



Introduction

This report has been prepared in support of the Sandy Spring Rural Village Plan and it focuses on a study area that is defined in Figure 1. The report seeks to identify potential retail uses that may be successful; determine the market for and the level of supportable retail space; and the configuration of potential buildings. The methodology examines supply

and demand by quantifying and analyzing retail sales and expenditures for the Sandy Spring trade area in Figure 1. This information serves to inform the analysis of retail market opportunities that could be successful, the amount of supportable retail space, and potential development programs.

Section 1: Sandy Spring Rural Village Plan - Study Area

The Sandy Spring study area is part of a larger Rural Village Overlay Zone area that also includes the Ashton Village Center. The study area is approximately 25 acres. It is bounded by commercial properties on MD 108 and Brooke Road, and is generally defined as follows: by the northern boundary of the Sandy Spring Volunteer Fire Department site, on the south by MD 108, Brook Road on the west, and Bentley Road on the east.

The primary land uses in the Sandy Spring Rural Village Plan area are retail-commercial (current C-2 zoning). A small, older commercial area on Olney Sandy Spring Road contains the majority of existing retail space. Olney Sandy Spring Road, also known as MD-108, runs through the heart of the study area. The village area is surrounded by substantial residential and rural residential neighborhoods, currently zoned Rural Neighborhood Cluster (RNC) and Rural Cluster (RC) Zones.

Figure 1: Locator Map



Figure 2: Study Area Plan Boundary



Section 2: Existing Conditions - Retail

Existing retail character in Sandy Spring can be defined as low intensity, with many establishments (see Figure 3) in buildings that have changed little since their construction. Some have been revitalized or adapted for new tenants, or are relatively new.

The retail establishments on the south side of Route 108 include a stand-alone bank, a small multi-tenant building with a ground-floor bakery and a flower shop (with a yoga studio and insurance office on the second floor), and a stand-alone neighborhood hardware store at the east end of the study area. The retail establishments on the north

side of Olney Sandy Spring Road include a gas station and an auto garage on the east end; a relatively new and well patronized barbeque restaurant; a multi-tenant building with a salon/barbershop, an office and a vacant space; a multi-tenant building with a tattoo shop, a driving school, a carpet cleaner, and a specialized auto supply; a multi-tenant building with a post office, a psychic, and a vacant space that used to be a general store; and, finally, a former residence now converted to a home furnishings store. See Table 1 for information on the parcels' lot sizes, building sizes, building addresses, and current tenants.

Figure 3: Study Area Retail Establishments



Total leasable retail space in the study area is estimated to be around 51,000 square feet (see Table 1). Future retail opportunities in Sandy Spring are most likely to continue at a small scale, given the size and configuration of properties. Since commercial lots and existing buildings are relatively small and ownership is not consolidated, it would be

challenging and questionable, given the scale of Sandy Spring, to consolidate and create sufficiently sized parcels that would allow large format retail. This idea and approach influences the assumptions used in the study and affects trade area boundaries applied in the economic and market overview, as well as for the supply and demand analysis.

Parcel	Street	Tenant	Parcel SF	Building SF
A	901 Olney Sandy Spring Rd.	USPS	44,607	3,840
	905 Olney Sandy Spring Rd.	Sandy Spring Store (Vacant), Psychic Advisor		3,840
B	837 Olney Sandy Spring Rd.	Tantric Tattoo Boutique	25,060	8,840
	837 Olney Sandy Spring Rd.	A&G Driving School		
	837 Olney Sandy Spring Rd.	A Cleaner Carpet Cleaner		
C	837 Olney Sandy Spring Rd.	Vape a Delic	18,081	8,040
	815 Olney Sandy Spring Rd.	Salon and Barbershop		
	825 Olney Sandy Spring Rd.	FTI Engineering Solutions (Vacant)		
D	819 Olney Sandy Spring Rd.	Vacant	19,335	5,800
	805 Olney Sandy Spring Rd.	Urban BBQ		
E	499-501 Olney Sandy Spring Rd.	Valero Gas Station, Garage	29,598	3,850
F	500 Olney Sandy Spring Rd.	Christopher's Hardware	76,230	6,550
G	816 Olney Sandy Spring Rd.	Passion Bakery Café	17,968	2,708
	816 Olney Sandy Spring Rd.	Yin-Yang Yoga & Wellness, Allstate		
	816 Olney Sandy Spring Rd.	Creative Floral Designs		
H	908 Olney Sandy Spring Rd.	Sandy Spring Bank	21,706	4,693
I	913 Olney Sandy Spring Rd.	Furniture, Gifts, Accessories	41,266	2,584
Total			293,851	50,745

