transfer density from one of the parcels to a parcel fronting I-270. The owners plan to construct an office building, which is currently in the approval process, in spring 2007 on a speculative basis.

The plans presented by Trammell Crow for this property are satisfactory if they can be completed. In any event, the uses of this property are already well established. The owner's proposed alternative use of a portion of the undeveloped areas of this parcel for residential development would not create any problem for overall employment growth, so the panel supports the idea. The panel recommends mixed-use development for the new buildings, such as coffee shops and other services that would appeal to office workers.

Plan Essentials

A number of design characteristics are essential to developing a successful Germantown Business District. These include the restructuring of the Town Center, infill and mixed-use development, attention to signature sites along I-270, and connectivity of both roads and transit.

Mixed-Use Development

According to ULI, the term *mixed-use development* holds a variety of meanings and can be applied to a wide range of community development projects. These projects may be classified as mixed use if they provide more than one use or purpose within a shared building or development area. Mixed-use projects may include any combination of housing, office, retail, medical, recreational, commercial, or industrial components. They may vary in scale from a single building occupied by a retail shop on the ground floor with an upstairs apartment, to a comprehensive urban village development with multiple buildings containing separate but compatible uses. According to ULI's 2003 edition of the *Mixed-Use Development Handbook*, mixed-use development is characterized by the following parameters:

- three or more significant *revenue-producing uses*—such as retail/entertainment, office, residential, hotel, and civic/cultural/recreation—that in well-planned projects are mutually supporting;
- significant *physical functional integration of project components*—and thus a relatively close-knit and intensive use of land—including uninterrupted pedestrian connections; and
- development in conformance with a *coherent plan*, which frequently stipulates the type and scale of uses, permitted densities, and related elements.

Although the mixed-use approach presents significant challenges—especially in the areas of project finance, programming, and design—it is gaining popularity at an ever-increasing rate. Indeed, real estate and planning experts predict that several decades of very-large-scale redevelopment and new development are on the horizon, and that the role of mixed uses will continue to expand. Application of mixed-use development will play an integral part in ensuring Germantown's future economic development success. New development needs to be compact and walkable to build on and improve the vibrancy of the existing Town Center core to the fullest extent possible.
Single-use development is no longer always desirable for Germantown—especially not in areas adjacent to the Town Center core. Allowing a mix of uses, such as residential and office space in the same building or same development project, would create incentives for construction of offices because the market is currently so targeted toward residential development. In addition, entertainment, retail (neighborhood services and clothing, etc.), and restaurant uses should be considered for the Germantown Business District, and specifically for the Germantown Crescent. These uses will appeal both to workers and residents in the Germantown Crescent and beyond.

A valid concern is that mixed-use development might reduce the opportunities for creation of affordable or below-market-rate housing. Though higher construction and other hard costs related to increased density can mean a dense project will not be profitable or is not affordable, spreading those costs across additional floors or units can mean lower land costs per unit. Thus, for the most part, opportunities still would exist for the developer to make a profit while also providing below-market-rate or affordable units. In addition, Montgomery County’s moderately priced dwelling unit (MPDU) zoning requires developers to include affordable housing in any new residential development, with developers receiving the reward of a density bonus.

The panel also learned of public concern that mixed-use development, if it includes residential uses, will have negative impacts on public facilities—for example, that additional residential development will result in the overcrowding of schools. In addition, residential development results in less tax revenue for a local jurisdiction than office development that places less of a strain on public services.

The revised master plan needs to address the potential impacts that increased development in the Crescent and GBD will have on public facilities. It should be noted that the most likely residents of the multifamily housing that will be encouraged in the Crescent and ultimately the GBD will be young professionals and empty nesters looking for a more walkable and lively environment. For the most part, families will continue to locate in Germantown’s single-family homes and townhouses, so the impact of mixed-use development in Germantown on the schools should be minimal.

**Zoning Changes**

The panel explored various alternatives to the current I-3 and TS zoning, including text amendments allowing mixed-use development, a mixed-use overlay, or a change to the mixed-use planned development (MXPD) zone. Allowing MXPD zoning, which would permit housing—as is the case at Rock Spring Park in the most heavily developed, southern end of I-270—might help create the type of vibrant environment proposed in this report in order to attract employers to Germantown.

The owners of two major sites in the GBD have requested that their sites be approved for MXPD zoning so that they can include residential units—not simply as a reaction to the lagging office market, but because it has proven to be a more desirable form of development. Responding to the currently stagnant commercial market, owners are looking to generate a positive cash flow for their sites sooner with residential uses rather than wait for the office market to pick up. This type of master plan amendment, however, can take 18 to 24 months to put in place. At the Shady Grove Life Sciences Center, a different approach was employed: a floating mixed-use zone was used to encourage development. While these alternatives have benefits, the case-by-case approach of text amendments is not the optimal strategy by which to enact zoning changes.

Instead, the panel recommends the following:

- The county should complete an expedited master plan focusing only on the Germantown Business District. (See map on page 12 for boundary.)
- This revised master plan should encourage mixed-use development in the GBD, calling for a higher-density and more walkable, compact public realm.
- A streamlined process should be put in place so that mixed-use development is encouraged.
- Sites should be densified and have structured parking added as the market matures.
The M-NCPPC, a bicounty agency that administers parks and planning in Montgomery and Prince George’s counties and is responsible for updating the Germantown Master Plan, has committed to updating the plan through a process starting in 2006. By focusing on the GBD area, the master plan can be completed far sooner than the three years expected for the proposed master plan revision covering the entire community. The expedited master plan should focus on applying appropriate zoning to create compact development in the Crescent and in the other GBD zones when the market is ready. Higher densities, reduced setbacks, and a mix of uses should be allowed for the GBD area.

Connections

The 1974 and 1989 master plans envisioned Germantown as a series of self-contained villages connected to a central core but not necessarily to each other. The plans also created a series of wide streets, which met the goal of moving traffic but was hostile to pedestrians. The panel’s proposal calls for expanded road and transit connections to create greater access to and from the Crescent within the GBD.

Street Network. Improved roads have always been important to the Germantown Master Plan, and the network has been gradually filled in as development matured. Such improved connections are important to provide access, but are often absent in conventional suburbs. Two traits of the Germantown road system are large superblocks with long distances between roads and excessively wide roads that are good for moving traffic but bad for pedestrians. The panel believes that the pattern of wide streets throughout the Crescent, except for the Main Street section, needs to be corrected to enhance development of future sites. The panel also recommends an aggressive program of traffic calming on selected streets to slow down traffic and/or divert it to adjacent arterials more appropriate for carrying high-speed traffic.

The panel also emphasized the following:

- To create a safe environment for pedestrians, the extension of Century Boulevard—north under Father Hurley Boulevard through the Oxbridge and Lerner properties to merge with Crystal Rock Drive—needs to follow road standards similar to those in the Town Center core.

- The proposed I-270 overpass at Dorsey Mill Road, which will connect Century Boulevard with Observation Drive, must be made pedestrian friendly.

Pedestrian Circulation. Pedestrian circulation is a critical element of any successful, mixed-use town center. Place making and creation of a vibrant retail environment are based on the premise that sidewalks and intersection crossings must be made safe and provide ease of access and movement. The successful pedestrian environment of the Town Center core should be extended throughout the Crescent. New developments should be designed with the pedestrian in mind so that there is easy access from parking to the building entrances.

