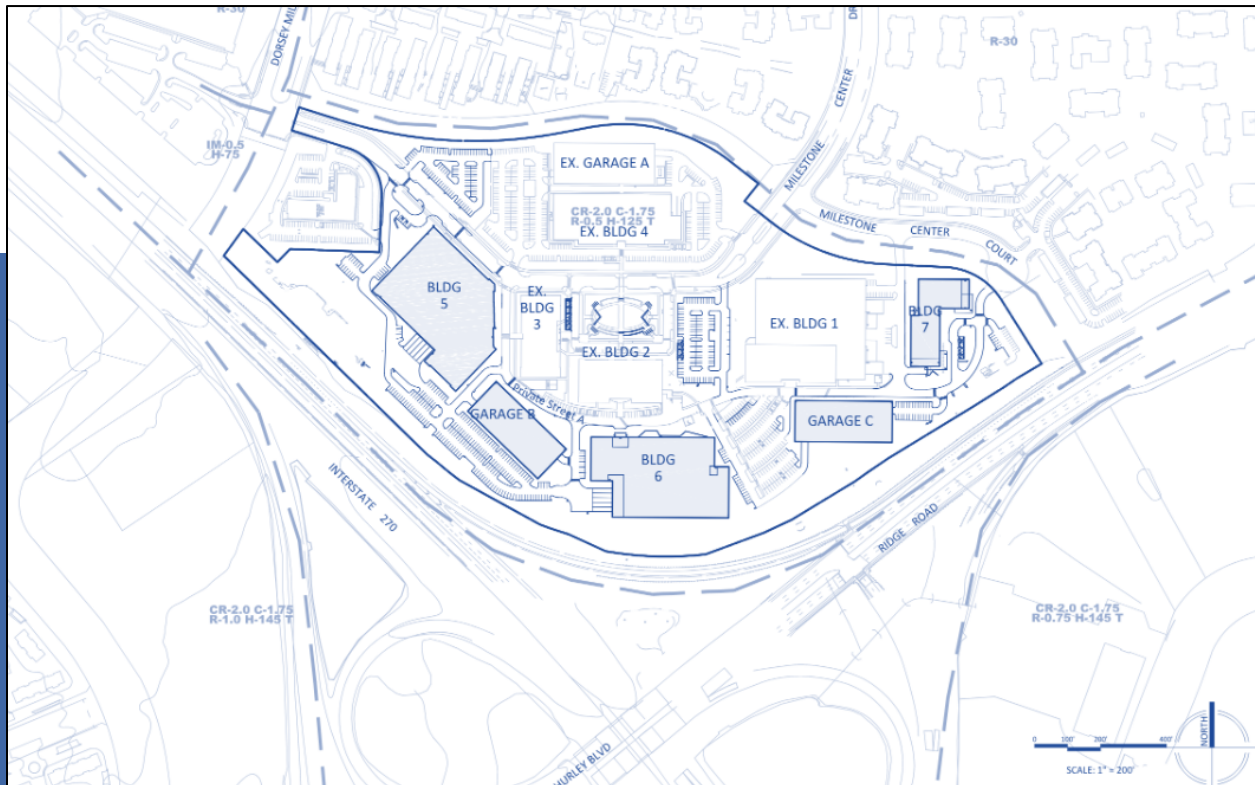


MILESTONE INNOVATION CENTER

PRELIMINARY PLAN AMENDMENT NO. 11987271E



The Applicant requests a two-year extension of the preliminary plan validity period for Milestone Innovation Center (Preliminary Plan No. 11987271D) or until April 1, 2027.

COMPLETED: 7/14/2025

PLANNING BOARD HEARING DATE: 7/24/2025

MCPB ITEM NO.