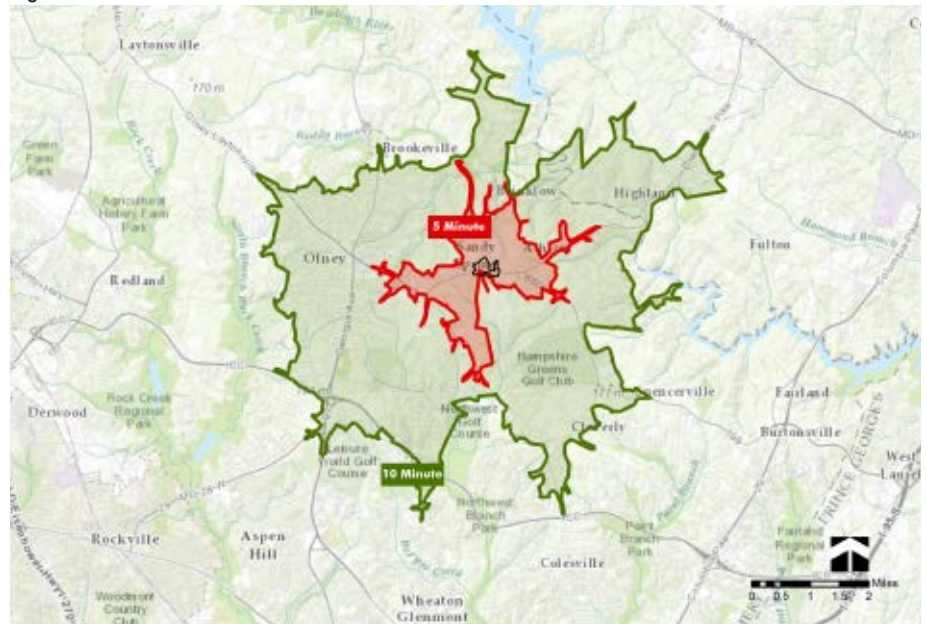
Section 3: Economic and Market Overview

Section 3A: Economic and Market Overview

A trade area is the geographic area from which most of a retail establishment's customers originate. However, trade areas can differ based on the type of products offered. For example, the trade area for a convenience good, such as milk, is typically smaller than that for a shoppers good, or a "comparison" good, such as furniture or apparel. The distance a consumer will travel to buy a gallon of milk is significantly shorter than the travel distance tolerated to buy a new sofa. Another factor affecting the trade areas for convenience and shoppers goods is comparison shopping. To purchase a gallon of milk, one does not need to compare brands or stores. To purchase furniture, consumers are willing to travel farther to compare various merchandise. Trade areas are also impacted by competitive retail destinations. A shopping district with little nearby competition will have a much larger trade area than a shopping district with significant regional competition. The market analysis for Sandy Spring focuses on two Primary Trade Areas (PMAs) (see Figure 4 below):

- 5-Minute drive shed* from Sandy Spring's commercial core (the intersection of MD-108 and Meeting House Road) and;
- 10-Minute drive shed from the core.

Figure 4: Five- and Ten-Minute Drive Shed PMA



Source: ESRI Business Analyst Online

Given the character of the existing retail environment, as well as nearby competition, the PMA for Sandy Spring is defined as a 5-minute drive shed for convenience goods and a 10-minute drive shed for shoppers goods. According to the Urban Land Institute, shoppers goods generally have larger drive sheds, e.g. "big box" retail tends to have a 30-minute drive shed PMA. However, since Sandy Spring is fundamentally limited to small format retail and has significant competition from shoppers goods stores about seven minutes to the west in Olney, a 10-minute drive shed is used for this study.

* a geographic area that is defined by travel time

Section 3B: Demographic and Economic Profile

Populations/Households

In 2013, the population within Sandy Spring's 5-minute drive shed was approximately 2,034, which translates to 692 households. The population within a 10-minute drive shed was approximately 38,680 persons or 13,204 households.

Population and household growth from 2013-2018 is projected to increase for the two drive sheds; around 4.5 percent and 5.1 percent respectively (see Table 2).

Table 2: Population Growth in Total Market Area

	2013	2018	Total HH Change	% HH Change
Population (5 minute drive shed)	2,034	2,123	89	4.4%
Population (10 minute drive shed)	38,680	40,652	1,972	5.1%
Households (5 minute drive shed)	692	723	31	4.5%
Households (10 minute drive shed)	13,204	13,871	667	5.1%

Source: ESRI Business Analyst Online

Population Age Distribution

The population's age distribution is evaluated, since different age cohorts generally support by different retail segments and uses.

In 2013, the median age for the 5-minute and 10-minute drive sheds was 47.1 and 43.1 respectively. The 10-minute drive shed has a slightly younger population because it includes Olney, which has more multifamily units and draws a

slightly younger group. The population between ages 55-79, most commonly associated with "empty nesters" comprises approximately 27 percent in both PMAs. From 2013-2018, this age group is projected grow the fastest (see Tables 3a and 3b below). While currently relatively nascent, 30-39 year olds, generally associated with young "starter" families, are also poised for rapid growth during this same period.

