OVERLAY ZONES

Geography Assigned: Silver Spring, Takoma-Langley Crossroads

Overlay zones are finely grained zoning districts applied to base zoning to establish additional redevelopment standards. They can provide opportunities to contribute to commercial space affordability by controlling form.

The following are zoning code recommendations that would leverage the existing overlay zone in Fenton village and the recommended overlay zone in Takoma/Langley to support smaller, more affordable retail spaces.

Fenton Village Overlay Zone

The Fenton Village Overlay zone is the only overlay zone present in any of the three study areas. It limits building height to integrate the retail and residential neighborhood, primarily characterized by smaller, one- to three-story buildings. When redeveloped, parcels zoned with this limited building height have a lower potential return on investment (ROI) than others in the greater Downtown Silver Spring area due to the inability to integrate additional square footage for residential or commercial uses. Real estate developers, in turn, are incentivized to look elsewhere for redevelopment opportunities, preserving the primarily Class B and C buildings that diverse retailers call home in Silver Spring.

Recommendation 1: Create a Takoma-Langley Overlay Zone

Of the three neighborhoods studied, redevelopment threats to the diverse retail cluster are most apparent in Takoma-Langley Crossroads. For this neighborhood, a successful overlay zone for the clusters studied could reach redevelopment goals while requiring building and site design elements to support small business retention and growth. An overlay should limit the width of storefront frontages and provide for diversity in retail space sizes, including spaces of 1,000 square feet or less. Prioritizing the pursuit of an overlay zone as detailed in this section for the Crossroads could further the neighborhood's ability to serve the Hispanic residential population nearby.

The following recommendations to create another overlay zone were selected because they have less impact on the viability of development as compared to an inclusionary zoning approach that would require leasing of a share of the development's space at below-market rents.

In smaller redevelopments involving less than 10,000 square feet of space, commitment of even a single 1,000 square-foot space could be a significant financial burden. In residential developments, the cost impacts of inclusionary zoning are typically mitigated by allowing additional density. Additional density can be much harder to provide in a single-story commercial building where parking and site configuration typically determine the maximum building size, though a mixed-use development would have a better opportunity to accommodate additional housing units or office space.

Including some smaller retail spaces will ensure opportunities for small businesses while the developer retains the flexibility needed to respond to specific tenant opportunities, both at the initial lease-up and in subsequent leases. Limiting the width of frontages may require some design compromises and providing two-level spaces likely will increase development costs with requirements for elevators or escalators. Two-level spaces could create a leasing challenge and might deter some tenants.

Finally, decreased parking can potentially deter customers from patronizing the center due to a perceived lack of available parking. However, the proximity of the Hispanic customer base living nearby without cars could mitigate parking needs.

Recommendation 2: Provide small business space through limited retail frontage

Limit the width of ground floor storefront frontage to 60 feet on any block face for large and combination retailers, except for grocery stores. Provide alternatives to locate the majority of space for the larger anchor in second-floor spaces, below ground, or behind smaller, adjoined retail spaces. To support a range of redevelopment scenarios, conditionally allow the width of ground floor storefront frontages up to 90 feet. Larger anchor retailers often rely on brand recognition rather than incidental foot traffic past store windows to drive sales. With adequate (or even increased) signage opportunities, they might be willing to share the frontage. More price-sensitive retailers could then occupy the smaller bays with desirable ground floor frontage.

Refine Section 3.5.11.B.2.a.iv. Sample language:

Retail/service establishments with a footprint greater than 15,000 square feet, except grocery stores, are limited to a 60-foot frontage and must provide additional frontage abutting public right-of-way to street-level retail spaces. A secondary entrance accessing the retailer/service establishment use(s) larger than 15,000 square feet is prohibited. At least 10% of additional tenant spaces must be less than 1,000 square feet each; 30% of additional tenant spaces must be less than 2,000 square feet each, including the 10% of space less than 1,000 square feet each; all spaces must be less than 5,000 square feet. At least 50% of the additional tenant space(s) must be located along the façade where the primary active customer entrance for the retail/service establishment larger than 15,000 square feet is located. Retail/service establishment use(s) larger than 15,000 square feet are eligible for a 10% increase in maximum sign area.

At Pentagon Row in Arlington, VA, TJ Maxx has a ground floor entrance at the end cap of one of the buildings (image below). The primary sales floor is on the second level, allowing smaller stores to occupy the ground floor. This approach encourages pedestrians to visit other stores during the same trip. These incidental sales opportunities are critical for small businesses without brand recognition.

Source: Google Images - Pentagon Row

Recommendation 3: Require a mix of retail space sizes

In all retail developments over 15,000 square feet with more than two retail spaces require a mix of bay sizes. Require that at least 10% of additional tenant spaces must be less than 1,000 square feet each; 30% additional tenant spaces must be less than 2,000 square feet each, including the 10% of space less than 1,000 square feet each.

Recommendation 4: Incentivize smaller retail spaces with decreased parking requirements

Incentivize the creation of smaller retail spaces by reducing parking requirements for retail spaces. The current zoning code utilizes a sum of gross leasable area (GLA) to calculate parking requirements. For example, adjust the GLA calculation to exempt the first 3,000 square feet for retail developments of at least 10,000 square feet, if three or more retail spaces are 1,000 square feet or less. In Silver Spring and Wheaton parking lot districts, real estate developers can pay a fee to exempt them from the parking requirements. This approach will limit the revenue generated for each district.

Example: The City of Cincinnati exempts the first 2,000 square feet of existing and new commercial uses in individual zoning districts from overall GLA calculations utilized for parking requirements (see. 1425-19 Off-Street Parking and Loading Requirements at https://library.municode.com/oh/cincinnati/codes/code_of_ordinances?nodeId=TIXIZOCOCI_CH1425PALORE_S1425-19OREPALORE)