



Howard County and Columbia Association engaged Bolan Smart Associates (BSA) to conduct a feasibility study regarding redevelopment opportunities for Oakland Mills Village Center (OMVC). BSA presented their preliminary findings at a community meeting on November 15, 2016. The following questions were received verbally or in writing at that meeting. This document summarizes the Q&A that occurred at the meeting and includes responses to written questions as well. This information is not intended to serve as an exhaustive resource for study findings. The consultant team is working on a final study report and presentation to be provided in early 2017.



Oakland Mills Village Center Area Preliminary Feasibility Findings

Questions and Responses:

OVERVIEW

Q: Can the consultant provide a summary of the study's preliminary findings?

A: Though preliminary, BSA's primary findings are as follows:

- The Oakland Mills central location, mix of destination uses and greater neighborhood residential character represent a solid foundation to attract infill development, particularly residential infill.
- The current variety of property ownerships and investment status points to both intermediate-term (within the next five to 10 years) and longer-term (10 plus years) redevelopment opportunities.
- Select properties in the village core offer intermediate-term potential for new investment.
- Adding a critical mass of new residential townhomes is the primary near-term (and transformative) market driver, with retail uses gradually being reformatted and downsized.
- With the possible exception of senior housing, there is not an immediate market for new multi-family development (such as apartments or condominiums).
- Potential later redevelopment (10 plus years), including apartment properties, may be enhanced by investment in intermediate-term opportunities, as well as continued new investments in Downtown Columbia.

RETAIL SECTOR

Q: In the concepts presented this evening, village center retail becomes smaller. So is there less demand for retail than what currently exists and would the village center benefit from different retailers?

A: Across the country, grocery stores of different sizes and smaller formats are becoming prevalent. From a design perspective, the village center does not function well for retail because the center is hidden. With its greater visibility, Steven's Forest is intriguing for retail, but there are a variety of layout possibilities. If redevelopment occurs in the future, we envision it would be in a smaller format. Oakland Mills was not designed to function as a retail machine, but to provide a mix of uses to bring people together. It would be preferable to keep the mix of uses and community gathering place in the future.

Q: Can you explain why visibility is important when 99 percent of shoppers know the retailers located in this location?

A: The need for visibility depends on the type of retailer. Some retailers do not need high visibility because they function as destinations. Other types of retailers require more visibility. New retailers would seek a long-term investment life, and visibility is important for the long-term.

While the majority of Oakland Mills residents know the retail businesses are there, attracting new customers is important to long-term retail viability.

New retail could go on Stevens Forest Road, but it would be contingent on other development. We believe new residential construction in the village center core could help off-set the cost for building new retail space.

Q: *Did you consider elements that would help draw in retail traffic year-round? What about a year-round farmers market?*

A: Farmers Markets are a terrific way to bring people together. Design-wise, the existing market could be enhanced with an overhead shelter. One challenge is that a year-round market may compete with the grocery anchor, which might create a conflict.

Post November 15 meeting update:

BSA visited the existing OM Sunday's Farmers Market and investigated other farmers markets in Howard County. While the concept of a farmers market is consistent with an OM redevelopment strategy, the team could not validate sufficient market demand or market operator support for a permanent farmers market function. This finding is due to the proliferation of other (and parallel) farmers markets at other times of the week across greater Columbia.

Q: *You did an extensive analysis on grocery anchors and told us it is a viable use. My concern is that this is the fourth supermarket operator to locate here, and they are holding 5,000 square feet of empty space next door. What is the lease duration for Weis Markets?*

A: We understand an initial 20-year lease was secured for the grocery store when the original "mall" format of Oakland Mills Village Center was converted to a shopping center in 1998. As such, the first lease term runs at least through 2018.

Grocery store anchors are typically guaranteed lease extensions, typically in five-to-10-year increments. Hypothetically, the current lease could be extended to 2038 at the operator's choosing. However, a number of "what-ifs" exist with this scenario.

The empty 5,000-square-foot space adjacent to the grocery store is a large space for most village focused retailers to occupy, and the parking is constrained. The existing space is an unimproved shell and requires funding to improve the space. All of these factors present challenges in leasing the space.