Table 3a: Age Profile of Population in 5-Minute Drive Shed

	2013		2018		Total Population Change	% Population Change
	Population	% of Total	Population	% of Total		
20-24	111	5.5%	104	4.9%	(7)	-6.3%
25-29	74	3.6%	96	4.5%	22	29.7%
30-34	70	3.4%	92	4.3%	22	31.4%
35-39	75	3.7%	92	4.3%	17	22.7%
40-44	107	5.3%	102	4.8%	(5)	-4.7%
45-49	161	7.9%	124	5.9%	(37)	-23.0%
50-54	206	10.1%	169	8.0%	(37)	-18.0%
55-59	182	8.9%	208	9.8%	26	14.3%
60-64	141	6.9%	181	8.5%	40	28.4%
65-69	97	4.8%	138	6.5%	41	42.3%
70-74	72	3.5%	98	4.6%	26	36.1%
75-79	54	2.7%	67	3.2%	13	24.1%
80-84	55	2.7%	55	2.6%	-	0.0%
85+	116	5.7%	111	5.2%	(5)	-4.3%
Median Age	47.1		48.6			

Source: ESRI Business Analyst Online

Table 3b: Age Profile of Population in 10-Minute Drive Shed

	2013		2018		Total Population Change	% Population Change
	Population	% of Total	Population	% of Total		
20-24	2,057	5.3%	1,777	4.4%	(280)	-13.6%
25-29	1,768	4.6%	1,896	4.7%	128	7.2%
30-34	1,814	4.7%	2,146	5.3%	332	18.3%
35-39	1,860	4.8%	2,373	5.8%	513	27.6%
40-44	2,437	6.3%	2,474	6.1%	37	1.5%
45-49	3,029	7.8%	2,806	6.9%	(223)	-7.4%
50-54	3,731	9.6%	3,152	7.8%	(579)	-15.5%
55-59	3,546	9.2%	3,630	8.9%	84	2.4%
60-64	2,852	7.4%	3,326	8.2%	474	16.6%
65-69	1,967	5.1%	2,593	6.4%	626	31.8%
70-74	1,278	3.3%	1,781	4.4%	503	39.4%
75-79	798	2.1%	1,089	2.7%	291	36.5%
80-84	603	1.6%	682	1.7%	79	13.1%
85+	807	2.1%	837	2.1%	30	3.7%
Median Age	43.5		44.1			

Source: ESRI Business Analyst Online

Income Distribution

In 2013 the median household income for the 5-minute drive shed was \$125,279, while for the 10-minute drive shed, it was \$125,416. This is nearly 25 percent higher than the median household income for Montgomery County as a whole (\$95,660), according to the 2007-2011 American Community Survey. Approximately one-quarter of the households in both PMAs earn more than \$200,000

a year. These higher incomes correlate with well-educated Sandy Spring residents working in managerial positions. Furthermore, households in the highest income brackets (\$150K-\$199K and \$200K+) are expected to be the only two age groups to grow significantly from 2013-2018. This increase may indicate higher end and/or unique and specialty consumer retail opportunities (see Tables 4a and 4b below).

Table 4a: Households by Income in 5-Minute Drive Shed

	2013		2018		Total Household Change	% Household Change
	HH	% of Total	HH	% of Total		
< \$15,000	26	3.8%	22	3.0%	(4)	-15.4%
\$15,000 - \$24,999	24	3.5%	17	2.4%	(7)	-29.2%
\$25,000 - \$34,999	30	4.3%	19	2.6%	(11)	-36.7%
\$35,000 - \$49,999	59	8.5%	44	6.1%	(15)	-25.4%
\$50,000 - \$74,999	54	7.8%	37	5.1%	(17)	-31.5%
\$75,000 - \$99,999	78	11.3%	76	10.5%	(2)	-2.6%
\$100,000 - \$149,999	126	18.2%	131	18.1%	5	4.0%
\$150,000 - \$199,999	115	16.6%	160	22.1%	45	39.1%
\$200,000+	181	26.2%	218	30.2%	37	20.4%
Median Household Income	\$125,279		\$153,429			

Source: ESRI Business Analyst Online

Table 4b: Households by Income in 10-Minute Drive Shed

	2013		2018		Total Household Change	% Household Change
	HH	% of Total	HH	% of Total		
< \$15,000	345	2.6%	292	2.1%	(53)	-15.4%
\$15,000 - \$24,999	240	1.8%	170	1.2%	(70)	-29.2%
\$25,000 - \$34,999	360	2.7%	240	1.7%	(120)	-33.3%
\$35,000 - \$49,999	869	6.6%	675	4.9%	(194)	-22.3%
\$50,000 - \$74,999	1,582	12.0%	1,123	8.1%	(459)	-29.0%
\$75,000 - \$99,999	1,312	9.9%	1,313	9.5%	1	0.1%
\$100,000 - \$149,999	3,088	23.4%	3,232	23.3%	144	4.7%
\$150,000 - \$199,999	2,433	18.4%	3,343	24.1%	910	37.4%
\$200,000+	2,976	22.5%	3,484	25.1%	508	17.1%
Median Household Income	\$125,416		\$147,535			

