

City of Rockville Report – Rockville Economic Development, Inc.
Board of Directors Meeting
May 21, 2025

April 28, 2025 Mayor and Council Meeting:

Presentation of the Annual Climate Action Plan Update

The Mayor and Council received a Climate Action Plan (CAP) Update. Adopted on 1/20/22, the CAP charts a path to reduce greenhouse gases, build resiliency, and incorporate equity in public engagement and oversight. The CAP sets a goal to reduce greenhouse gas emissions by at least 50 percent (from 2005) by 2030 and approach carbon neutrality by 2050. The CAP focuses on seven categories, including energy efficiency, renewable energy, transportation, land management, materials and waste, resiliency, and public education and oversight which each have actions. For more information, please see the staff report at the attached link. https://www.rockvillemd.gov/AgendaCenter/ViewFile/Agenda/_04282025-7478

Work session - Minority, Female, Disabled, and Veteran's Owned Program (MFD-V)/Local Preference Worksession

Staff provided a presentation and highlighted the current MFDV/ Local Preference program. Information was provided to the Mayor and Council regarding the process for establishing a formal program, conducting a disparity study, resources needed to operate a program, and opportunities and challenges the City may face if implementing a formal program. Staff also provided an overview of Local Vendor Preference program, the advantages and disadvantages of operating a program, and an example of a bid process that included local vendor preference requirements. Staff concluded its presentation by sharing current initiatives relating to Environmental Sustainable programs within procurement. As a result, the Mayor and Council directed staff to examine best practices and develop a strategy for increasing and enhancing MFD-V outreach and local preference while tracking and managing data more deliberately. The Mayor and Council also directed staff to consider criteria within the bidding process as it relates to environmental sustainable procurement practices.

May 5, 2025 Mayor and Council Meeting

Work Session No. 3 on the Zoning Ordinance Rewrite (ZOR): New zones, including Town Center; Revisions to Existing Zone Standards; Height Transitions; and Comprehensive Map Amendment (Part 2)

The Mayor and Council held their third work session on the ongoing Zoning Ordinance Rewrite (ZOR) and Comprehensive Map Amendment (CMA) project. This work session focused on new zones, revisions to existing zones, height transitions, and follow-up on the Comprehensive Plan's recommended rezonings. During this meeting, Mayor and Council expressed support for several staff recommendations. These included: 1) creating a new 'family' of MXTD (Mixed-Use Transit District) zones for Town Center, which have increased heights corresponding to the Character Areas established with the Town Center Master Plan; 2) increasing the maximum height for properties currently zoned MXTD near the Twinbrook and Shady Grove Metro stations from 120' (30' bonus) to 235' (100' bonus); 3) creating a new Residential High Density (RHD) zone with a density of 50 dwelling units/acre; 4) increasing the maximum height for the Light Industrial zone from 40' to 60'; 5) implementing modern requirements to ensure appropriate transitions from lower- to higher-intensity uses; and 6) updating mixed-use design standards to clarify requirements and adding alternative compliance provisions.

Mayor and Council also provided guidance that they do not wish to implement a small number of the Comprehensive Plan's recommended rezonings at this time (all of which could be seen as down-zonings), including recommendations in West End and Woodley Gardens East-West and near King Farm. While guidance was provided, no action was taken at this meeting. The Mayor and Council are scheduled for additional work

sessions in July and September. The anticipated release of the complete draft of the Zoning Ordinance and zoning map is December 2025, with adoption in Spring 2026.

Adoption of an Ordinance to Appropriate Funds and Levy Taxes for Fiscal Year 2026

The Mayor and Council adopted the FY26 Operating and Capital Improvements Program budget. The FY26 Operating budget totals \$175.5 million, a 4.2% increase from the current year. The FY26 Capital Improvements Program totals \$120.7 million, a 1.1% increase over the current year. The budget prioritizes focus areas of public safety, economic development, and housing. Included in the operating budget are additional staffing resources in the areas of permitting and inspections.

Project Plan Amendment Application to Amend the Planned Development for Rockville Center, Inc. to Permit a Change of use from Office to Residential and/or Commercial, with up to 550 Dwelling Units at 255 Rockville Pike

The Mayor and Council received a briefing from the applicant. The applicant is proposing to amend the preliminary development plan by allowing the phased redevelopment of the subject property for residential and/or commercial use. The first phase of the proposed Project Plan Amendment would include up to 300 multifamily units in a building approximately 83 feet in height, constituting an adaptive reuse of and vertical addition to the existing structured parking garage. A possible second phase of development would replace a portion of the building proposed in the first phase with a new residential tower, increasing the total proposed units up to 550 dwelling units

After filing the original application, the applicant modified the request to include commercial uses in the Project Plan amendment application. This would allow for renovation of the existing vacant office building for a variety of possible commercial uses as an option to the residential redevelopment, including adaptive reuse of the existing parking structure. The City is awaiting additional information regarding a commercial use proposal for the property. The Planning Commission will review the application once it is complete and make a recommendation to the Mayor and Council.

May 12, 2025 Mayor and Council Meeting

Shady Grove Annexation Worksession

The Mayor and Council discussed the proposed City-initiated annexation of approximately 108-acres of the Shady Grove Metro Station property. Staff provided background on the annexation with fiscal impact analysis results, and recommended three potential options to move forward with as follows:

- Annex the entire area as proposed.
- Annex only the west side of the proposed annexation area.
- Delay annexation.

After discussion, the Mayor and Council provided the following direction:

- Delay the annexation.
- Research financing tools and identify developers for the property.
- Proactively solicit partners for a potential unsolicited plan for a project such as affordable housing.
- City Police Department prepare an analysis on service provisions to the entire annexation area.
- Look into Municipal Tax Duplication possibilities for the County to reimburse the City for Police costs.
- Collaborate with REDI and engage with property owners in other areas such as RockEast and Medical Center Drive to encourage them to annex into the City. New annexations could potentially offset costs of the Shady Grove annexation.

For additional details please see the attached link.

https://www.rockvillemd.gov/AgendaCenter/ViewFile/Agenda/_05122025-7489

Upcoming Mayor and Council Meeting:

May 19, 2025

- Regulation of Establishments that Include Retail Sale of Cannabis for Personal Use – Worksession.
- Authorization to File a Zoning Text Amendment to Regulate Establishments that Include the Retail Sale of Cannabis for Personal Use.
- 41 Maryland Avenue Project Plan Briefing (147-unit multifamily building for affordable housing).