Q: *Does this mean Weis will take a look at their sales to determine if they'll stay in Oakland Mills or leave?*

A: Yes and no. Some grocery stores that operate in multiple locations want to secure market coverage and sufficient total sales volumes to support their overall food distribution and marketing network, something that an Oakland Mills location may help provide.

Q. *What are your recommendations if Weis Markets doesn't stay long term? What is Plan B?*

A: The analysis suggests a longer term reduction in the overall retail square footage. There are various scenarios for a Plan B. If Weis Market were to leave and not be replaced on the same scale as the current grocery store, the analysis suggests sufficient market demand for an alternate-sized grocer.

Q: *Could there be a theme to retail? Clustering related retail to make a bigger draw? Have you considered retail on the 1st floor with upper level apartments or condos?*

A: Newly clustered retail adjacent to residences would offer an enhanced retail experience and is a desirable redevelopment scenario.

OFFICE SECTOR

Q: *What changes in the retail and housing mix could potentially make additional office space feasible?*

A: There are no proposed redevelopment scenarios that are likely to transform the OMVC into a competitive destination office market. Current office rents are insufficient to support the full cost of new office construction. However, some smaller scale individual professional or neighborhood serving office users could be attracted to a new mixed-use development.

SPORTS SECTOR

Q: *What about building a parking garage to decrease land uses needed for larger sports facilities?*

A: Building a parking structure at a cost of \$15,000 plus per space exceeds the likely cost of acquiring the vacant or improved properties to support surface parking. Moreover, the general inability to charge for parking limits the ability to pay for either parking garage construction or ongoing additional operating costs compared with surface parking.

RESIDENTIAL SECTOR

Q: *We didn't know residential could be built on the former Exxon site. We were told Exxon has a deed restriction that prevents residential. Did something change?*

A: From an environmental restrictions perspective, the site was cleaned up and extensive subsequent soil monitoring occurred. According to the Maryland Department of the Environment, there are no traces of contaminants in the soil (MDE confirmed in January 2002).

From a regulatory perspective, residential is not a permitted use under the current Final Development Plan (FDP). However, owners of any portion of the village center may petition to amend the FDP through the Village Center Redevelopment process codified in the county's zoning regulations.

We cannot guarantee housing is possible in this location, as we have not read the Exxon deed restriction nor researched the title. We understand there was a previous attempt to develop the site with senior housing and residential development was not allowed at that time.

We have prepared a summary of existing conditions for each property that will be part of the larger report. The summary addresses permitted uses for each site. We will take this question under advisement and try to return with an answer.

Post November 15 meeting update:

BSA reviewed a deed established in April 2011 as a covenant between the Howard Research and Development Corporation and Exxon Mobil Corporation. The deed contains a "Modification of Use Restrictions" clause, which limits use of the property to certain commercial and office uses (i.e. non-residential). However, the deed also contains a provision that allows the use restrictions to be waived by the assignee to the deed (current owner) with the approval at the option of the Howard Research and Development Corporation. As a result of this waiver provision, the deed restriction may not be an insurmountable obstacle to building residential units on this site.

Q: *In the presentation you mentioned the recent purchase of the Verona and Grand Pointe apartment communities. Did you look at Verona as potential opportunity to be redeveloped?*

A: We analyzed both the Verona and Grand Pointe, but didn't identify near-term alternative uses. These apartment communities were considered fixed elements, since a significant amount of money has been invested in them recently for existing building improvements. For the foreseeable future, and until other development activity gains traction in OM, it would be cost prohibitive to tear the apartment buildings down and construct something new.

All of the apartment complexes in the study area are positioning for a partial redevelopment in the future. Open land areas (such as undeveloped lawn areas) could be developed with some new housing. The design concepts illustrate that possibility with townhomes.

Post November 15 meeting update:

We discussed current and longer-term investment objectives with the owner of the Verona. While the owner expressed interest in major redevelopment, we do not have any knowledge of current plans for reinvestment through 2025. BSA considered the prospect of earlier new development opportunities and concluded that apart from incorporating vacant land fronting Stevens Forest Road at the Verona South location, the timing is premature for Verona North. Current market conditions do not justify the complete or partial demolition of the existing Verona apartments for newly constructed apartments. Furthermore, near-term buyers would likely not be attracted to new for-sale townhomes as part of the existing Verona complex.