Source: ESRI Business Analyst Online

Community Tapestry Segments

ESRI Business Analyst Online uses demographic information such as labor force characteristics, median income, age, and spending habits to categorize neighborhood demographics according to a trademarked Community Tapestry classification system. These tapestries provide insight into the housing and shopping preferences of PMA residents and can help inform which potential retail uses may be successful. ESRI identifies three primary Community Tapestry Segments that characterize both the 5-minute drive shed and 10-minute drive shed: Wealthy Seaboard Suburbs; Connoisseurs; and Suburban Splendor.

Wealthy Seaboard Suburbs, representing 54.1 percent of the households within a 5-minute drive shed and 25.7 percent within a 10-minute drive shed are generally described as older and more affluent. More than half of these residents work in professional or management positions and their median net worth is more than four times the U.S. median.

This group spends the most compared to others on home improvement and also likes to shop from high end catalogs and stores, such as Macy's, Nordstrom, and warehouse stores. They stay well informed, reading two or more daily newspapers, and listening to news radio. Leisure pursuits include traveling, reading epicurean, travel and business/finance magazines, and listening to classical music and jazz.

Connoisseurs, representing 42.6 percent of the households within a 5-minute drive shed and 25 percent within a 10-minute drives are somewhat older, being closer to retirement than child-rearing age. Of these households, 64 percent hold a bachelors or graduate degree, and are in high paying management, professional, and sales jobs; although many are self-employed. Their median net worth is nearly 7 times the national average. These households hire contractors for home improvement and remodeling, shop from high-end catalogs and stores, and enjoy physical activities such as skiing, golf, and tennis. Other leisure pursuits include reading

books and daily newspapers, epicurean, travel, business/finance magazines, and participating in local civic issues. They also eat out several times a week.

Suburban Splendor represents 3.4 percent of the households within a 5-minute drive shed and 18.5 percent within a 10-minute drive shed. Of these households, 80 percent are married couple families and are upwardly mobile. Many are two income households and most work in management and professional positions, with a national household median income of \$121,661. More than half hold a bachelor’s degree or higher. These households also hire contractors for home improvement and remodeling, buy the latest electronic devices, and devote free time to family, travel, and self-improvement pursuits. These interests may include physical fitness, reading, visiting museums, and theater-going. They also read newspapers and magazines (particularly epicurean, travel, business/finance) and listen to news/talk radio. These households are also active investors.

These dominant Community Tapestry segments highlight key characteristics of influential market segments in the PMA. Most have higher spending power than other market segments, given their high median incomes and net worth. Their leisure activities imply significant opportunities for retail purchases and positive economic impacts on potential uses in

Table 5: Community Tapestry Segmentation

5 Minute Drive Shed		Percent
Wealthy Seaboard Suburbs		54.1%
Connoisseurs		42.6%
Suburban Splendor		3.4%
10 Minute Drive Shed		
Wealthy Seaboard Suburbs		25.7%
Connoisseurs		25.0%
Suburban Splendor		18.5%
Sophisticated Squires		13.3%
Boomburbs		9.4%

Source: ESRI Business Analyst Online

Sandy Spring. Their high educational attainment may imply more refined, highbrow tastes in consumer spending, which lends support for higher end specialty stores, gift shops, dining establishments, and personal service businesses (gyms, spas, yoga studios) that match the shopping and leisure time preferences of at least *Connoisseurs* and *Suburban Splendor* households. Retail establishments related to culinary and epicurean products, travel memorabilia, home furnishings, and book/media stores are examples of stores that may find support within the preferences of all of these Tapestry Segments.

Section 4: Retail Market Analysis

A retail market analysis is conducted to determine the amount and type of retail space that the Study Area could potentially support. The analysis reviews retail supply and demand within defined trade area boundaries (where retail establishments draw most of their consumers), competition from nearby locales, and utilizes the above demographic trends and patterns to help identify retail programming. This analysis is based on existing retail conditions, including retail currently under construction and in the development pipeline. Unforeseen developments – such as additional land being rezoned for development, introduction of new retail competition into the trade area, etc. – may affect the findings in this analysis.

Section 4A: 5-Minute Drive PMA – Convenience Goods

The four principal retail categories under Convenience Goods are organized by the North American Industrial Classification System (NAICS) code:

- Food and Beverage Stores
- Health and Personal Care Stores
- Miscellaneous Store Retailers
- Food Services and Drinking Places

These categories are all suitable for small format retailers and are analyzed separately from shoppers goods, which may demand larger format retail space in several categories.