The Town Center core is a pedestrian-concentrated zone in which vehicular circulation is, for the most part, carefully planned to reduce vehicle speed and minimize to some degree surface parking. The Town Center still has some suburban elements, such as the surface parking serving the supermarket and the car dealership fronting Germantown Road, although the dealership does have...
The width of Aircraft Drive, which forms the border between the Main Street and the Corner, and the lack of traffic-calming elements result in speeding cars and an unsafe pedestrian environment. The street needs to be narrowed or a traffic circle constructed at its intersection with Century Boulevard.

its service center underground, which reduces its footprint.

The panel suggests expanding the pedestrian-oriented zone throughout the Germantown Crescent portion of the GBD. Sidewalks should be a required feature throughout the Crescent and, where viable, in the Northwest Center and nodes on the east side of I-270. In addition, several side roads are unsafe to cross because traffic moves at a high speed and there are no crosswalks. In future redevelopment of the older portions of the Crescent, which consist of older strip centers and conventional office parks, attention should be paid to creating a safe pedestrian environment.

The new cinema in the Corner is an asset that encourages pedestrian movement east of the Main Street area. The new hotel and off-site restaurants, located directly across Century Boulevard from the cinema, are a welcome addition to the Germantown community, which has long had a dearth of eating establishments. However, they are not configured in a way that complements the Town Center, and they do not encourage safe pedestrian circulation. This should be addressed when this parcel, which sits in a prime location, is redeveloped more intensely.

Pedestrian connections between the Crescent and the east side of I-270 should be integrated into future transportation planning for Germantown. Since the primary links between the two sides of the interstate are overpasses, pedestrian-friendly crossings on the overpasses and even by way of a separate pedestrian bridge will help to strengthen the connection between the two halves of Germantown. Eventually the I-270 overpass planned at Dorsey Mill Road just north of Father Hurley Boulevard will provide an important additional link between the east and west sides of I-270.

Aircraft Drive, which forms the border between Main Street and the Corner, is a prime example of the unfriendly pedestrian environment. The road is too wide and, as a result, it encourages speeding. This and similar roads need to be altered through traffic-calming measures, narrowing, or creation of traffic circles so they can become more pedestrian friendly. The panel also emphasizes the need for Germantown to provide an interconnected street system of short blocks to encourage pedestrian and bicycle use as an alternative to automobile use.

**MARC and Ride On Bus.** Germantown is served by MARC’s Brunswick Line, which stretches between Union Station in Washington, D.C., and Martinsburg, West Virginia. Administered by the Maryland Transit Administration (MTA) under contract with CSX and Amtrak, the commuter rail system operates three lines in the Baltimore-Washington metropolitan area. Brunswick Line trains operate over the CSX Metropolitan, Old Main Line, and Cumberland subdivisions, starting in Martinsburg, then traveling through Frederick before stopping in Germantown. Between Germantown and Union Station there are seven stops. At Rockville and Silver Spring on the Brunswick Line, passengers can transfer to the Metrorail Red Line.

Germantown’s MARC station is located southwest of the Main Street just south of Germantown Road. Due to its convenient access to Washington and other job centers, the Germantown station area offers an attractive alternative to commuting on I-270 as well as opportunities for transit-oriented development (TOD). Today, however, MARC access is available only to those who live in the historic neighborhood west of the line, those who park in the small parking lot, and Ride On bus users.

The panel recommends that Germantown expand MARC ridership and connectivity to the Crescent and beyond by operating the Germantown Crescent trolley/streetcar line between Father Hurley Boulevard and the MARC train station.
Germantown residents and employees also can get around by bus. Montgomery County operates its own public bus system, Ride On, which operates about 80 routes throughout the county. Several lines connect Montgomery College, a large shopping center, and subdivisions in Germantown with the new transit center in the Town Center. Many commuters use Ride On to connect to Metrorail, serving the Washington metropolitan area, with bus service linking Germantown to the Shady Grove and Rockville Metro stations. A recent and heavily used rerouting of the Ride On bus service has resulted in a much more efficient journey to the Shady Grove Metro station. Also, among Ride On services is route 70, which operates Monday through Friday during peak commuter hours as an express bus to Bethesda.

The panel recommends that Germantown provide better public access to the South Germantown Recreational Park and the Maryland SoccerPlex, which are key resources. Currently, there are bike racks at the SoccerPlex, but the closest bus stop reportedly is a half mile from the entrance to the park.

Transit Opportunities. The proposed Corridor Cities Transitway, a proposed transit project to connect the Shady Grove Metro station to Clarksburg, will be a boon for Germantown and its neighbors along I-270, especially if it takes the form of light rail, which is perceived as more permanent than bus rapid transit (BRT). Construction of the CCT, however, is not guaranteed. The MTA has determined that the first phase of the project will extend along Watkins Mill Road in Gaithersburg to the Comsat building just south of Clarksburg.

The county's master plan calls for a light-rail system, but there is a possibility that the CCT will take the form of BRT. A double-tracked light-rail system will give the greatest sense of permanence to the development community and most likely will result in the fastest and most dense development adjacent to stops. BRT would be the best alternative option to light rail, as long as it follows the CCT alignment rather than an option that would take it along I-270. Such a route, which would use express toll lanes, would divert investment away from the Town Center because there would be fewer stops; it also would result in large parking lots rather than TOD adjacent to the stations. The CCT project has the potential to reduce congestion on I-270 and connect the town centers of various communities along the entire corridor.

In assessing Germantown’s transit options, the panel made the following observations:

• The funding and mode decisions for the CCT will occur in fiscal year 2006–2007. Because the CCT will compete with two other high-visibility projects in the state for federal funding in 2009, the chamber of commerce and others with local interests have time to create a campaign to show their support for the CCT. This campaign should include efforts to educate the public concerning the project’s benefits and its readiness to proceed.

• The chamber and others should discuss best practices on the various modal options proposed for the CCT.

• The CCT alignment should follow the split route, proposed in the 1989 Master Plan, because it is most likely to encourage development on both sides of I-270.

Because competition for federal and state funding might make completion of the CCT a long process, the panel suggests that an interim alternative be implemented in the form of a modern urban streetcar or trolley line. The system should link the various nodes of the Crescent, traveling from the MARC station along Germantown Boulevard to the Town Center core, at which point it should extend along Century Boulevard to Father Hurley Boulevard. Along a portion of Century Boulevard,
the system should follow the CCT right-of-way, which has been set aside as landscaped medians in Germantown and many other Montgomery County communities along the proposed route.

Portland, Oregon, has a popular light-rail system that has helped revitalize portions of the downtown, including the Pearl District, and contributed to higher property values for buildings along its various routes. Closer to home, there are examples of successful bus loops, such as the free Bethesda 8 trolleylike buses, which have consistent running times of less than eight minutes as they loop around downtown Bethesda, and the Connector in Washington, D.C., which links Georgetown and Union Station. Both examples, which supplement existing bus lines, are less expensive but equally visible alternatives to a light-rail system. A light-rail system, or even a trolley-like bus system with guaranteed arrival times, can give the perception of greater permanence than a traditional bus system. In addition, rather than requiring a wait of several years or longer, as is possible for the CCT, a streetcar or trolleylike bus could be in place much sooner and, as a result, give developers and landowners a greater sense of certainty that their projects will be accessible.