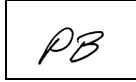
Planning Staff



Katie Mencarini, AICP, Planner IV, Upcounty Planning, Katherine.mencarini@montgomeryplanning.org, 301.495.4549



Sandra Pereira, Supervisor, Upcounty Planning, Sandra.Pereira@montgomeryplanning.org, 301-495-2186



Patrick Butler, Chief, Upcounty Planning, Patrick.Butler@montgomeryplanning.org, 301-495-4561

LOCATION/ADDRESS

On the northeast side of I-270, between Ridge Road and Dorsey Mill Road

MASTER PLAN

2009 Germantown Employment Area Sector Plan

ZONE

CR-2.0, C-1.75, R-0.5, H-125T & Germantown Transit Mixed Use Overlay Zone

PROPERTY SIZE

44.33 acres

APPLICANT

Germantown Milestone 1, LLC; Germantown Milestone 2, LLC; Germantown Milestone 4, LLC; Germantown Milestone 5, LLC

ACCEPTANCE DATE

March 28, 2025

REVIEW BASIS

Chapter 50 of the County Code

Summary:

- Staff recommends APPROVAL with one condition.
- Chapter 50 of the County Code (Subdivision Regulations) allows the Planning Board to extend the preliminary plan validity period if the Board finds the occurrence of “significant, unusual and unanticipated events” have impaired the Applicant’s ability to validate the plan.
- The Planning Board approved Preliminary Plan 11987271D to allow 308,500 square feet of Research and Development and 161,500 square feet of Office uses in three (3) new buildings. The validity period for this project expired April 1, 2025; however, the Applicant submitted an extension request per Section 50.4.2.H.1.a, which was accepted on March 28, 2025.
- Preliminary Plan Amendment No. 11987271E is a request to extend the preliminary plan validity period an additional two years to align with the Adequate Public Facilities (APF) validity period for the project: April 1, 2027.
- The extension will give the new owners of the Property additional time assess market feasibility for future amendments to the approved uses and densities on the Site.
- No community correspondence has been received to date.

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SECTION 1: EXECUTIVE SUMMARY

The Property consists of approximately 44.33 acres located in the northeast quadrant of the interchange of I-270 and MD 27 (Ridge Road) (the “Property”). On April 1, 2022, the Planning Board approved Preliminary Plan Amendment 11987271D and Site Plan Amendment 82001009G for the future development of mixed-use office and biotech uses in addition to the existing development at the Property. This Project was being pursued by the Property’s prior owner and, due to current life science and commercial office market conditions, was not implemented.

The Applicant purchased the Property on June 28, 2024, and is presently evaluating what, if any, components of the Project may be implemented. The Applicant is also currently in the conceptual stages of a future residential plan for a portion of the Property. In accordance with the Subdivision Regulations, the plan validity period for the amended Preliminary Plan expired on April 1, 2025. The plan validity period is the time in which the Applicant must finalize the approved preliminary plan of subdivision by recording a plat in the Land Records. The adequate public facilities (APF) approval remains valid until April 1, 2027.

To allow for sufficient time to evaluate the feasibility of prior life science development approvals and the potential for significant residential development on site, the Applicant is requesting the Planning Board’s approval of an extension to the preliminary plan validity period. Granting this extension will allow the Applicant to evaluate the feasibility of desired, additional residential development at this important location along the I-270 Corridor. By contrast, the Applicant would experience undue hardship resulting from the loss of approved density if the plan validity period were not extended. The Applicant submitted the plan validity request in a timely manner. As stated above, the adequate public facilities (APF) validity period is currently valid, and if approved the plan validity will align with the APF validity period, as permitted by the Subdivision Regulations.

Staff recommends approval of Preliminary Plan Amendment 11987271E that extends the preliminary plan validity period by two years, until April 1, 2027. A detailed discussion of the findings is included below.

SECTION 2: RECOMMENDATIONS AND CONDITIONS

PRELIMINARY PLAN 11987271E

Staff recommends approval with one modified condition of the Preliminary Plan Amendment No. 11987271D to extend the preliminary plan validity period by two (2) years. No changes are proposed to the density, design or layout of the previously approved Preliminary Plan Amendment, and therefore no drawings were submitted with the Application. Staff recommends modifying Condition No. 2 as shown below. All other conditions of Preliminary Plan No. 11987271D remain in full force and effect.