To assess the potential level of convenience retail development in the study area, annual retail expenditures by residents within the 5-minute drive shed were estimated¹. The expenditures provide a measure of demand for retail goods and services and are separated into different retail categories within the Convenience Goods category. Using a building space inventory developed by the Montgomery County Planning Department and sales per square foot productivity factors from the Urban Land Institute’s 2008 *Dollars & Cents of Shopping Centers*, retail sales by category for Convenience Goods categories within the 5-minute drive shed were estimated². These estimated sales include existing inventory in the Sandy Spring study area, as well as the Ashton Village Center.

Finally, market “capture rates” were derived for each retail category. Capture rates are a measure of the percentage of household expenditures “captured” from or made within a defined PMA. Sales not captured represent a retail gap or “leakage” - expenditures that take place outside of the retail trade area. Capture rates can vary given certain factors. These determinants include the nature of the retail establishments, retail category, age, quality, variety of merchandise, customer base, competitive position, and whether an establishment caters to local or regional consumers. As a rule, retail categories where convenience and proximity are essential – such as grocery or convenience

¹ Expenditures by office employees, tourists, and households outside the trade area were not assumed for this study as they are assumed to be negligible

² There is no additional retail space in the pipeline or under construction in Sandy Spring or Ashton

Table 6: Household Retail Expenditure Leakage for Convenience Goods

	5 Minute Drive Shed				
	A. Demand (Retail Potential)	B. Supply (Retail Sales)	Supply Description (Primary Stores)	C. Existing Capture Rate from HH (Assumed)	D. Retail Gap (A-[BxC])
Food and Beverage Stores	\$6,925,360	\$2,378,310	7-11, Ashton Beer/Wine	40%	\$5,974,036
Health and Personal Care Stores	\$2,730,801	\$1,237,872	Hair Salons (2), Spa/Nails	10%	\$2,607,014
Miscellaneous Store Retailers	\$1,079,305	\$543,663	Cigar Shop	20%	\$970,572
Food Services and Drinking Places	\$4,040,923	\$2,538,742	Passion Bakery Café, Urban BBQ, Dempsey's Diner, Chinese Carryout, El Andariego Mexican	20%	\$3,533,175

Source: ULI Dollars and Cents of Shopping Center 2008: Super Community Centers

Table 7: Supportable Retail Space for Convenience Goods

	D. Retail Gap	E. PSF Productivity Factors	F. Percentage HH Expenditures Spent in PMA (Assumed)	G. Supportable SF ((D x F) / E)	Typical SF of Establishment (in Small Format)
Food and Beverage Stores	\$5,974,036	\$297	30%	6,034	4,000 - 11,000
Health and Personal Care Stores	\$2,607,014	\$429	70%	4,254	2,500 - 8,000
Miscellaneous Store Retailers	\$970,572	\$220	40%	1,765	1,000 - 5,000
Food Services and Drinking Places	\$3,533,175	\$308	40%	4,589	2,000 - 6,000

Source: ULI Dollars and Cents of Shopping Center 2008: Super Community Centers

stores – tend to have a comparatively larger share of sales derived from PMA households (approximately 60-70 percent). Categories that draw people regionally – such as furniture and home furnishings stores – have a smaller share of sales derived from PMA households (with a high range of 30-40 percent). The estimated retail expenditures, sales, and capture rates for convenience goods are presented in Table 6.

The retail gap in the PMA is estimated to be as high as \$6 million for Food and Beverage Stores, \$2.6 million for Health and Personal Care Stores, \$1.0 million for Miscellaneous Stores, and \$3.5 million for Food Services and Drinking Places. This gap may be attributed to area residents with large disposable incomes, lack of retail supply conducting high volume business, and the quality, age, and variety of merchandise offered in the existing retail establishments. For instance, the Health and Personal Care categories currently include two hair salons and a nails/spa in Sandy Spring, which cater to a much narrower and more unique customer base than would a pharmacy/convenience store. It could be that the capture rate for these existing establishments is much lower, 10 percent from the immediate resident base, because of the quality of their setting (age of building, storefronts that could benefit from revitalization, etc.) than could be expected from other uses within the Health and Personal Care category. By comparison, a fresh, newer pharmacy/convenience store could capture possibly 60-70 percent of the resident base. Other retail categories under Convenience Goods in the study area share similarities - older buildings that could benefit from enhancements and business enterprises with a relatively limited selection of products. As a result, opportunities exist to increase the capture rate by revitalizing and repositioning existing properties, or adding new retail space.

Based on the data in Table 6 and the existing retail environment in Sandy Spring, projections for supportable retail space for Convenience Goods were established. Retail sales gaps for respective categories were divided by productivity factors for new development, based on sales per square foot. These productivity factors are higher than those for existing retail space because they reflect higher value, higher quality retail space brought about by redevelopment.

