



PRIME RESIDENTIAL REDEVELOPMENT OPPORTUNITY

EXISTING **43,500 SF OFFICE** ON **2.294 ACRE** OF **CR 200, R 1.5 ZONED** LAND

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BUSINESS TERMS

SALE PRICE	CONTACT CPG FOR GUIDANCE
STUDY PERIOD	60 DAYS
DEPOSIT	10% OF PURCHASE PRICE
SETTLEMENT	NEGOTIABLE
OFFERS DUE	FRIDAY, JULY 18 TH

All information should be independently verified and has been gathered from sources deemed to be reliable, but not guaranteed by CPG Realty, or its agents. Offering Memorandum is subject to price changes, omissions, corrections, prior sales, or withdrawal. There is no cooperating brokerage commission for this opportunity.



RELATIONSHIP[®]
DRIVEN
REAL ESTATE

EXECUTIVE SUMMARY

CPG Realty, LLC, as exclusive representative of the Seller, is pleased to present **15901 Frederick Road, Rockville, MD** — a rare infill redevelopment opportunity located at the highly visible corner of **Frederick Road (MD 355)** and **Redland Road**, directly across from the entrance to **King Farm** and adjacent to the **Shady Grove Metro station**.

The Property consists of **2.294 acres** zoned **CR 200 R 1.5**, allowing **residential development by right** for a seamless entitlement process. Currently improved with a **43,500 SF, three-story office building** and **130 parking spaces**, the Property benefits from flexible repositioning potential. The Seller has mostly vacated the building and is open to **leasing back the retail portion of the first floor**, offering optional income during redevelopment. The site also features **three drive-thru ATMs** on the west side of the Property.

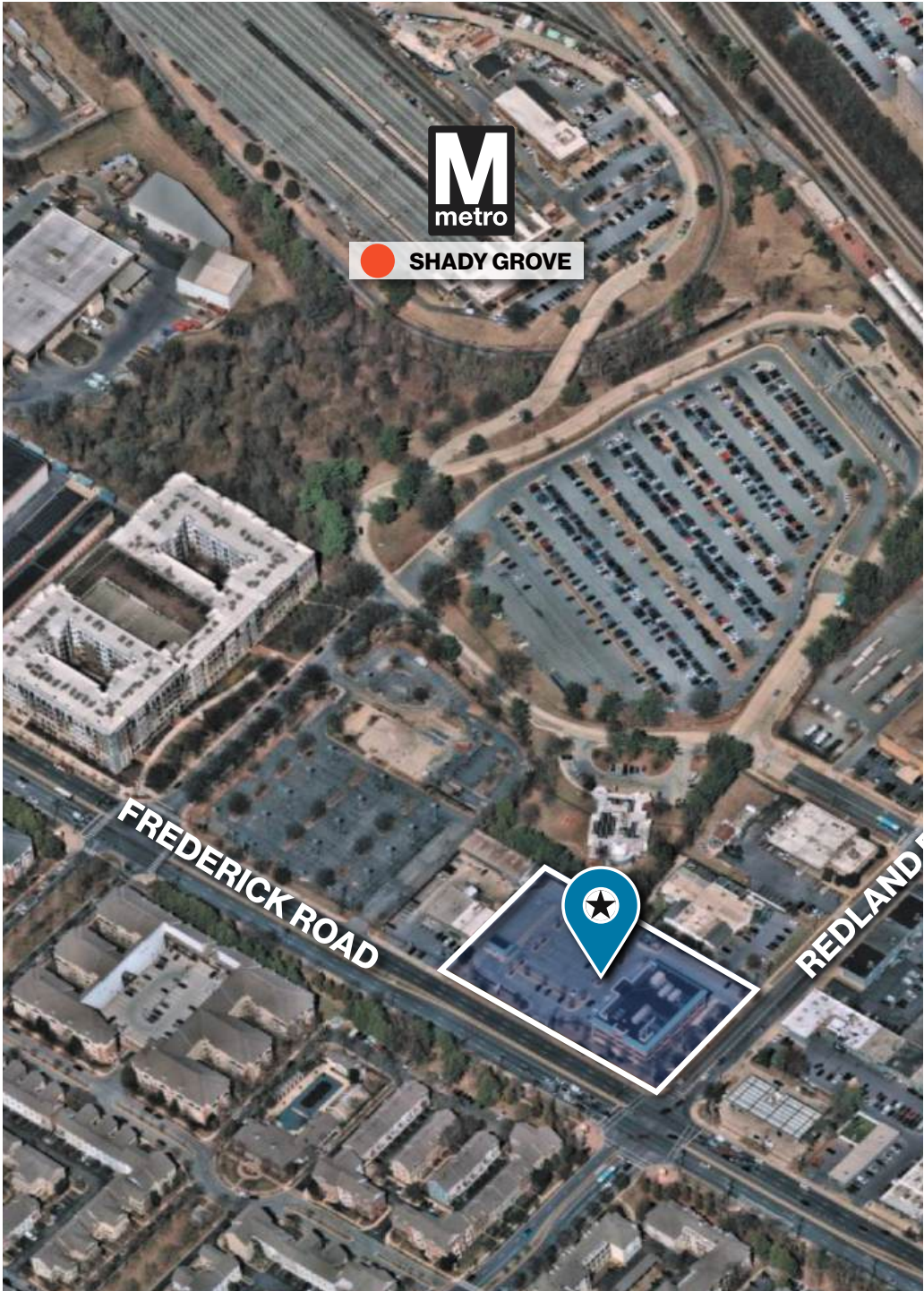
A concept plan prepared by Vika for **56 two-over-two condominium units** (each measuring 24' x 50') can be found on **Page 5**. A **second plan**, featuring a mix of **48 condo flats** and **36 two-over-two units**, is provided on **Page 6**. In addition, a **Land Use Summary** prepared by Lerch Early begins on **Page 7**, offering a **detailed overview of the development timeline and approval process**.