Q: *There are currently two new multifamily developments underway in Columbia (the Metropolitan and Wilde Lake), and both include structured parking. It's expensive to build structured parking. The one-bedroom units at Wilde Lake start at \$1,600 a month. When you say there's no viable market for multifamily, are you saying a less expensive product with no structured parking is not market feasible too?*

A: Regardless of the expense associated with structured parking, we cannot substantiate near-term economic feasibility for new rental apartments at OM. From a market assessment, the supply of new housing is in locations that have traction and investment backing. Those locations will sell themselves, and they will compete successfully over the next five to 10 years.

In Oakland Mills, the rents for a modern, wood-built apartment building with amenities and surface parking would have to be at least \$2/per square foot to be economically viable. We don't anticipate rental rates reaching the \$2/per square foot threshold at this time. Even if this type of housing could be built without land cost, we don't believe that is viable in OM. The market demand for housing could certainly change over the long-term, based on short-term investments that serve as catalysts. As previously stated, we view townhomes as that catalyst in OM.

Q: *Does the recommendation for additional residential units mean that higher residential density is needed in order to better support the retail component?*

A: The recommendation for new residential units is based on the most feasible additional land use to the village center. More residential units are recommended but not necessarily at higher residential densities. The potential direct additional demand to support OM retail would be quite small compared to the larger overall existing market. However, the visibility and activity associated with new construction indirectly contributes to retail vitality.

Q: *Do you realize that most of the existing apartments do not rent at market rates?*

A: BSA has met with property managers/representatives, toured all of the facilities, inspected some vacant units and analyzed apartment rents.

To our knowledge, the majority of the apartments (and rented condominiums) within the OM study area are leased to tenants at market rates. Most units are not subsidized by the property owner (i.e. rent concession or landlord offered affordable units) nor through some form of tenant income supplement (i.e. voucher).

We also note that while there are some documented moderate income rental occupancies and income-supplemented rental occupancies (vouchers), there is little difference between the "market rent" in OM and those units benefiting from some form of rental occupant subsidy.

Q: *How do you get more mixed income levels in OM?*

A: Although OM is already mixed income, the addition of newly construction market rate townhomes will

trend towards skewing median neighborhood incomes upwards. First, newly purchased homes typically involve households with higher incomes required to support the full cost of new mortgages. Second, new housing activity could generate a ripple effect as new entrants are gradually attracted to the rest of the OM neighborhoods, as well as related upward shifts in overall residential values.

Q: Senior housing would be nice but how does it fit into the overall goals of the village center?

A: Senior housing is: (a) consistent with the multiple purpose nature of community centers; (b) can be an active and productive use of otherwise underused land; (c) helps reinforce a walkable demand source for retail and the use of other village centers facilities, including support for alternative transit; (d) can be a source for village center focused employees, and; (e) provides opportunities for neighborhood residents to age in place, keeping other family or friends nearby.

Additionally, the county's zoning regulations define a Village Center as potentially including residential uses, to the extent appropriate to support and enhance, but not overwhelm, other uses in the village center.

DESIGN CONCEPTS

Q: You looked at design concepts for a number of properties, except the school fields. Is that untouchable?

A: We considered the possibilities for this site, but recognized the significant challenge associated with convincing a school board to relinquish land for redevelopment.

Howard County staff also inquired with the Howard County Public School System regarding the ball fields. We were informed they are highly programmed and fully utilized, and consequently important assets for the school system to preserve.

Q: Did you show the parking required for the new townhomes?

A: Yes. Our approach was to either have parking from an alley in the rear of the property or townhomes with integrated garages. That's why you don't see a parking field in front of the townhomes.

Q: A connection to Blandair Park is important. Is there any way to connect Blandair Park to the village center?

A: There are currently pedestrian pathway connections and a bike-share connection is planned in the future between the two destinations. We acknowledge that an intrinsic connection between Blandair Park and the village center exists, but respect the previous efforts to explore an automotive connection. Perhaps in the future the community will revisit automotive connections to Blandair Park .

Q: Have you recommended to the County to connect roadways and move pathways to the front of village center rather than behind the village center for safety reasons? How receptive were they?

A: This feasibility analysis looked at all public right-of-ways, pathways and streets from the perspective of possible enhanced economic feasibilities. For the purposes of this study, safety reasons, while relevant, were not the primary evaluation factor. The County is internally reviewing these options for inclusion in this study's technical report.