The panel recommends that Germantown make it a priority to create a streetcar, trolley, or trolley-like bus line along the Germantown Crescent, with a possible extension throughout the Germantown Business District if demand increases.

Parking. It is essential that Germantown establish a parking strategy as an element of the GBD plan so that parking does not overwhelm the character of the new development. At the same time, in a predominantly automobile-based community like Germantown, parking is a critical component of the GBD in order for it to be accessible to the community’s residents and workers. The existing on-street parking spaces and parking lots in the Town Center and serving other developments are appropriately located and are large enough to serve current demand.

As with other aspects of the transportation system, Germantown’s parking needs should be reexamined as the Town Center core becomes increasingly urban. A key difference between urban and suburban centers is the way parking is treated. Standard suburban parking requires owners to provide all parking for each building off street, effectively meaning that it will be free. Urban parking allows sharing of and occasionally charging for parking, both of which reduce the amount of space needed for parking and create better site design options.

Short-term improvements in the provision of parking in the GBD should include better landscaping for existing parking lots. The wall and landscaping features around the Safeway parking lot in the Town Center core serve as a good model. The revised master plan should call for parallel parking along the collector and local streets in the GBD.

Long-term parking strategies should include the use of shared parking and structured parking, with options developed to enhance mixed-use projects. In higher-density, mixed-use projects, parking development by a central parking agency should be considered, similar to the parking districts in other Montgomery County business districts. The location and design of structured parking should be carefully controlled to minimize exposed street walls. This can be done through the use of “liner” uses along the walls, such as retail along the street frontage or the creative use of foliage and artistic elements. Sites exist in the GBD where changes in grade could allow developers to use underground podium parking.
Development Principles and Guidelines

The concept plan presented by the panel is the first step toward creating an environment for the GBD that will attract companies. More substantial planning and design efforts will be necessary to prepare the GBD and the Crescent for implementation and development. The panel's work is based on its consideration of the following key design guidelines and principles, which should guide future development and the revision of the master plan.

Incorporate Urban Design and Form-Based Zoning

The street-level form of buildings is of critical importance. Carefully implemented design guidelines that are flexible enough to allow individual expression and innovative design, while also being structured enough to create a pedestrian-oriented environment, will be a key to the success of the Crescent. Design guidelines, or a form-based code, should address the following:

- location of parking;
- articulation of building entrances;
- ground-floor awnings;
- building height;
- buildings that extend to the lot line and setbacks;
- wayfinding signs;
- landscaping;
- street furniture; and
- lighting standards.

Above the first floor, the design or form-based guidelines should deal mostly with scale and massing. They should allow for a variety of uses and typically encourage mixed-use development.

Guidelines should be supported through incentives and not be made mandatory. Developers can be persuaded to follow the guidelines if there is a reward of a density bonus, an expedited review process, a reduction in the number of parking spaces required, or an economic incentive.

Install Public Art

To build on the strong presence of the BlackRock Center for the Arts and the public art installed in front of the center, Germantown should place additional public art throughout the Crescent to help create an identity and an image for the community. Public art should be fully integrated into the wayfinding scheme, help define key places, and soften edges. The library grounds and the proposed urban park will be key places for public art, as will be the transit center in the Town Center core. East of the I-270 corridor, Montgomery College's new science and technology park will also offer opportunities for an identity-building public art program. The public trailhead leading from the MARC station parking lot to a residential neighborhood also could be enlivened with public art and wayfinding elements.

Focus on Image-Building Opportunities

The revised master plan and future development plans for the Germantown Business District should not miss any opportunities to create iconic elements that create identity and branding for the Germantown community. As discussed throughout this report, this starts with the importance of Germantown’s signature sites visible from I-270. They should be developed with high-rise office towers of distinguished architectural design to create a visual reference point for those driving on I-270.

Promote Sustainable, Environmentally Responsible Development

As Germantown maximizes its amenities and builds on and expands the Town Center core, it should make sustainable development a priority. It should fully embrace transit-oriented development near the MARC station, the transit center, and CCT stops, when built. In addition, the revised master plan should promote environmentally responsible design. Compact development is one important step toward this goal. Another basic concept of this type of sustainable design is development that reduces parking and automobile use. In addition, design elements that promote energy conservation, water conservation, stormwater quality control, and use of sustainable building practices should be encouraged as part of the development process.
Germantown is well positioned to move into the next phase of its development, a phase where the Town Center blossoms into a vibrant regional destination and employers choose to locate their businesses in the Germantown Business District as a result of this high quality of life. Successful creation of the mixed-use Germantown Business District, however, will not happen if left to chance alone. Germantown will need a focused strategy as it moves forward, and the update of the 1989 Master Plan will be a critical step if Germantown is to meet its potential.

The Germantown Economic Development Strategy, prepared by the Gaithersburg-Germantown Chamber of Commerce, articulates a set of sound principles to guide further development in the central part, or core, of the Germantown community. It identifies the major assets of the area, a set of economic development objectives, and some proposals for achieving those objectives. The report focuses primarily on the need to enlarge the base of employment opportunities within Germantown, and consequently identifies four properties—Orbital Sciences, Montgomery College’s Life Sciences and Technology Park, Seneca Meadows, and the Waters Landing Corporate Park/Lerner site—as key signature sites in the Employment Corridor. The panel would add to this list the Bellemead Development Corporation-owned site on Century Boulevard, with its prime location at the intersection of I-270 and Germantown Road. Overall, the strategy is a well-articulated and focused document that should be followed as Germantown moves forward.

Building on the chamber’s critical first step in positioning Germantown for increased economic development, this section of this report describes the panel’s interpretation of how Germantown might advance its economic and social well-being. For this advance to take place, changes are needed in land use policies guiding development in the core of the community, particularly in the Employment Corridor straddling I-270. The panel believes Germantown, which is already recognized as a great place to live, can greatly enhance its status by “risking greatness” and becoming a full-service community offering ample employment, educational, cultural, recreational, and entertainment opportunities in the core area to complement its fine residential neighborhoods.

Place Making

The first step toward greatness is for the community to recognize that it needs to strengthen its identity as it is understood by the outside world as well as by its own residents. A strong identity is an essential component of any effort to market the community as a location for new businesses and services. The panel has observed that Germantown’s present identity is overwhelmingly that of a place of residence. People identify primarily with their neighborhoods and homeowners associations.

Important steps have been taken to begin to change this perception. Recent improvements in the Town Center portion of the core, such as the BlackRock Center for the Arts, a county library, and new shops and offices, are creating a new perception of Germantown as a real “town.” County and community leaders are to be commended for taking the first big step toward giving the community a new image that will generate many future benefits.

Why is it so important to change Germantown’s identity from that of a bedroom community to that of a real town that has a core area of mixed uses and round-the-clock activity? Because many employers are increasingly aware that in order to attract and hold a strong workforce, often referred to as the creative class, they must locate in areas that offer their workforce not only offices and
places to park, but also an out-of-the-office environment that has a variety of amenities—places to eat, retail services to fulfill everyday needs, and entertainment options. Many other communities in the Washington, D.C., metropolitan area offer this kind of environment, such as the downtowns in Silver Spring and Bethesda, and the neotraditional, mixed-use communities of the Kentlands and King Farm in Gaithersburg. Germantown must compete with those communities in its effort to attract more jobs.

Place making is a development trend, the principles of which can guide the enhancement and expansion of the Germantown Town Center. According to ULI, place making increasingly has become a fundamental concept in addressing problems of sprawl and in making compact development desirable.