It is unlikely that the retail gap in its entirety will be spent on new convenience retail in the Study Area, due to the strong attraction from Olney, as well as Convenience Goods purchases made during daytime hours at employment areas, purchases from leisure and business travel, etc. Thus, each Convenience Goods category was assigned a percentage that it could reasonably expect to capture from its retail gap. Results can be observed in Table 7.

Table 7 shows potential supportable retail space for Convenience Goods in the study area and a range of typical store sizes³. It is estimated that Sandy Spring could potentially absorb up to **16,600 square feet of net retail space in the Convenience Goods categories**⁴. A variety of retail product mixes are possible, although one of the more viable scenarios is an approximately 13,000 square-foot health/personal care/grocery store that provides both food/beverage and drugstore functions. While smaller store sizes are possible in these retail categories (smaller convenience stores, salons, etc.) they are less likely to be competitive with nearby retail in Olney. Added drugstore/grocery shoppers also help support additional and nearby retail and/or restaurant uses. While there exists on paper a small amount of Miscellaneous Store Retail potential in the PMA, it is likely to take the form of a store that is too small to be competitive in the marketplace.

³ ULI Dollars and Cents of Shopping Centers 2008: Neighborhood Centers

⁴ Does not account for existing vacant space in Study Area

Section 4B: 10-Minute Drive PMA - Shoppers Goods

Table 8: Household Retail Expenditure Leakage for Convenience Goods

	10 Minute Drive Shed				
	A. Demand (Retail Potential)	B. Supply (Retail Sales)	Supply Description (Primary Stores)	C. Existing Capture Rate from HH (Assumed)	D. Retail Gap
Furniture and Home Furnishings Stores	\$15,560,971	\$4,724,653	HomeGoods, Mattress Warehouse	40%	\$13,671,110
Electronics and Appliance Stores	\$18,896,068	\$3,212,105	RadioShack, Computer Repair Shop	60%	\$16,968,805
Building Materials, Garden Equipment and Supply Stores	\$25,458,003	\$5,893,797	Christopher's Hardware; Sherwin Williams Paint	80%	\$20,742,965
Clothing and Clothing Accessories Stores	\$44,721,352	\$5,290,863	TJ Maxx, Jos. A Bank	30%	\$43,134,093
Sporting Goods, Hobby, Book & Music Stores	\$17,972,572	\$3,894,918	Roller Skate Shop, TA Borden Books, Guitar Store	20%	\$17,193,588
General Merchandise	\$97,325,828	\$661,882		30%	\$97,127,263

Source: ULI Dollars and Cents of Shopping Center 2008: Super Community Centers

Shoppers Goods include the following retail categories reflected in Table 8 and are organized by NAICS code:

- Furniture and Home Furnishings Stores
- Electronics and Appliance Stores
- Building Materials, Garden Equipment and Supply Stores
- Clothing and Clothing Accessories Stores
- Sporting Goods, Hobby, Book and Music Stores
- General Merchandise

The process and mechanics to determine potential Shoppers Goods retail opportunities dovetails with that used for Convenience Goods. The retail sales gap for a 10-minute drive shed was once again estimated using household retail sales expenditures, current retail sales supply, and an expected capture rate. The existing retail inventory most prominently includes the Shopper's Goods centers in Olney (with the locus at the intersection of Georgia Avenue and Olney Sandy Spring Road).

There appears to be a retail gap in each of the retail categories for Shoppers Goods within a 10-minute drive shed; with the most acute in General Merchandise (\$97M) and Clothing and Clothing Accessories Stores (\$43M). Given the lack of warehouse type stores within a 10-minute drive shed (e.g. Costco, Target, etc.) it can be inferred that the majority of household expenditures in this category occur outside this PMA.

Despite the apparent retail gap, traditional Shopper's Goods retail stores are unlikely to be feasible or even desirable in Sandy Spring:

- Sandy Spring has a small scale, village feel – it has more of a residential nature that is incompatible with many conventional Shoppers Goods retail formats that require greater traffic counts, higher parking ratios, and more standardized building designs.
- Many Shoppers Goods retail categories are not conducive to small format retail. Categories such as Electronics and Appliance Stores, and Building Materials and Garden Equipment Stores, or Furniture

and Home Furnishings Stores, in general, require a large site and building. There are exceptions, such as Christopher's Hardware, which is more of a neighborhood retailer.

- Sandy Spring does not have the available land to develop a critical mass of conventional Shoppers Goods retail that can be truly competitive with the quality and variety of merchandise found in Olney.

Programming for Shoppers Goods Retail

Given the area's high household incomes, growth in empty-nesters, and the consumer preferences of the representative local Community Tapestry Groups, there do exist opportunities for specialty, non-conventional retail in Sandy Spring that taps into higher-end consumer preferences. The specialty retail areas closest to Sandy Spring-Ashton that are considered destination retail (meaning they serve regional shoppers in a larger PMA, as opposed to local, neighborhood shoppers), are Old Town Kensington (11 miles away), Historic Savage Mill (14 miles away), and Old Town Gaithersburg (12 miles away). These destinations include antique shops, art galleries, craft and gift shops, home furnishing stores, along with restaurants. These types of uses represent those that generally match the preferences and potential of the Sandy Spring PMA. Their relative distance from Sandy Spring suggests a potential to support added specialty retail in the Sandy Spring study area. This potential is supported by its current scale, opportunities to build on its "Main Street" commercial character and appeal, and the architectural character of some of its anchor buildings.