This highly walkable location offers unparalleled connectivity to both transit and retail amenities. Residents will enjoy immediate access to nearly **1 million SF of vibrant retail**, including **King Farm Village Center** and **Upper Rock**, with offerings such as **Mom's Organic Market, Home Depot, Best Buy, and a variety of restaurants and services**.

Positioned within Montgomery County and within the City of Rockville's growth boundaries, this site presents a compelling opportunity to deliver for-sale residential product in a **supply-constrained, high-income submarket** with strong demand drivers and proven walkability.



ADDRESS	15901 Frederick Rd, Rockville, MD 20855
PARCELS ID	09-03413011
MUNICIPALITY	Montgomery County
PROPERTY SIZE	2.29 Acres
BUIDLING SIZE	43,500 SF
YEAR BUILT	2005
STORIES	3
PARKING	130 Spaces
ZONING	CR 200 R 1.5
ENCUMBRANCE	New Cingular Wireless PCS, LLC Lease for rooftop cellular communication equipment which expires 2031
LOCATION	Located approximate to Interstate 270 and within a mile of Interstate 370/Maryland Route 200
MAX FAR	149,899.5 SF as 100% Residential, or 199,688 SF as Mixed Use





SUMMARY

56, 24' x 50' Two over Two units

The following depiction is not meant to reflect exactly what a developer can build, it is merely meant to show one idea which is a combination of For Sale 2 over 2 condos.

Please contact **VIKA Engineering** for all questions related to development schemes.



Michael B. Goodman, PE
Executive Vice President
Main: 301.916.4100 Ext. 256
Cell: 301.233.8234



SUMMARY

**48, Condominium Units
in a 4 over 1 podium style product
36, 24' x 50' Two over Two units**

The following depiction is not meant to reflect exactly what a developer can build, it is merely meant to show one idea which is a combination of For Sale 2 over 2 condos.

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PROPERTY DESCRIPTION:

The Property is located in the northwest quadrant of Redland Road and Frederick Road in Rockville Maryland, in an area with a mix of uses. The Property is located within the CR (Commercial Residential) zone and the surrounding uses are varied and lower-scale in nature and include a restaurant to the west, a preschool to the north, a veterinarian office to the east, and a welding gas supplier to the east of the veterinarian office.