Place making is not a simple undertaking, and many developers, designers, and public officials are grappling with its many complex development issues, including deciding on the mix and integration of uses, designing for density, creating an attractive public realm, designing effective parking, implementing shared parking, and a dealing with a host of other challenges. In spite of these barriers to implementation, place making is an increasingly popular goal of today’s decision makers and developers. This is evident in the growing number of new village and town centers popping up across the nation.

It is important to also understand that employers in today’s business market desire the same amenities as do their employees. Employers are starting to choose headquarters and office sites that are within walking distance of shops, restaurants, and residences. Similarly, workers are starting to choose their places of employment based on which amenities are nearby. The panel recommends an approach that will build on the beginnings of a compact, walkable center and expand it first through the Crescent and ultimately the GBD. This will help differentiate Germantown from competing towns and communities as the market grows.

Marketing Strategy

The panel recommends that Germantown adopt a coordinated marketing strategy to highlight the community’s mixed-use opportunities, create a brand identity, and differentiate Germantown from its competition. The overarching goal is to provide a sense of place and community that will provide a compelling reason for corporate employers to select Germantown as their preferred location.

In addition, the greenbelt of parks, lakes, forests, open space, and the Agricultural Reserve surrounding Germantown is an incredible resource. Indeed, the greenbelt, which acts as the strongest identifier of when a driver or pedestrian is entering or leaving the community, is a desirable resource and should play a stronger role in Germantown’s identity.

While there is much to celebrate, there is also room for improvement. The residential areas of the 1989 Master Plan will soon be built out, and the Town Center is well underway. Each of the urban villages has special qualities that have made them attractive places to live and socialize, but they are isolated from one another, often accessible by only one entryway, and lacking in mixed-use development. While this provides a sense of community at a small scale, it results in a closer association by residents with their homeowners association or village than with Germantown as a whole. This is now becoming evident as Germantown has grown to nearly 100,000 people and there is little sense of identity for the community itself. A stronger identity will attract commercial

To date, Montgomery County’s Agricultural Reserve has protected more than 90,000 acres crowning the northwestern third of the county.
and mixed-use development to Germantown that will increase the vitality of the community.

To help foster Germantown’s new identity, the panel believes the county should consider changing the name of Century Boulevard, ostensibly the community’s main street, possibly renaming it “The Crescent.”

**Signs**

As visitors, panel members noticed that Germantown and the Town Center are difficult to find. Even though there are exit signs on I-270, there is absolutely no visual indication from the highway that a driver is entering Germantown from either the south or north. The greenbelt nicely sets Germantown apart from the surrounding suburbs, but it provides only a subtle division from Gaithersburg to the south and Darnestown and Damascus to the north, and few people realize they have crossed it.

Recently, the State Highway Administration erected signs on local roads identifying when drivers are entering Germantown. This is a good start, but there is an immediate need for more substantial and more interesting signs that stand out from the myriad signs that clutter roads. The first priority for wayfinding signs is in the Main Street area of the Crescent. On a broader scale, it is also far from clear to visitors where the various “centers of excellence”—those amenities that draw residents and workers to Germantown—are located.

A consistent sign program needs to be developed that would not only help visitors, but also could contribute to giving the community a more cohesive feeling. “Welcome to Germantown” border signs at arrival points on the interstate and other main routes would help create a sense of identity for travelers. These signs should be erected before the opening of the new I-270 interchange at Watkins Mill Road.

While a clearer delineation exists between the types of development in the Town Center and adjacent neighborhoods, it is important to give people some visual cues as to where they are in the community. Wayfinding signs on the approaches to the GBD would help entice visitors and reaffirm their route. Entering the Town Center core, visitors encounter at least two entry features, but more would help them confirm their arrival there. Another means of accomplishing this is to create a common streetscape along roadways that distinguishes them from roads in other parts of the community. This has already been accomplished in the Town Center core with the red-brick treatments on the sidewalks—an approach that should be extended throughout the Crescent.

**Promotions**

To help bolster a sense of community for Germantown, the panel recommends creation of a Germantown Celebrates program. It can expand on existing celebrations, such as the annual Fourth of July fireworks and Oktoberfest, both of which are upcounty attractions. While both were held in local parks in 2006, holding such celebrations in the Town Center in the future would help position it as the center of Germantown. Other potential festivals might include Summerfest, a harvest celebration, a wine festival, and a holiday that might honor the diversity of Germantown’s residents.

The Cider Barrel, a prime example of novelty architecture at 20410 Frederick Road, was built by a local insurance entrepreneur in 1926 to sell cider. It is listed as a county historic site, which might preclude it from being relocated, but if possible, the Cider Barrel could become an icon of the Town Center if it were moved there. It could be used as a visitors center, become a central feature for festivals, or house a small snack shop.

Energy, imagination, and widespread support will be essential to make the above celebrations a real-
ity, but all would greatly benefit Germantown and help create a stronger sense of community. The festival program is just one way Germantown can create opportunities to celebrate what the community is becoming.

Unique public art and banners can be used to create a broader branding campaign in the Crescent and ultimately the GBD. The BlackRock Center for the Arts, for example, has adopted identifying banners along its frontage, and inside, its flooring is an artwork in its own right with the tile colors symbolizing wheat, corn, and soy. Recalling history and tradition is often an appealing way to mark a community’s identity. A program of banners could assist in providing orientation in the Crescent and could include a logo for the Germantown Business District. Such an identifying system could be supplemented by temporary banners on the same armature to call attention to the Germantown Celebrates program.

**Signature Sites**

There is no iconic image of Germantown, and there should be. The panel advises Germantown to concentrate its future commercial development in the Crescent and celebrate its existence by creating a signature building that would be visible from I-270. The Royal Crescent in Bath, England, was constructed over 200 years ago and is the icon most often associated with the Georgian-era city. The panel hopes that the Germantown Crescent can similarly come to visually define Germantown and lead visitors to see it as a great place to live and work.

The panel made a final recommendation related to identity and visibility—one that would be innovative and might be difficult to implement, but still could be a way to create visual identity for Germantown: the county and the state Department of Transportation could reclaim the areas within the cloverleafs at the entries into Germantown and create beautifully landscaped storm retention ponds inside the loops. On special occasions, when celebrations are in order, water could be sprayed from the ponds into the sky.

**Development Opportunities**

The development of the Town Center core has been an important step toward creating an environment attractive to employers, but it is only a first step. It is vital now that the community take further steps to guide its future growth. To this end, it is important to formulate revisions to the 1989 Master Plan as it applies to the GBD—all the central business areas of the community, including expansions of the Town Center, the large vacant properties in the Employment Corridor on both sides of I-270, and Montgomery College.

The Crescent is the logical place for more intensified commercial development with a mix of uses to extend the vibrancy of the existing core. As it develops, the Crescent will encourage the development of vacant and underdeveloped employment sites east of I-270 because a lively core with the amenities that are attractive to discerning workers will make those sites more attractive to prospective developers and owners. The Northwest Center will be a logical northern expansion of the Crescent.

The entire Crescent will be developed over an extended period, which will result in each section having its own character. For example, the neighborhoods will vary in density, ranging from low density in the Main Street area to much higher densities in the areas near and along the I-270 corridor. This growth strategy in effect will closely link the existing small-scale Town Center core with the larger properties in the Employment Corridor and provide for the development of signature properties adjacent to I-270.
The infrastructure necessary to support this development is mainly in place. The proposed CCT line would enhance the potential for development within the Crescent, but it is not a critical element to begin development. The interim option of implementing some form of urban streetcar service serving the Crescent would give office workers and shoppers easy access to all the amenities and services there.