In particular, there could be opportunities to pursue a "horizontal retail cluster" in Sandy Spring, which is a significant grouping of establishments that offer similar merchandise, cater to shoppers with specific interests, or provide unique dining experiences. Developing a theme in support of this approach could provide opportunities to coordinate advertising, market shopping niches to a targeted audience, and recruit additional retailers offering similar or compatible products. "Horizontal clusters" are greater than the sum of its parts, since eclectic stores and

eateries can foster a unique shopping experience. Eating and drinking establishments, specialty stores, and home furnishings and furniture (including antiques) represent one of the most common horizontal clusters.

The limited specialty retail currently serving the preferences of resident households in the PMA, as well as relatively high household expenditures that continue to be spent outside the PMA, **suggest that supportable retail space for Shoppers Goods in Sandy Spring will be governed less by the market and more by its physical, land use, and building constraints.**

Given the market findings, Sandy Spring should continue

to support a smaller format retail environment. Its scale should remain at a finer grain of uses, with store sizes that can be divisible down to 1,000 square feet and possibly up to 3,000 square feet. This would allow flexibility to accommodate a wider pool of tenants, provide a greater variety of businesses, and promote more continuous store fronts, which are essential for connectivity and for horizontal clusters to work well. Based on especially the Community Tapestry segmentation, specialty retail related to culinary and epicurean products, travel memorabilia, home furnishings/antiques, and book/media stores, complemented with eateries, may find the greatest success in Sandy Spring.

Section 5: Recommendations

The retail market analysis indicates there is a market for both Convenience Goods and Shoppers Goods retail development in the Study Area. The following section will provide examples of development programs that can be successful within the Study Area, as well as suggested location, scale, and retail programming for the development.

Potential On-Site Development Programs

Based on discussions with Planning Staff, few building sites in Sandy Spring are ripe for retail redevelopment. This is because certain buildings are on the historic register, some property owners are not motivated to redevelop, and many parcels are zoned for non-retail use.

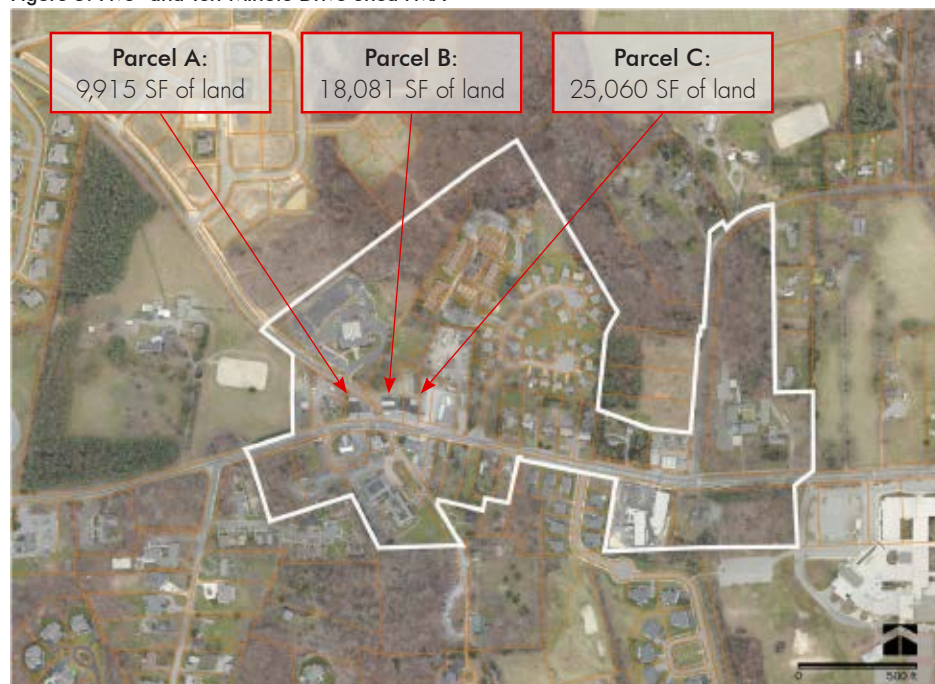
Even with such constraints, the primary redevelopment opportunity in Sandy Spring should focus on the three properties zoned C-2 at the intersection of Route 108 and Meeting House Road, on the north side of Route 108 (see Figure 5). These parcels are not designated for historic protection, have not been significantly improved, and contain low intensity uses, compared to other nearby properties. In addition, the sites are very visible, their buildings help

define the major intersection in Sandy Spring, and they offer potential to create a commercial or “village” center through a coordinated development concept.