The Property is referred to as Parcel N376, Parcel T of the Derwood subdivision, bearing tax account no. 09-03413011. According to the records of the State Department of Assessment and Taxation (“SDAT”) the Property contains 99,933 square feet (2.29 acres) of land area. The SDAT square footage reflects the net tract area, not the gross tract area (which includes prior dedications and is the basis for determining density). Therefore, at the appropriate time, a civil engineer should identify the gross tract area. The Property is reflected on Record Plat No. 22602. The Property is currently improved with a three-story office building which, according to the SDAT records, contains a total of 43,500 square feet.

CURRENT ZONING:

The Property is zoned CR 2.0, C 1.0, R 1.5, H 120 (see Attachment A). The zoning allows a maximum density of 2.0 floor area ratio (“FAR”), with commercial density not exceeding 1.0 FAR and the base residential density not exceeding 1.5 FAR, with a maximum height of 120 feet. The CR Zone allows for a wide array of uses including Duplexes, Townhouses, and Multi-Unit Living; Residential Care Facilities; Retail/Service Establishments; and Office uses. The Zoning Ordinance Use Table identifying the permitted uses in the CR Zone is included as Attachment B.

MASTER PLAN RECOMENDATIONS:

The Property is located within the “Metro West” neighborhood as defined by the 2021 Approved and Adopted Shady Grove Minor Master Plan Amendment (the “Master Plan”). The Master Plan identifies Metro West as the most intensely developed area within the Master Plan’s boundaries, characterized by a diverse mix of retail, commercial, and residential uses. This approximately 30-acre neighborhood is generally bounded by Frederick Road (MD 355) on the west, Redland Road on the south, and the Shady Grove Metro Station on the east (relevant pages attached as Attachment C). The Metro West area is a mixed-use district intended for high-density, transit-oriented development given its proximity to the Metro station. The Master Plan explicitly promotes concentrated residential and non-residential uses in this area, advocating for diverse housing types close to employment centers and transit, with a specific recommendation “to promote high-intensity mixed-use” on the Property.

DEVELOPMENT POTENTIAL:

Based on the CR 2.0, C 1.0, R 1.5, H 120 zoning and a net tract area of 99,933 square feet¹, the maximum overall density permitted on the Property is 199,688 square feet (2.0 FAR), with a maximum of 99,933 square feet of commercial and a maximum of 149,899.5 square feet of residential permitted, or any combination thereof, not to exceed 2.0 FAR (not including any residential bonus density). The maximum height is 120 feet. Residential development including more than 20 units, irrespective of whether it is pursuant to the Standard Method of Development or Optional Method of Development (discussed below), will be required to provide 12.5 percent of the residential units as designated moderately priced dwelling units (“MPDUs”).

The Zoning Ordinance provides for the opportunity to obtain bonus residential density by providing MPDUs in excess of the required 12.5 percent. For instance, if the development provides 15 percent MPDUs, it is entitled to a 22 percent bonus density, thereby increasing the allowable residential density to 1.83 FAR. Any provision of MPDUs in excess of 15 percent generates additional bonus density in excess of the 1.83 FAR. In addition, the Zoning Ordinance allows for additional height if the project provides more than 12.5 percent MPDUs. This typically results in the provision of one additional story.

DEVELOPMENT PROCESS:

A. Standard Method of Development

The development of the Property with .5 FAR or less may be pursued in accordance with the Standard Method of Development, which allows for a theoretical maximum of 49,966.5 square feet of development. The Standard Method development standards (including public use space, lot area, lot coverage and setbacks), are set forth in Zoning Ordinance Section 59.4.5.3. and vary depending on the use. Development in accordance with the Standard Method of Development will require Preliminary Plan approval assuming further subdivision of the Property is needed (for instance to accommodate townhouse development) and likely will require Site Plan approval, given the location of townhouses to the west across North Frederick Road.

B. Optional Method of Development

Any development on the Property above a .5 FAR will need to occur pursuant to the Optional Method of Development. This process requires the Montgomery County Planning Board’s approval of a Sketch Plan, Preliminary Plan and Site Plan. Typically, the Sketch Plan is processed first, followed by the concurrent processing of the Site Plan and Preliminary Plan, although the Preliminary Plan may also be processed with the Sketch Plan.