Modified Condition

2. The Preliminary Plan will remain valid for ~~three (3)~~ five (5) years from the initiation date of MCPB Resolution No. 22-03 approving Preliminary Plan Amendment No. 1987271D (as defined in Montgomery County Code Section 50.4.2.G), which will be until April 1, 2027, to align with the approved Adequate Public Facilities validity period, and prior to the expiration date of this validity period, a final record plat for all property delineated on the approved Preliminary Plan must be recorded in the Montgomery County Land Records or a request for an extension filed.

SECTION 3: SITE DESCRIPTION

VICINITY

The Property is approximately 44.33 acres in size and located in the northeast quadrant of the interchange of I-270 and MD 27 (Ridge Road) ("Property" or "Subject Property"). The Subject Property is zoned CR-2.0, C-1.75, R-0.5, H-125 T and located within the Germantown Transit Mixed Use Overlay Zone. The Property is also within the North End District of the 2009 *Germantown Employment Area Sector Plan* ("Master Plan") which is currently undergoing an update. Interstate 270 and MD 27 form the western and southern borders of the Subject Property, respectively. A remnant portion of transit-right-of-way in support of earlier plans for the Corridor Cites Transitway ("CCT") is located along the northern boundary of the Site. Single-family attached and multi-family residential development (zoned R-30) are located opposite the CCT right-of-way to the north, and an Extended Stay America Hotel is located on the Property's western boundary. Milestone Center Drive, a two-lane private street, runs through the center of the Subject Property. Vehicular access to the Property is from Milestone Center Drive, which connects into Dorsey Mill Road (to the west) and Observation Drive (to the north). Observation Drive connects into Ridge Road. All vehicular site access to the Property is from Observation Drive/Milestone Center Drive. The Subject Property has no direct access points to Ridge Road and the current orientation of the buildings is inward facing with surface parking along the Ridge Road and I-270 frontages.