While it is not possible in this report to go into detail regarding each of the GBD sites, the panel would like to suggest some general principles for development in this critical job center and offer some ideas on a number of different properties. According to the panel’s calculations, the result of development in the GBD would be about 3 million square feet of additional employer space that could accommodate 10,000 to 12,000 workers, as well as a new class of commercial space that would help redefine Germantown for commercial users.

**Short-Term Opportunities**

The following opportunities will be ripe for action in the next one to five years. (See map on page 28.)

**Germantown Station.** A higher intensity of uses should be located on the triangular property west of Wisteria Drive. The panel also recommends mixed-use development for the strip center property east of Wisteria Drive if the center is redeveloped. Development near the station should be mindful of buildings that contribute to the significance of the Germantown Historic District.

**Main Street.** While not a development opportunity, the Town Center’s urban park should be a prime focus of the chamber and local landowners because it has the potential to become a central public space for Germantown.

**The Corner.** The 13-acre site along a rise with highway visibility presents an opportunity for construction of a signature building. It is within an easy walk of shops and entertainment space, presenting excellent amenities for workers, and can help define the Town Center for the large amount of traffic passing on I-270 every day.

**Uptown.** There are several sites in this portion of the Crescent, but the Orbital Sciences/Fairchild Campus property is the only parcel available for redevelopment. It currently has six vacant buildings comprising 350,000 square feet and has the capacity to add 150,000 square feet of office space in three additional buildings. The panel understands that the owner plans to redevelop the site and that there has been discussion as to whether the site should be rezoned to allow it to capitalize on the excellent opportunity for creative mixing of uses since it is so close to the Town Center core. It also has excellent freeway access. Two immediate impediments, however, are the current street grid, which creates a superblock pattern, and the surface parking. A more innovative development program will require a finer grid of streets as well as higher density and possibly shared parking.

**Northwest Center.** The Lerner and Oxbridge sites are presently zoned for office—about 1.8 million square feet under the present zoning. When the market opportunity develops, however, there may be potential for introducing a more vibrant mix of residential and office space. The location, however, is somewhat remote from the Main Street, so it will be difficult to incorporate it into the vitality of the Crescent.

The Lerner and Oxbridge properties should be designated for a combination of mid- to high-rise residential space and employment facilities. Any employment potential that might be averted by this change allowing some residential space can be offset by higher densities designated for employment on the site or closer to the Town Center. Modification of zoning in the area to allow residential and retail space likely will lead to it being developed sooner than if only office space is allowed,
thereby forcing it to compete with the office areas closer to the Town Center. From the standpoint of creating a mixed-use employment center, the Northwest Center should be viewed as a second-stage priority in terms of timing.

**Long-Term Opportunity: DOE Property**

An alternative to mixed-use development for the Lerner site might be negotiation of a land swap between the Lerner property and the federally owned Department of Energy property on the south side of Germantown Road at I-270. This is a development opportunity that most likely will respond to outside forces in the market and might only be implemented in the next five to 20 years.

The DOE building was constructed in the 1950s and is in need of significant upgrading or redevelopment. While it has excellent access to the Town Center, the site gains little from such a location because it is underused and the agency’s high security needs make it a veritable fortress. Also, it appears that DOE will continue to downsize operations at the site as it relocates some of its departments to other parts of the country. Plus, the DOE facilities are aging and will need rebuilding, if not complete replacement.

The Lerner site would offer many advantages to DOE in terms of security and size while also providing adequate access to I-270 for DOE uses. The present DOE site, on the other hand, would be well suited to commercial office uses that would greatly enhance the central core of Germantown. In addition, the swap would open up a critically located federal property for potential redevelopment. There may be major impediments to such a transaction; nevertheless, this option should be studied and perhaps discussed with General Services Administration (GSA) officials.

**Institutional Development Opportunities**

Montgomery College is a major economic development tool for Germantown and should be leveraged and its growth encouraged. Germantown, in partnership rather than in competition with Montgomery College, needs to actively pursue companies and startups in the biotechnology field, as well as in other growing segments of the regional economy. When the science and technology park comes to fruition, the college then will become a major player in contributing to filling the jobs needed by the residential population in Germantown. Indeed, this initiative should be viewed as a priority for the college and for the entire Germantown community.

The creation of a science and technology park in Germantown is timely because Montgomery County is actively searching for such space now that the Shady Grove Life Sciences Center is virtually built out. One of the highest-profile entities in the Shady Grove Center is the Maryland Technology Development Center, which provides low-cost rental space and technical/business support for emerging biotech and information technology companies during the startup phase. It appears Montgomery College’s science and technology park will follow a similar model because current plans include an incubator space. The science and technology park will augment college amenities, such as its proximity to housing, access to I-270 and the Ride On bus, and a proposed daycare center.

Creation of the science and technology park should be the first part of a larger undertaking to develop the college property as an academic village and center of excellence. The panel advises that in addition to the important biotech facilities, incubator space, biotech offices, and ancillary offices planned for the site, the project should include some small-scale retail space, faculty housing, and commercial office buildings that could accommodate uses other than biotech. All these uses could be revenue generators for the college.
and enhance the attractiveness of the institution for its students.

Numerous precedents for this kind of program exist; the University of North Carolina at Charlotte, for example, has undertaken an ambitious program including a research park with incubator facilities, retail space, and housing. Montgomery College could set a precedent for two-year institutions to also enjoy the benefits of such programs. The panel urges the college to consider revising its master plan with these objectives in mind.

Summary

Germantown needs a growth strategy for its central districts that builds on evolving trends in the market. That strategy, in turn, should be a function of changing demands on the part of employers and employees, the need to encourage more efficient and environmentally friendly development, and public interest in increasing access to cultural, recreational, and entertainment opportunities. The panel believes that the policies outlined in this report respond to these interests and concerns.
The ability to achieve a vibrant and economically viable Germantown Business District is closely tied to the presence of a supportive development community. Individual parcels can be developed, but their true potential cannot be fully realized unless all parties work together to achieve a common vision of a strong future for the GBD. Execution of the implementation strategy for Germantown is very important. It is incumbent upon Montgomery County, with input from the chamber and other interested leaders, to take the lead in establishing a more predictable, timely, and innovative environment for future development.

**Become Organized to Lead**

There is a small window of opportunity for Germantown and the GBD landowners to move forward with revision of the master plan and implementation of the panel's recommendations. Competition from other communities trying to reposition their centers as mixed-use environments appealing to biotech and high-tech firms, as well as changes such as the completion of the ICC and BRAC, make immediate action all the more important.

**Organize Stakeholders**

In the immediate term, major stakeholders must organize as a group dedicated to continuing participation through the various stages of planning and implementation. This public/private partnership group, named the Germantown Business District Partnership (GBDP) by the panel, should include all the major property owners, the Gaithersburg-Germantown Chamber of Commerce, and key community representatives.

The role of the GBDP will be to do the following:

- act as an advisory group to the master planning process;
- advocate for Montgomery County Council approval of the master plan and other implementation tools needed to support the vision; and
- monitor the implementation of the vision to ensure that investment in the partnership delivers a fair and just dividend to each party.