¹For purposes of illustration, we have relied on the net tract area but as noted, density is based on gross tract area

B. Optional Method of Development (continued)

The density above the .5 FAR is known as incentive density and in order to justify the incentive density, a project must provide at least 100 public benefit points.² Public benefit points may be achieved in numerous ways including but not limited to incorporating sustainability measures into the design of the building; providing MPDUs in excess of the 12.5 percent required; providing open space; limiting parking, and providing structured parking. The entitlement process through Site Plan approval typically takes approximately 16-18 months. In the event the development includes the subdivision of the existing lot, a record plat will be required and the plat recordation process takes an additional four months.

IMPACT TAXES:

Any new development on the Property will be subject to Montgomery County's transportation impact tax and, assuming residential development, the school impact tax. The Property is located in a "turnover impact area" for purposes of determining the school impact tax, and a red Policy Area for purposes of determining the transportation impact tax. However, given that there is an existing office building on the Property, and pursuant to the County Council's 2024 revisions to the Impact Tax (Expedited Bill 16-24), projects that involve the demolition of an office building and development of a residential project are exempt from the development impact tax. Commercial uses are still subject to the development impact tax, although there is a credit available for existing development. The existing development impact tax for an office building at this location is \$8.80 per square foot, while the impact tax on retail space is \$7.85 per square foot. Residential development is subject to the school impact tax which varies depending on the use, but by way of example, the current school impact tax for a multi-family low-rise building (i.e. up to four stories) is \$13,625 per unit, \$6,073 per unit for a multi-family high rise building, and \$29,456 per unit for a townhouse unit. The MPDU units are exempt from the impact tax.

POTENTIAL EXPEDITED APPROVALS AND TAX ABATEMENT:

On April 8, 2025 the Montgomery County Council adopted Zoning Text Amendment 25- 03 (the "ZTA") and Bill 2-25 providing for an expedited regulatory review period and a 20 year property tax abatement. This legislation may provide a potential benefit to the future development of the Property. More specifically, the legislation applies to properties currently improved with an office building of at least two stories that are to be redeveloped with residential uses and are at least 50 percent vacant at the time application is made to the Maryland-National Capital Park and Planning Commission. In the case of the Property, given that it is located within a red policy area, the Property must be redeveloped with multi-family residential (not townhouses) in order to qualify for the expedited review and tax abatement. On April 8, 2025 the Montgomery County Council adopted Zoning Text Amendment 25- 03 (the "ZTA") and Bill 2-25 providing for an expedited regulatory review period and a 20 year

Moreover, the project must provide 17.5 percent MPDUs for a period of 25 years at 60 percent of average median income or lower. After the expiration of the 25 years, the project would still be required to provide the otherwise required percentage of MPDUs (in this case 12.5 percent, assuming additional MPDUs were not provided to trigger the bonus density and height provisions), for the balance of the required MPDU term (i.e. 99 years for rental and 30 years for ownership units). The ZTA provides for a consolidated regulatory review period requiring one application referred to as an Expedited Approval Plan ("EAP") that effectively combines a Sketch Plan, Preliminary Plan and Site Plan. The Planning Board is required to act on the EAP within 60 days of the plan's acceptance. Subsequently, if necessary, an administrative subdivision plat will be required to subdivide the Property. Correspondingly, the Property would be entitled to a twenty year property tax abatement.

CONCLUSION:

We trust this information is helpful. If you have any questions, please do not hesitate to contact me.



LAND USE CONSULTANT:

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301-841-3832

²The County is in the process of revising the public benefit point system and a new system is expected to be adopted in late summer or early fall, 2025.