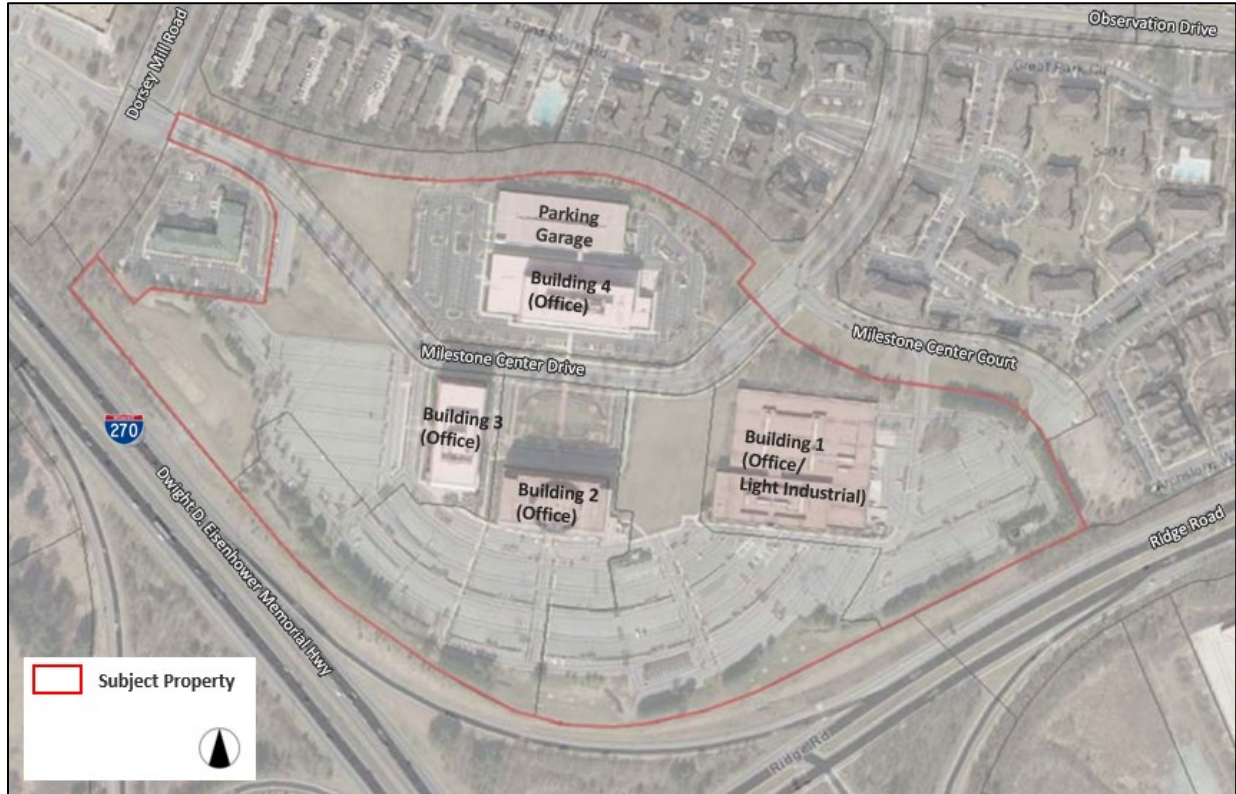


Figure 1 – Aerial of Subject Property with Existing Conditions

PROPERTY DESCRIPTION

The Subject Property currently contains four buildings (Buildings 1, 2, 3, and 4) serving a total of 655,000 square feet of office and light industrial uses as shown in Figure 1 with a parking structure adjacent to Building 4, and other associated surface parking.

The Natural Resources Inventory/Forest Stand Delineation (NRI/FSD) calls out that the Subject Property is located within the Little Seneca Creek watershed, classified as a Use Class IV-P stream by the State of Maryland and contains no streams, wetlands, springs, seeps or other environmentally sensitive features. The Subject Property also contains 0.30 acres of forest and one onsite tree with a diameter breast height (“DBH”) of 30 inches or more. The Property is not within a Special Protection Area (SPA), and there are no historic resources or features on the Site.

SECTION 4: PROJECT DESCRIPTION

PREVIOUS APPROVALS

Preliminary Plans

Preliminary Plan No. 119872710 was approved by an Opinion dated May 16, 1991, for 1,000,000 square feet of office use and 50,000 square feet of retail. By an Opinion dated July 22, 1996, the plan was amended to add an additional 378,778 square feet of office use and modify the previously approved retail use to 22,050 square feet of retail and 25,000 square feet of restaurant use.

Amendment A was approved by the Planning Board on April 24, 2003 (MCPB Resolution mailed May 30, 2003) to extend the Adequate Public Facilities (APF) review for five years beyond the expiration date for the remaining 627,250 square feet of office use which has not yet been constructed.

Amendment B was approved by the Planning Board on February 3, 2011 (MCPB Resolution No. 11-09 mailed March 15, 2011) and granted a new APF validity period that permitted the peak-hour vehicular trips associated with the remaining unbuilt 428,000 square feet of office use. Approval of this amendment extended the validity period for seven years.

Amendment C was approved by the Planning Board on July 23, 2015 (MCPB Resolution No. 11-17 mailed September 17, 2015) for a maximum density of 1,214,935 square feet of total development. On February 25, 2022, the Applicant requested to vacate the approval of Preliminary Plan No. 11987271C, and the request was approved on March 7, 2022.

Amendment D was approved by the Planning Board on March 17, 2022 (MCPB Resolution No. 22-03 mailed April 1, 2022) for 308,500 square feet of research and development uses and 161,500 square feet of office uses in three new buildings for a maximum density of 1,125,000 square feet of development which included existing development consisting of 575,000 square feet of office and 70,000 square feet of light industrial uses to remain. The Application also included the creation of a private street and modifications of the parcel and lot boundaries to accommodate the buildings and the new private street (Private Street A).