**Enlist the County as Master Development Manager**

When the 1974 Germantown Plan was developed, Montgomery County planners were looking to lay the framework for a “new town” along the lines of the Reston, Columbia, and Montgomery Village examples. Germantown proved more challenging for planners than the other regional new towns because the other locations were under consolidated ownership. With a dozen developers interested in Germantown, the county acted as a type of overall manager to coordinate the activities of private property owners and to develop new tools to help in coordination of development. Now that the residential and village center retail portions of the plan have largely been carried out, the county must again act as a development manager to coordinate the activities of the property owners in the Town Center and the surrounding Employment Corridor. The objective of the county should be to build community support and establish shared goals among the government, commercial-corridor property interests, and the broader community.

**Identify a Champion for Germantown**

The success in redeveloping Silver Spring and Wheaton was due in large part to the efforts of a county-level director of urban redevelopment who championed the vision for the rebuilding. Though not a distressed urban community in need of redevelopment, Germantown clearly needs this level of commitment from the county government. It is critical to the future success of the Germantown area and the upcounty area to elevate the expectations for the Germantown Business District. Germantown’s “champion” will play an integral role in leading the way to a vibrant and economically viable Germantown Business District.
role in future planning processes, including updating of the master plan, and will catalyze private and public participation. The champion also will oversee the strategy and implementation of the county’s Germantown-focused marketing and economic development efforts.

With input from the chamber, the Upcounty Regional Services Center, and other interested parties, the champion should investigate formation of a maintenance area for the Germantown Business District. The maintenance area would be an alternative to the county’s urban services district (USD) model, which is in place in Silver Spring and Wheaton. Partially funded by the general fund, USDs also obtain revenue from parking districts. Because there is abundant free parking in Germantown, this is not a model that would work here. A great need exists, however, for improved supervision and coordination of maintenance services, promotions, etc.

The maintenance area should receive funding from the county’s general fund to offset the savings to the county for the reduction of services that it needs to provide to Germantown. This could be supplemented by a tax on landowners in the GBD. A tax would be a hindrance, especially for owners of vacant land, but the opportunity to create a more viable place would result in a more successful product in the future.

Implementation Priorities
The first steps in implementation of the panel’s plan should be the following:

- bringing the major stakeholders together to improve communication and to act as an advisory group to the master planning process;
- expediting the update of the Germantown Business District Master Plan;
- advising the county’s master planners in developing a cohesive, flexible master plan for the Germantown Business District;
- seeking Montgomery County Council approval of the master plan and any zoning changes necessary; and
- securing county funding for a champion to implement the recommendations in this report.

The next steps should include:

- pursuing reduced impact fees, property tax abatements, and utility surcharge abatements to stimulate jobs development in the GBD. This special treatment is consistent with the Annual Growth Policy, a biennial resolution that helps the county manage the pace of development through the provision of public facilities. Employment growth in the Germantown Business District is needed to maintain a balance of employment to residences, ease long-term traffic demand, and connect to major existing and proposed transit.
- using business improvement districts, tax increment financing, and other appropriate financing tools to leverage private sector capital committed to the reinvention of the GBD.
- establishing a government commitment to enhance interconnections and place-making initiatives within the business district.
- coordinating policies, programs, fiscal priorities, and service-location activities of each level of government to harness all public resources in implementation of the master plan.

The GBDP Must Engage Germantown Residents
The success of the Town Center will work to create more civic identity and pride, a factor that will produce dividends through greater participation of Germantown citizens in the community. Human energy is a community resource that is often undervalued and, sad to say, exhaustible. The panel met many Germantown citizens who have spent countless hours working to make the community into the place it has become and will become in the future.
Too often, dedicated residents can get burned out from fighting small battles. It is apparent to the panel that this has happened to some degree in Germantown over the years. In order to both preserve the quality of life and to provide better employment opportunities, a new level of commitment is going to be required of both residents and leaders. The panel hopes that the ideas laid out in this report will spark a new sense of interest and commitment among Germantown’s residents, business owners, and civic leaders.

**Expedite the Master Plan Process for Germantown**

At present, Montgomery County’s proposed master plan update is not expected to be completed until 2008. Yet developers and community leaders are seeking to plan the best current use and development of their properties. The panel was asked to react to proposals for mixed-use development, designation of areas for mixed-used planned development, and zoning changes in the I-3 and TS zones so that interim decisions can be made in a comprehensive and timely manner. There is concern in the Germantown community that it will miss excellent opportunities if these decisions are deferred. This is a valid concern: a lack of direction may reduce the density and future flexibility of this scarce resource—land—through shortsighted, immediate development. Further, the panel agrees that the addition of mixed-use development to the Employment Corridor is a positive change.

Regarding an expedited master plan, the panel made the following two observations:

- **An expedited master plan will encourage property owners to participate.** The M-NCPPC should immediately prepare a concentrated master planning process for the GBD to take place in six to nine months. This concentrated planning process is needed to encourage GBD property owners to forgo requests for zoning text amendments and ad hoc modifications to the zoning classifications. Working with the M-NCPPC, GBD property owners should be able to have confidence that they will have sufficient input and certainty of direction on land use potential within a specified time. If an expedited process is not implemented, it is likely that the M-NCPPC will face numerous individual zoning requests.

- **An expedited, focused master plan update makes sense.** The Germantown area has developed largely according to its master plans of 1974 and 1989, and most of its residential and village center retail space is largely completed. These areas are not likely to undergo significant changes in market dynamics or experience unusually high development pressure in the next 20 years, so they do not need to be included in the master plan update presently proposed. Restricting the geographic scope of the master plan to the GBD will allow for focused study and a dramatically shorter timetable. The master plan update will start in fall 2006 and take three years unless it is expedited.

When it is finished, the master plan should be practical and beneficial to all Germantown residents and businesses, have community support, and be based on the advice of expert professionals. Its execution must be financially feasible and able to enhance tax revenues. The place making envisioned for Germantown by the panel will interconnect the various buildings and the spaces between them to create a sense of place. If this sense of place is created through the master plan, it will be recognized, and the Germantown community and marketplace will reap the rewards in the form of increased rents, higher retail sales, and higher capital value.

**Land Use Changes**

Zoning changes should be considered, as part of the revised master plan for the Germantown Business District, to accommodate the development strategies and planning principles outlined in this report. More important than the form the zoning changes take is that their end result should emphasize results over regulations. Land should no longer be segregated to accommodate single uses; instead, the objective should be creation of mixed-use and integrated development through place making.

The regulatory tools now applied in Montgomery County are sometimes inadequate and even counterproductive for today’s standard of place mak-
One of the greatest missing elements in Germantown is the interconnectivity of residential communities with the adjacent retail and community centers. Suburban setback requirements, large interstate offsets, and overly large road cross-section requirements are flaws that have weakened the outstanding efforts at creating a Town Center.

The prescriptive and exclusionary zoning codes in the study area do not achieve the vision that Germantown or Montgomery County seeks to create. A new zoning classification should be established for the GBD, allowing a shift from inflexible zoning codes to strategic plans that grant greater flexibility and encourage progressive modification of the GBD and its component developments to meet changing community needs, market forces, and aspirations.