NEARBY HOUSING SALES



FARMSTEAD DISTRICT by EYA
Townhomes
1825-2365 SF: \$917,200-\$947,900



FARMSTEAD DISTRICT by Pulte
2 over 2s
LL 1,520 SF: \$614,900+ / UL 2,548 SF: \$679,990+



FARMSTEAD DISTRICT by Pulte
Town Homes
1,791 SF starting at \$719,990



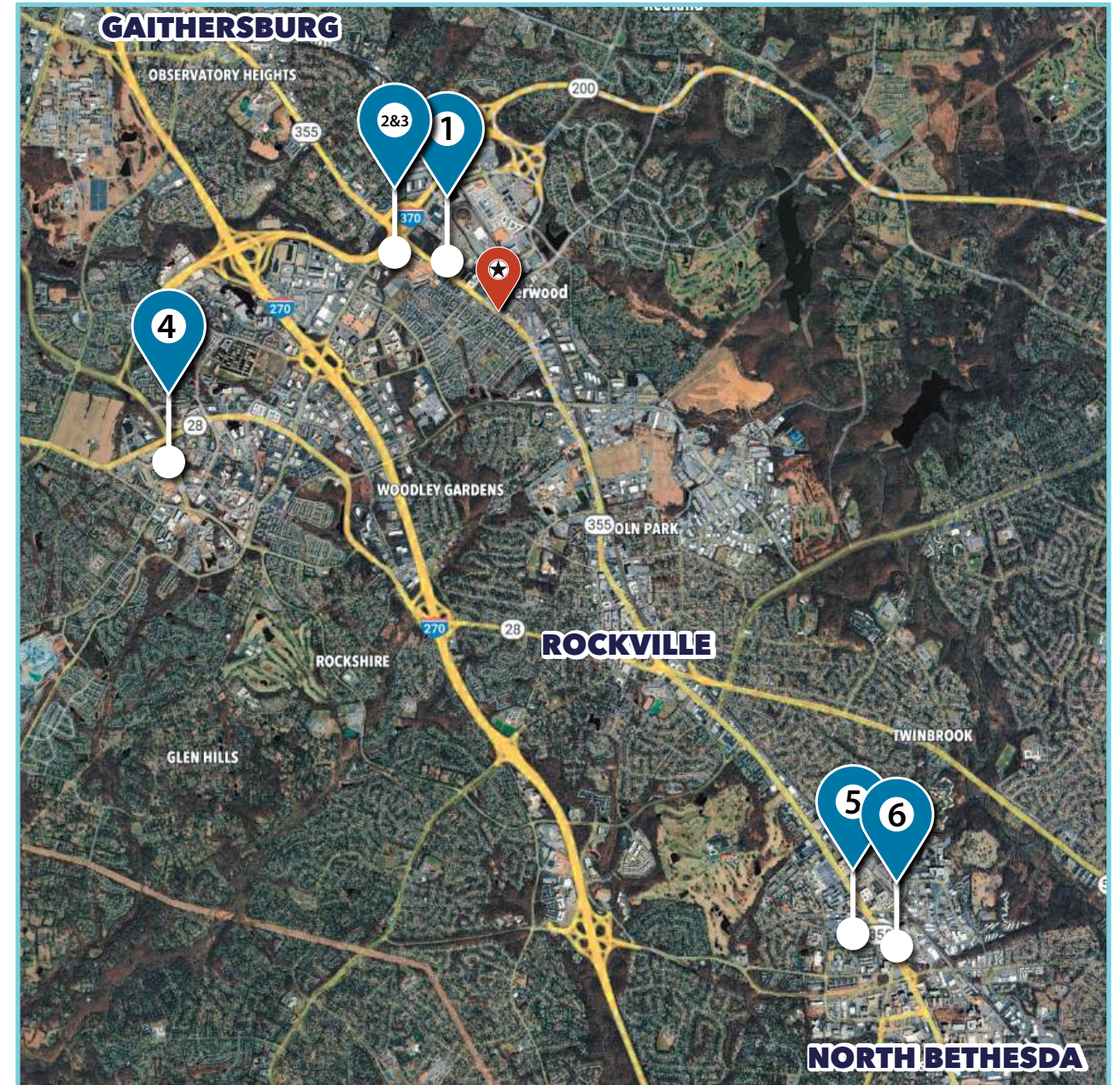
THE GROVE by Wormald
Condo Flats
2,800 SF starting at \$1,199,900