Site Plans

Site Plan No. 820010090 was approved January 11, 2001, (MCPB Resolution mailed January 17, 2001) for 944,750 square feet of mixed-use development. Five buildings were approved consisting of 822,700 gross square feet of office, 22,050 gross square feet of retail, 25,000 gross square feet of restaurant, 5,000 gross square feet of day care, 70,000 square feet of light industrial uses on 44.7 acres zoned I-3.

Consent Amendment A was approved April 12, 2007 (MCPB Resolution No. 7-56 dated May 10, 2007) for minor modifications to the development phasing; adjustments to the net site area, building and green space square footages; reduction to the parking counts; and revisions to the loading, stormwater management, lighting, and landscape plans.

Administrative Amendment B was approved December 12, 2008, by the Planning Director (Memorandum dated November 24, 2008) for minor revisions to the lighting and landscape plans, stormwater management easement locations, and grading.

Administrative Amendment C was approved by the Planning Director on February 17, 2011, (MCPB Resolution No. 11-17 dated April 4, 2011) for modifications to the development programming to add another phase; reallocation of some of the density previously approved for Building 5 on Parcel J; the construction of Phase III Building 5 and associated parking facilities; revisions to the previously approved stormwater management concept, lighting, and landscape plans; and support of a waiver for the standard parking dimensions directly adjacent to green space areas.

Administrative Amendment D was approved by the Planning Director on September 21, 2012, (Memorandum dated September 13, 2012) for modifications to building entrances; enlargement of generator pad and enclosure; elimination of monument signs; modifications to loading docks and garage entrances; designation of parking spaces for fuel efficient vehicles; and modifications to sidewalks and landscaping.

The original Preliminary and Site Plans were approved before the adoption of the 2009 Master Plan. The Master Plan rezoned the Subject Property from I-3 to TMX-2. The new Zoning Ordinance in effect October 30, 2014, rezoned the Subject Property from TMX-2 to CR2.0.

Site Plan Amendment No. 82001009G was approved by the Planning Board on March 17, 2022 (MCPB Resolution No. 22-34 mailed April 1, 2022) for the following modifications:

- Removal of a previously approved but unbuilt building known as Building 3/3A, for retail, restaurant, day care, and office uses and instead proposing Buildings 5, 6 and 7 that will accommodate 161,500 square feet of Office and 308,500 square feet of Research and Development.
- Two new parking structures (Garage B & Garage C).
- Convert a drive aisle to a new private street known as Private Street A.
- Minor modifications to existing central plaza.
- Renumber Building 4 (previously known as Building 5) and Building 3 (previously known as Building 5) respectively.

PROPOSAL

Preliminary Plan No. 11987271D and Site Plan No. 82001009G have not been implemented. These plans include approximately 470,000 square feet of unbuilt density. Importantly, the Plan Validity Period for Preliminary Plan No. 11987271D was set to expire on April 1, 2025. The Applicant submitted a request to extend the validity period, which was accepted on March 1, 2025, prior to the validity period expiring, in compliance with the Subdivision Regulations. The Applicant is requesting a two-year extension of the existing Preliminary Plan Validity Period, or until April 1, 2027, to coincide with the applicable APF determination.