Q: How much open space would be sacrificed for each of the design concepts?

A: Open space functions as a common element in the illustrative design concepts and is currently a zoning requirement. There is some currently vacant space in the study area which is not formally designated open space, the use of which is subject to the decision of the individual property owners. The provided design concepts are only illustrative of land use and development block possibilities, for which no computations of alternative land use allocations have been calculated.

Q: If you are not able to get to the village center because it is not visible from major roads, how will building anything here make a difference?

A: Open space functions as a common element in the illustrative design concepts and is currently a zoning

requirement. There is some currently vacant space in the study area which is not formally designated open space, the use of which is subject to the decision of the individual property owners. The provided design concepts are only illustrative of land use and development block possibilities, for which no computations of alternative land use allocations have been calculated.

Q: *If you are not able to get to the village center because it is not visible from major roads, how will building anything here make a difference?*

A: Nothing will change the general buried nature of the OMVC location. What can offset this condition, to some extent, is a concentration of more contemporary user oriented retailing and other offerings that function in a central neighborhood supported environment. Some of this is already evident in existing facilities' patronage. The trade areas comprise the following; residents, a substantial yet untapped office employee market, and destination users such as patrons of nearby office parks, the Interfaith Center, ice rink, Blandair Park, etc. Building new residential units adjacent to the village center can provide a platform for new activity, including the possibility of some piggy backing on the costs of land/building construction. Newer format retailing, incorporating updated approaches to parking, open space, and property management can help attract both retailers and patrons in a different manner than the existing configuration.

GENERAL AND MISCELLANEOUS

Q: *A number of us are focused on the pedestrian bridge that crosses Route 29 and expanding it to include transit use, but that hasn't been mentioned tonight. Can you please elaborate how this influenced your findings?*

A: An automobile bridge across Rt. 29 would be transformative, but the bridge is a big "what-if" at this time and not something we can plan on for near-term investments.

If the bridge is constructed at some point in the future, we believe it would enhance the economic potential of the village center.

Q: *Did you talk to the existing property owners? What excitement did you gauge for near term possibilities?*

A: Yes, we invested a great deal of time in discussions with property owners. We contacted all of them. At this point we have talked with everyone directly with the exception of Royal Farms, the owner of Sam's Mart.

There is excitement and interest in this project, evidenced by number of property owners present at this meeting. We are encouraged by this and the potential for co-development of parcels. The redevelopment of OM does not depend on all sites going forward at the same time. The critical takeaway is that opportunity for redevelopment exists here.

Q: *Do you see any catalyst projects that could come forward to create a domino effect for development? Should we take the redevelopment feasibility report to developers, who might see these ideas and attempt to redevelop the village center?*

A: Forty or more new townhomes, built in a coordinated fashion, over a one- to three-year period would be a catalyst for development. From a real estate industry perspective, townhomes are the biggest "value driver." The economic logic is there for developers to explore opportunities.

Two important items will be delivered through this effort: 1) a report that documents market values and economic thresholds providing incentives for action; and 2) the advancement of discussions regarding development with the property owners in Oakland Mills Village Center.

Q: *What would be the impact on traffic impacts for the recommended new residential units?*

A: A traffic analysis has not been conducted at this time. The County reviews traffic impacts of proposed development projects during the site plan approval process.

Q: *What would be needed to make OMVC a place where people would gather?*

A: People gathering offers mixed benefits from the standpoint of encouraging redevelopment. From a retailing perspective, some forms of gathering places can provide a positive business benefit. For residential uses, the benefits from encouraging people to gather are also mixed, and sometimes at odds with certain concepts of community space. Overall, the feasibility study treats the opportunities to attract a range of people to the OMVC as positive, predicated on providing a reason to be there. Furthermore, the process for village center redevelopment outlined in CB-29-2009 requires any new redevelopment to include a public space to ensure village centers maintain their community gathering place function.

Q: *Has the range of input obtained as part of the study process been representative of the Oakland Mills population (i.e. all ages and ethnicities)?*

A: In collaboration with Howard County and Columbia Association outreach, the consultant team has attempted to engage the entire spectrum of the OMVC area population. This effort included analyzing all available data sources, direct dialogue with community leaders and business owners, and efforts to reach resident and user groups at the ground level.