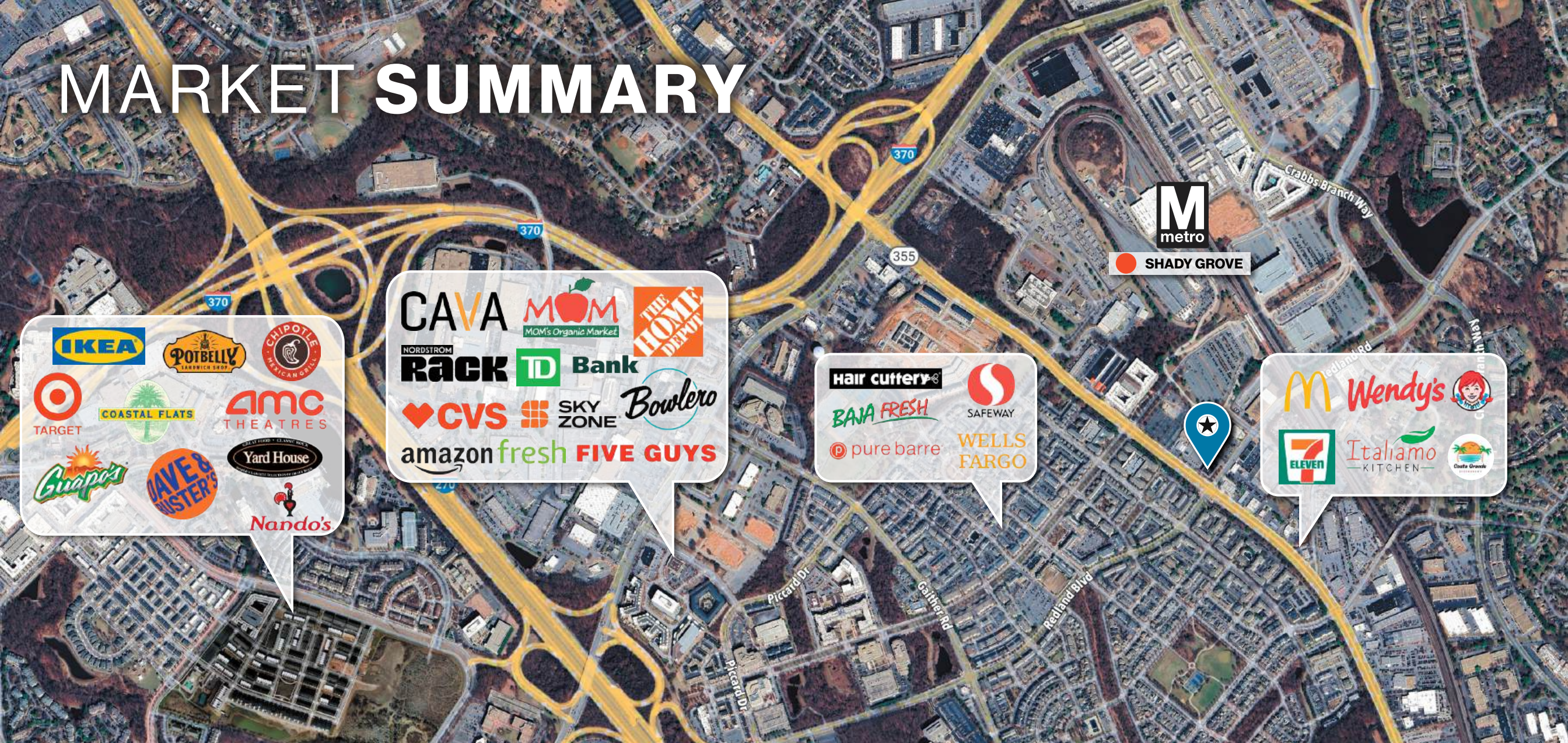
NORTHPARK LOFTS by Tri Point
2 over 2s
2,535 SF starting at \$809,900



NORTHPARK TOWNS by Tri Point
Town Homes
2058-3290 SF starting at \$929,90-\$1,393,995