Together, these three parcels comprise 53,056 square feet (approximately 1.2 acres), along with potential for shared parking with the Urban BBQ restaurant to the east. The following development program and zoning strategy would allow and encourage a continuous retail frontage along Route 108 and Meeting House Road. This would better define and frame the intersection, promote walkability, and create a western gateway into Sandy Spring on Route 108.

The scale of development that is able to fit within these three parcels will be governed by its specific zoning regulations. Zoning regulations direct maximum heights, minimum setbacks, and other controls that limit the size of development. Requirements for a C-2 Zoning designation regulations are presented in Table 9. These zoning regulations will be used in creating the development programs found in the following sections.

Figure 5: Five- and Ten-Minute Drive Shed PMA



Section 5A: Retail Scenario (Convenience Goods Oriented)

The following scenario lists the requisite retail space and parking requirements for a pharmacy/drugstore, along with ancillary uses that could be accommodated. This scenario could be supported based on market potential (see Table 10). It employs the requirements CVS, one of the nation’s leading pharmacy/drugstores with a food and beverage component, would typically follow based on their “New Store Location Criteria”.

The lot area requirement to accommodate such a drugstore (inclusive of setbacks, parking, and open space) is 40,051 square feet. This would mean consolidation of parcels B and C (which together equal 43,141 sq. ft.). Parcel A (9,915 sq. ft.) may be better suited for ancillary retail, primarily specialty retail, since market demand may not be sufficient for more convenience retail. However, it may be more difficult – although not insurmountable – to attract specialty retail without a “village” character that offers complementary uses. Site limitations on parcel A make it difficult to accommodate a restaurant while still meeting parking requirements (25 spaces per 1,000 sq. ft.).

Section 5B: Retail Scenario (Shoppers Goods Oriented)

The following scenario is an alternate approach for the same sites. Similarly, it should accommodate retail space focusing on Shoppers Goods within the parameters of market demand and provide parking that can be accommodated on the site (see Table 11).

Because of parking requirements, a restaurant use and related parking under this development program is only possible if parcels B and C are consolidated. The lot area required for restaurant use (inclusive of setbacks, parking, and open space) would be 38,510 square feet and could, therefore, fit within a combined lot (Parcel B + C = 43,141 sq. ft.).

The space attributed to retail under this scenario (11,356 sq. ft.) should be located on parcel A (9,915 sq. ft.). Since this amount exceeds the capacity of the property to accommodate development a shared parking arrangement should either be explored with Parcels B and C, be moved off-site, or be appealed to reduce parking requirements under the zoning code.

Table 9: Zoning Designation Regulations (C-2)

Floor-Area Ratio	1.5
Maximum Height	3 Stories (or 42')
Setback	10 ft. (from front line)
Open Space	10% of lot
Parking	
Restaurant	25 spaces/1,000 SF
General Retail	5 spaces/1,000 SF

Table 10: Potential Development Program (Convenience Goods)⁵

Use	Size/Dimensions
Retail (Personal Care/Drugstore/Grocer)	96' x 137' (12,900 SF)
Specialty Retail (Art/Craft, Culinary/Epicurean, etc.)	25'W x 55'D (1,375 SF)
Specialty Retail (Art/Craft, Culinary/Epicurean, etc.)	25'W x 55'D (1,375 SF)
Retail Parking (at 320 GSF per space)	25,040 SF (~78 spaces)
Setback	3,870 SF
Open Space	5,305 SF
TOTAL⁶	49,866 SF

Source: Streetsense DC Vibrant Retail Street Toolkit, CVS Caremark Realty “New Store Location Criteria”

Table 11: Potential Development Program (Shoppers Goods)⁷

Use	Size/Dimensions
Specialty Retail (Art/Craft, Culinary/Epicurean, etc.)	25'W x 55'D (1,375 SF)
Specialty Retail (Art/Craft, Culinary/Epicurean, etc.)	25'W x 55'D (1,375 SF)
Specialty Retail (Home furnishings, antiques etc.)	30'W x 55'D (1,875 SF)
Retail Parking (at 320 GSF per space)	7,280 SF (~23 spaces)
Restaurant	30'W x 60'D (1,800 SF)
Restaurant Parking (at 320 GSF per space)	28,800 SF (~ 90 spaces)
Setback	2,960 SF
Open Space	5,305 SF
TOTAL⁸	52,496 SF

Source: Streetsense DC Vibrant Retail Street Toolkit, Linear Retail Inc.

⁵ Note that this represents redevelopment rather than additional development; thus, market potential may exceed supportable SF as originally defined

⁶ All measures are approximate and should be validated in further stages of study

⁷ Note that this represents redevelopment rather than additional development; thus, market potential may exceed supportable SF as originally defined

⁸ All measures are approximate and should be validated in further stages of study