Such a performance-based approach to zoning should recognize that the master plan and zoning classification created or modified for the Town Center need to focus on the creation of places and not the separation of uses. This approach should do the following:

- ensure that the master plan provides for flexibility for future changes in community needs, market forces, and aspirations.
- allow the timely approval and modification of development entitlements that complying with the master plan’s purpose and intent. The entitlement process should be streamlined so that Germantown’s process will be competitive with that of neighboring jurisdictions.
- lead to the design of zoning regulations that facilitate private developers in implementing the strategy as laid out in the master plan. The new zoning must include effective by-right development standards.
- create sophisticated development standards to accompany new zoning regulations. These standards should deal with landscaping, signage, architectural quality, pedestrian linkages, and other planning details so crucial to the community’s vision of the Town Center.
- prevent creation of “deadening” uses, such as ministorage facilities, CCT or Ride On parking lots, or auto repair facilities, in the Town Center.
- provide for design review for the Town Center projects conducted simultaneously with the existing permitting process.

Montgomery College Site

Montgomery College should engage its partners Montgomery County and Foulger-Pratt in revisiting its strategic development plan. The successful repositioning of the Montgomery College as a center of excellence will provide an important anchor for the Germantown community. It also will attract more employers and residents to the area.
The college should develop the planned science and technology park as a mixed-use development that includes the following:

- incubation space;
- faculty housing;
- biotech space;
- office space; and
- supporting retail.

The mixed-use development should be planned to accomplish the following:

- enhance the college’s objectives of growth and creation of a biotech focus;
- create the kind of space and facilities that will provide an opportunity for the college to grow and attract top faculty, and help build a sense of community; and
- speed the growth of the college to serve a wider range of students.

Also, a site for the development should be chosen that enhances the college’s connection to the surrounding community.

The broadening of uses proposed by the panel for Montgomery College will also require flexible, performance-based zoning changes approved by the county. This should be addressed by the college in the master planning process.

**Transportation**

A failure to address transportation shortcomings and opportunities faced by Germantown will result in conditions that will have a significant impact on future development potential.

**MARC Train**

The MARC station should be enhanced as the western anchor of the Crescent. The chamber and the GBDP should pursue increased service from MARC and development of some transit-oriented projects, primarily higher-density residential space to help alleviate county transportation problems. The higher-density mixed-use development that will be attracted to properties adjacent to the MARC station will provide an anchor for the Crescent.

**Corridor Cities Transitway**

With regard to the CCT, the panel recommends that Germantown stakeholders do the following:

- continue to support the proposed CCT because it will encourage mixed-use development around the stops in the GBD; and
- support realignment of the CCT to Crystal Rock Drive as it reaches Germantown Road so it will not divide the square, as it does under the current plan.

**Town Center Circulator**

Germantown should supplement the CCT with a Town Center circulator light-rail system or a trolleylike bus because the upcounty portion of the CCT system may not be built for some time. The immediate route for the circulator should be along the Crescent linking the MARC station with the Main Street and Uptown, with the route timed to complement the MARC train schedule.

The Bethesda 8 bus should be investigated as a model because it has consistent running times of eight minutes as it makes its loop of downtown Bethesda. The Bethesda Urban Partnership operates that free trolley; likewise, the circulator service could be an undertaking of the GBDP. This system should be expanded as residential and office uses come on line in the next few years on the northern end of the Crescent and ultimately throughout the GBD. Sources of funding could include MTA, Ride On, and private contributions.

Regarding initiation of the circulator trolley or bus service, the panel made the following observations:

- The transit right-of-way, which is largely in place through the Town Center core, should be used to establish a “first phase” of the CCT.
- This segment should take the form of a rubber-tired tram or bus and should be completed sooner rather than later. Further study, of course, will be required; however, a speedy decision to begin the service is perhaps more important than the decision on the type of vehicle to use.
- Bus service can be upgraded to light rail in the future if the system is popular and the density in the Crescent increases. The bus/
trolley service also can be extended if the system is successful.

Projected Phasing

The recommendations made in this report should be implemented in accordance with the following projected phasing:

One to Three Months

• Stakeholders form the Germantown Business District Partnership.
• County designates the development manager—the champion for Germantown.
• The GBDP and the development manager meet with the county’s newly hired Germantown economic development staff person to share visions and goals for GBD.

First Six Months

• Expedite master plan and change zoning for all Germantown Business District properties.
• Organize group to study streetcar, trolley, or bus loop through the Crescent.

First 12 to 18 Months

• Start operation of streetcar, trolley, or bus loop through the Crescent.
• Begin buildout of Germantown Crescent, Northwest Center, and other sites in GBD.

Two to Five Years

• Build out Milestone office and residential space, and Seneca Meadows office and flex space; there also is potential for additional buildout of Northwest Center.
• Examine possible infill development of the GBD with more compact residential, retail, hotel, and entertainment uses to replace lower-density office and flex space.
• Initiate creation of Montgomery College center of excellence.

Five to 20 Years:

• Build out Town Center.
• Develop Montgomery College center of excellence.
• Develop new TOD projects once CCT is approved and construction of the transit line begins.

As the master plan is fulfilled in most segments of the GBD, market pressures may make additional mixed-use development attractive. At this point, there will be increased opportunities for infill development on both sides of I-270.
Germantown is at a unique point in its history. It has an opportunity to meet its community needs and its future employment needs through guiding growth in the expanded Town Center and other parts of the Germantown Business District. The community is blessed with a number of strategically located development parcels that can serve as the base from which to create a unique identity for Germantown and a continuation of the Town Center core throughout the Crescent and ultimately the GBD. In addition, the community has infrastructure and amenities that will serve it well as it competes with its neighbors in the future.

Community and business leaders in Germantown, as well as leaders from Montgomery County, need to come together quickly with their development partners to create a framework for how to improve Germantown and guide future development. The fact that such a large and disparate group sponsored this panel represents a critical first step toward increased cooperation among the county, landowners, business leaders, developers, and concerned citizens.

The panel cannot overemphasize its charge to the community to be patient. There will be temptation to call for increased residential development, especially in response to the projections of strong residential growth for the I-270 corridor. It is important, however, to save the vacant and underused sites in the GBD for future commercial and mixed-use developments. By exhibiting patience, Germantown will be able to get ahead of the coming growth and strengthen its offerings so it can attract that growth when, where, and how it wants it—namely, in the form of walkable, mixed-use developments that create an active street life and extend the Town Center along the Crescent.

In this way, the sponsoring organizations can positively affect Germantown’s future development and future quality of life. In addition, Germantown will need to take some risks to achieve its goals for economic development and community identity. This is no easy task and will require a strong leader or champion, plus cooperation from all parties. It will also require leaders to come together to lead and support the creation of a public/private entity that will provide needed urban services to Germantown and lead the community’s input into the expedited master-planning process.

The panel hopes that its recommendations will help guide the expedited process of amending the master plan for the targeted GBD area, as well as implementation of other public policies related to housing and transportation. In addition, the panel’s vision for Germantown is intended to provide a framework for individual developers to move forward with specific proposals for properties in the GBD. While the recommendations set forth by the panel may challenge convention to some degree, the panel strongly believes that they can be implemented if Montgomery County leaders and staff come together with the Germantown stakeholders to realize a shared vision.
Richard W. Reynolds  
Panel Chair  
Needham, Massachusetts

Reynolds has been president of the Reynolds Group, Inc., a strategic real estate consulting firm based in Needham, Massachusetts, since 2004. Before that, he was a principal for Spaulding and Slye, LLC, serving from 1993 to 2004 in such roles as managing director of the Capital Markets Group, overseeing a staff of ten transacting over $1 billion of investment sales annually; and major transaction principal, which included joint venture development of new office projects, major law firm tenant representation assignments totaling over 500,000 square feet, sale of a 150-acre land parcel on behalf of a corporate client, various corporate relocation analyses, and client relationship management. Reynolds also was lead principal for the acquisition of over $300 million of properties for Windsor Realty Fund II, a joint venture with the DuPont Company and General Investment and Development.