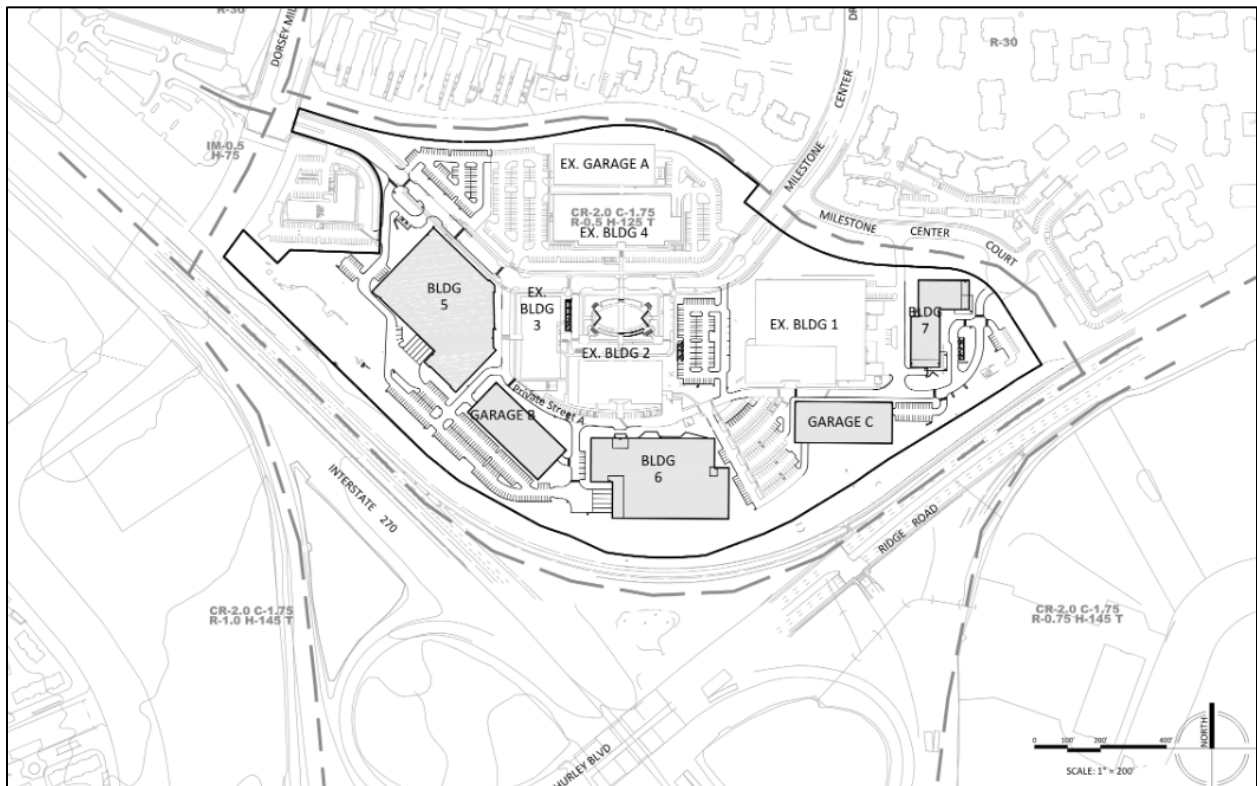


Figure 2 – Preliminary Plan 11987271D

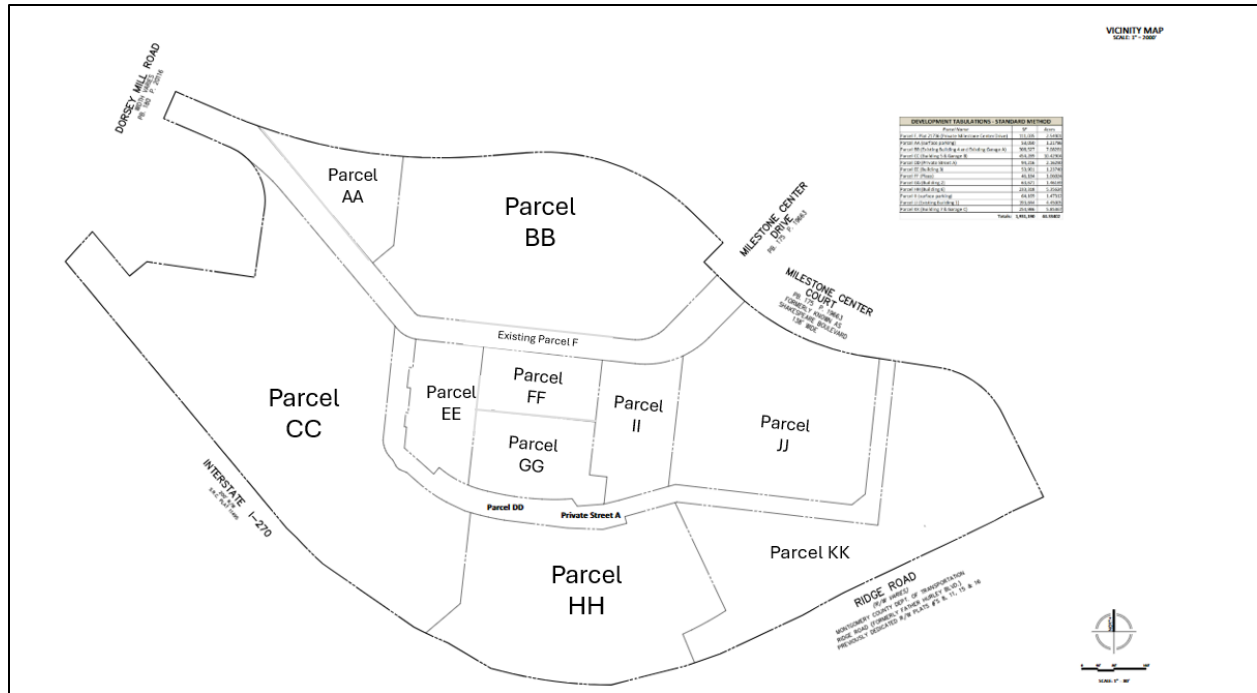


Figure 3 – Preliminary Plan 11987271D, lotting diagram

SECTION 5: COMMUNITY OUTREACH

The Applicant sent notice of the Subject Amendment to all required parties on April 2, 2025. The notice provided information on how to review and comment on the contents of the Amendment. No correspondence has been received prior to the posting of the staff report.

SECTION 6: PRELIMINARY PLAN 11987271E FINDINGS AND ANALYSIS

The Planning Board approved Preliminary Plan No. 11987271D, MCPB No. 22-033, for 308,500 square feet of Research and Development and 161,500 square feet of Office uses in three new buildings for a maximum density of 1,125,000 square feet of development which includes existing development consisting of 575,000 square feet of office and 70,000 square feet of light industrial uses to remain.

Preliminary Plan Amendment 11987271E requests to extend the preliminary plan validity period by two years. The proposed Preliminary Plan Amendment does not alter the intent of the previous findings, which remain applicable.

Section 50-4.2.H. of the County Code pertains to extension of a plan validity period.

50-4.2.H.

3. Grounds for extension.

a) The Board may only grant a request to extend the validity period of a preliminary plan if the Board Finds that:

- i. Delays by the government or some other party after the plan approval have prevented the applicant from meeting terms or conditions of the plan approval and validating the plan, provided such delays are not caused by the applicant; or**
- ii. the occurrence of significant, unusual and unanticipated events, beyond the applicant's control and not caused by the applicant, have substantially impaired the applicant's ability to validate the plan, and exceptional or undue hardship (as evidenced, in part, by the efforts undertaken by the applicant to implement the terms and conditions of the plan approval in order to validate the plan) would result to the applicant if the plan were not extended.**

b) The applicant bears the burden of establishing the grounds in support of the requested extension.

As discussed in the Statement of Justification (Attachment A), the Applicant inherited approved development plans that have been significantly impacted by unforeseen changes in the commercial office and life sciences markets in Montgomery County. These changes were not (and could not have been) anticipated during the prior owner's property development planning. The stagnation in the commercial office sector and the downturn of the biotech and research and development markets have created substantial disruption, making it very challenging for the Applicant to implement the approved Project. These market conditions, which are outside the Applicant's control, necessitate additional time to assess the viability of the approved plans and determine how best to move forward. Given this significant and

unanticipated change in circumstances, the Applicant requests an extension of the plan validity period to allow for a comprehensive reassessment of the market.

In addition to assessing current market conditions for the Property, the Applicant will also need to consider proposals for revisions to the Sector Plan, which is currently underway. The current Sector Plan provides detailed, location specific recommendations for the Property. These recommendations include Corridor Cities Transitway (CCT) elements (discussed above); a mix of research and development, employment, technology, and retail uses; and specific requirements on setbacks, building heights, green space, and parking. The recommendations no longer align with current market realities, particularly considering the slowdown in employment and office growth that was originally projected.