MARKET SUMMARY



DEMOGRAPHICS *BASED ON 3 MILE RADIUS



118,767
POPULATION



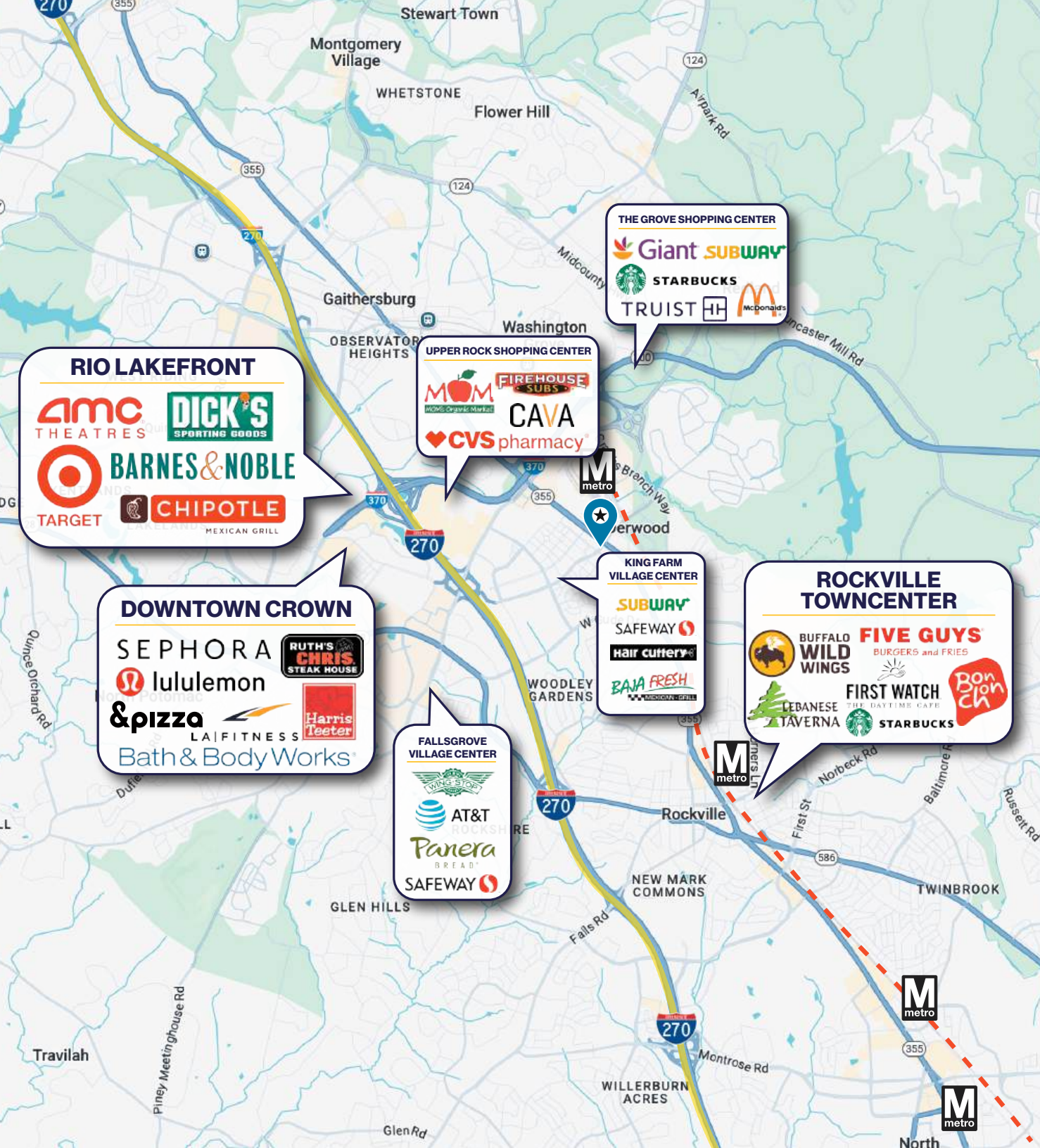
\$127,035
AVERAGE
INCOME



45,558
HOUSEHOLDS



10,710
BUSINESSES



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