Reynolds was president of Reynolds, Vickery, Messina & Griefen, a development, property management, and advisory services firm for institutional and corporate clients from 1987 to 1993. From 1978 to 1987, he was a partner in Hines Industrial, an office/industrial development firm and an affiliate of the Gerald D. Hines Interest, a London-based international development/investment firm based in London. He started his career with New England Life as second vice president doing underwriting and placement of debt and joint venture equity nationally.

A 25-year member of ULI, Reynolds was chair of the Industrial and Office Park Council and chair of the ULI Boston district council.

Reynolds received his bachelor of arts degree in economics from Tufts University in 1967 and a master of business administration degree from Babson College in 1970.

Robert Dunphy  
Washington, D.C.

Dunphy is senior resident fellow, transportation, at the Urban Land Institute. He created ULI’s program of transportation research and has been responsible for the institute’s research, books, conferences, public policy, and public outreach on transportation and land use, transit, and parking. In his previous role, he directed studies of seven large regions recognized for their efforts at implementing consistent regional transportation and development policies, reported in his book Moving Beyond Gridlock: Traffic and Development.

He is the author/project director of numerous books, including Developing Around Transit: Strategies and Solutions That Work, Residential Streets, Dimensions of Parking, Parking Requirements of Shopping Centers, and Transportation Management Through Partnerships. In addition, he created Myths and Facts about Transportation and Growth, a popular brochure presenting hard facts on often soft issues, which became the first in a series.

Dunphy has collaborated on a number of studies of national interest. For the Federal Transit Administration (FTA) and in partnership with the Texas Transportation Institute, he directed development of land use criteria for new transit systems, which are now being used as part of the federal approval process. Also for FTA, he teamed with the University of California for a series of workshops on the development of real estate adjacent to transit facilities.

He has directed ULI outreach efforts in Atlanta and Charlotte intended to engage the development community in a dialogue on strategies for
implementing transit-oriented development. He directed the ULI forum on balancing land use and transportation, which brought together a wide range of leaders active in local real estate, traffic, transit, and parking concerns from across the United States. He organized ULI’s first conference on technology and real estate and has directed national and regional seminars on transportation and growth, joint development, and landfill siting.

Dunphy is active in national committees of the Institute of Transportation Engineers and the Transportation Research Board, for which he chairs the Transportation and Land Development Committee. He is a member of Lambda Alpha International, an honorary land economics society. He served on Maryland’s Transportation Solutions Group, organized by Governor Parris N. Glendenning to advise on a controversial suburban highway proposal.

**W. Easley Hamner**

*Cambridge, Massachusetts*

Hamner is chairman of Boston International Design Collaborative, LLC. For more than 35 years he was a senior principal in the Stubbins Associates, an architectural and planning firm he joined in 1967. His professional career has been devoted largely to the creation of large-scale urban mixed-use environments that enhance the city, create value, and engage the imagination.

This experience began with Citicorp Center in New York City and continued with assignments in Boston, Nashville, Charlotte, San Francisco, Singapore, Kuwait, Taipei, China, Korea, and Greece, and as principal-in-charge for the largest hotel complex in the world, the Venetian in Las Vegas. Mixed-use facilities are his primary design interest, and the effects of emerging technologies on the fields of communication, entertainment, education, and shopping particularly intrigue him.

A ULI member for more than 20 years, Hamner has served two terms on the institute’s Urban Development/Mixed-Use Council, and is currently on the International Council. He was a governor of the ULI Foundation and he is a member of the National Association of Industrial and Office Properties (NAIOP) Mixed-Use Forum.

Hamner holds a bachelor’s degree in architecture from North Carolina State University, a master’s degree in architecture from Harvard University’s Graduate School of Design, and a certificate from the Ecole des Beaux Arts Americaine in Fountainbleau, France.

**David Hancock**

*Boston, Massachusetts*

Hancock is a principal with CBT/Childs Bertman Tseckares Inc., with more than 35 years of experience in urban design, and the design and management of building projects. He has worked on virtually every type of development project, including local, state, and federal government; academic and institutional uses; private development and corporate real estate; and transportation.

Hancock represents the National Association of Industrial and Office Properties (NAIOP) on Massachusetts Governor Mitt Romney’s Green Building Roundtable, and was a member of Boston Mayor Thomas Menino’s Green Building Task Force. He regularly serves on advisory committees to local government regarding issues of growth, sustainable design, and historic preservation. He is a frequent speaker at forums and conferences on issues of urban design.

He received an undergraduate degree from McGill University and a graduate degree from the Harvard University Graduate School of Design.

**Don Priest**

*Olympic Valley, California*

Priest is the retired president of Dominion Land Management Company, the full-service real estate development unit of Dominion Capital, Inc., which in turn, is the financial services and real estate subsidiary of Dominion Resources, Inc., a utility holding company. Priest oversaw the land management company’s daily administrative, planning, development, and marketing activities. Dominion Capital formed the land management
company to oversee its residential projects in Virginia and North Carolina.

Priest joined the company in 1989, when he was elected vice president of Dominion Lands, Inc., another real estate subsidiary of Dominion Capital. He also has served as vice president for Summit Enterprises, Inc., an investment firm in Woodbridge, Virginia; president of the Preizac Corporation, a consulting firm; associate professor in the School of Architecture at the University of Virginia; and staff vice president in charge of research and education at the Urban Land Institute.

Priest is a past and present member of several organizations, including the Urban Land Institute, where he served as chair of the ULI Norfolk/Richmond district council.

He received a bachelor's degree in political science from Stanford University and a master's degree in city planning from the University of California at Berkeley.

**Nathan Watson**

*New Orleans, Louisiana*

Watson has been active in real estate development in New Orleans for more than 15 years. His company, Watson Developments, focuses on bringing innovative solutions to both urban and suburban real estate development.

Currently, Watson is developing two planned communities in the New Orleans area—the Arbors, a new 92-acre residential community being built within a mature hardwood forest, and the Savannahs, a 104-acre planned-unit development with traditional neighborhood design elements.

Before starting his own firm, Watson was responsible for the development and marketing of River Park, a 74-acre mixed-use development in downtown New Orleans, on behalf of Columbus Properties. The master-planned urban development project, at a former rail yard, includes more than 700 luxury apartments and expansion of the Convention Center; also, 1,250 hotel rooms are planned. Watson also was responsible for the review of project development opportunities, including multifamily, office, hospitality, and storage uses.

Watson founded First Trust Community Development Corporation, a for-profit real estate development bank subsidiary that focused on urban infill multifamily housing using a variety of public/private financing sources.

Watson has been a member of the Urban Land Institute since 1995, and has served on five ULI advisory services panels—Sparks, Nevada; Oak Cliff in Dallas; Port Charlotte, Florida; Lowell, Massachusetts; and Frisco, Texas.

Watson holds a bachelor's degree in architecture from Auburn University and a master's degree in business administration from Columbia University.