Given its central location, land area, and proximity to existing transit and infrastructure, the Milestone Innovation Center site is an important site which is likely to have site-specific recommendations in the Sector Plan amendment. The Sector Plan update is anticipated to be adopted in the fall of 2026. In the meantime, the current plan validity period, which expires on April 1, 2025, does not provide sufficient time for the Applicant to explore a residential component on the Property, or participate in the Sector Plan process.

The requested extension will allow the Applicant to engage in the Sector Plan review process, assess market feasibility, and develop a Project that aligns with both the current Sector Plan's recommendations and any future amendments. Without this extension, the Applicant would face exceptional hardship, as the 2022 development approvals have been made infeasible by significant external factors beyond the Applicant's control.

4. Planning Board considerations for extension

a) The Board may condition the grant of an extension on a requirement that the applicant revise the plan to conform with changes to the requirements of this Chapter since the plan was approved.

None of the recent changes to the Subdivision Ordinance (Chapter 50) are pertinent to the scope of the Subject Application. Therefore, no revisions to the previously approved Preliminary Plan Amendment are needed for compliance with the Subdivision Ordinance.

b) The Board may deny the extension request if it finds that the project, as approved and conditioned, is no longer viable. The Board must consider whether the project is capable of being financed, constructed, and marketed within a reasonable time frame. The Applicant must demonstrate the project's viability upon request by the Board or the Director.

The Applicant has indicated that the Preliminary Plan is still viable with potential modifications mainly to include residential development on portions of the property. The

approved development will be marketable once the Sector Plan update is complete, and the Applicant concludes its market feasibility assessment for residential uses on the Site.

5. Planning Board Action.

a) After a duly noticed public hearing, the Board must determine whether it should grant a request for an extension. The requirements for noticing and conducting a public hearing must follow the requirements for a preliminary plan.

The Applicant has complied with all noticing requirements as set forth in Chapter 50 and the Administrative Procedures for Development Review.

b) If voting to approve an extension, the Board must only grant the minimum time it deems necessary for the applicant to validate the plan.

Section 50-4.2.H.5.c limits extensions to a preliminary plan extension to within the plan's APF validity period, therefore, the request for a two-year extension is the minimum time necessary for the Applicant to validate the preliminary plan.

c) The Board may only grant an extension to a preliminary plan within the plan's APF validity period, unless a further extension is allowed by law.

The Adequate Public Facilities (APF) validity period is set to expire April 1, 2027. The request of the Subject Application is to align the preliminary plan validity period to the same expiration date. Therefore, as requested the Subject Application meets the requirements of this finding.

d) An applicant may request, and the Board may approve, more than one extension.

The Subject Application is the first request for an extension of the plan validity period. Another extension request may be required in the future if the Applicant is unable to record plats for the property before April 1, 2027. According to 4.2.H.5.c, the Board may only grant an extension to a preliminary plan within the plan's APF validity period. Granting an extension for the preliminary plan validity period through April 1, 2027, meets that requirement.

e) Once a phasing schedule is approved by the Board as part of a preliminary plan approval, the Board must treat any revision or alteration to the schedule other than an amendment approved under Section 4.3.J.7 as a minor amendment to the preliminary plan. Board approval of a revised phasing schedule is required to extend the total length of the validity period.

Preliminary Plan No. 1197821D was approved for a single phase of development, and the Subject Application does not propose any revisions or alterations to the phasing of the Project. Therefore, this finding does not apply.

SECTION 7: CONCLUSION

As conditioned, the Preliminary Plan Amendment 11987271E application satisfies the findings under Section 50-4.2.H of Chapter 50 of the Montgomery County Code (Subdivision Regulations). Therefore, Staff recommends approval of the Preliminary Plan Amendment 11987271E with the conditions specified at the beginning of this report.

ATTACHMENTS

Attachment A: Statement of Justification

Attachment B: Prior Approval Preliminary Plan No. 11987271D