

King Farm

Rockville, Maryland

Project Type:
Residential

Case No:
C032007

Year:
2002



SUMMARY

A 430-acre (174-hectare) mixed-use, traditional neighborhood development (TND) built on a former dairy farm in the northwestern suburbs of Washington, D.C. A transit-oriented development (TOD), King Farm utilizes the existing heavy-rail facilities (Metro, private shuttles, and public buses) and is designed to accommodate a proposed future light-rail system. The project's mixed housing types—including single-family homes, townhouses, condominiums, and apartments—are located within walking distance of the retail and office areas.

FEATURES

- Traditional neighborhood development
 - Transit-oriented design
 - Mixed-use: office, residential, and retail
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SPECIAL FEATURES

- Traditional neighborhood development
- Transit-oriented design
- Mixed-use: office, residential, and retail

PROJECT ADDRESS

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GENERAL DESCRIPTION AND SITE

King Farm is a 430-acre (174-hectare) traditional neighborhood development (TND) located in Rockville, Maryland. One of the largest undeveloped parcels in the suburban Washington, D.C., area, the project site was ideal for infill development. Its location adjacent to the Shady Grove Metro Station, near surrounding high-tech and biotech businesses, flanking busy Interstate 270, and between Gaithersburg and Rockville (Maryland's second- and third-largest cities, respectively) made it ideal for mixed-use, transit-oriented development (TOD).

Formerly a dairy farm, King Farm lay dormant for more than a decade while the King family searched for a buyer. The owners were unable to accept multiple offers during the 1980s—some as high as \$100 million—and their bank eventually had to foreclose to pay off a \$36 million loan used to pay inheritance taxes. In 1995, the developer, King Farm Associates, LLC, together with the Pritzker family, purchased the property out of bankruptcy court for a total cost of \$45.4 million.

At buildout, King Farm will have 2.5 million square feet (232,250 square meters) of office space, 130,000 square feet (12,077 square meters) of retail space, and 3,200 residential units. It also will include a daycare facility, schools, and a 300-room full-service hotel. More than 100 acres (40 hectares) is dedicated for green space, which includes parks, ponds, and public areas. Amenities such as a community center, a swimming pool, and ballparks are already open. The residential and retail components are expected to be finished by 2004.

DEVELOPMENT PROCESS AND FINANCING

Cooperation between the city government and the developer was key to "building a city from scratch." The developer invested more than \$60 million in acquisition and development costs initially, with an estimated \$24,000 a day in carrying costs, so keeping the project moving expediently was critical. The developer's comprehensive plan design (CPD) was approved by the city of Rockville in 1996. King Farm Associates, LLC, accelerated the permit process by using the already approved CPD as its final master plan. The CPD ultimately served as the template, and the original concept design greatly influenced the final plan.

King Farm Associates studied several existing TNDs and TODs, learning lessons and incorporating ideas that worked into its plan. Whereas other TNDs consisted mostly of higher-end custom homes, the developer of King Farm offered more affordable homes specially designed for its project. King Farm particularly benefited from its proximity to the Kentlands, a first-generation TND designed in the late 1980s. The developer was careful not to use excessively rigid architectural standards and regulations to avoid some of the logistic and financial problems that the Kentlands had encountered. Further, because of the success and recognized benefits of the Kentlands, the local government backed the TND concept and was already familiar with TNDs' unconventional design standards and special permitting and approval needs.

One of the developer's strategies was to maintain as much autonomy as possible over the design and management of the community. After purchasing the property, the developer annexed it from Montgomery County and incorporated it into the city of Rockville. This allowed greater control over the project and a larger share of tax revenue to be reinvested into King Farm—and not into other areas of the county. King Farm represents 19 percent of the land area of the city of Rockville. King Farm Associates also dedicated land to the city of Rockville for parks and future elementary and middle schools, ensuring that their locations and design blend with the development's overall theme.

PLANNING AND DESIGN

Similar to that of other TNDs, King Farm's design incorporates a mix of land uses, amenities located within walking distance, an interconnected grid street plan, residential design standards, small lots, and higher densities than those seen in typical planned unit developments (PUDs). The design de-emphasizes the role of the auto by locating garages in the alleys, carefully screening parking structures, and integrating a network of sidewalks and trails throughout the community. King Farm's TOD principles distinguish the development from other TNDs. King Farm is adjacent to the Shady Grove Metro Station, and has county bus service, its own community shuttle bus, and plans for a future light rail.

The original farm site provided a clean slate—an empty field with few existing structures or obstacles. However, the monotonous landscape also posed several aesthetic and design challenges that the developer had to address. Mark Gregg, president of the Penrose Group, noted, "An advantage of the original site was that it was relatively flat with no trees, and the disadvantage was that it was relatively flat with no trees." Despite the added costs, the developer planted trees larger than those typically planted to make the landscape look less barren. Numerous pocket parks with gazebos, playgrounds, and gardens are spread throughout the community. Most homes have front porches, shallow setbacks, and narrow lots to create a more urban streetscape, as well as to encourage social interaction among residents. Designed as landmarks, the public spaces and building architecture serve as the focal points of the community. The overall atmosphere of the community draws from areas such as Georgetown, Old Town Alexandria, and Williamsburg.

The land use plan partitions King Farm into three sections: Watkins Pond, Baileys Common, and Irvington Centre. Watkins Pond is residential, with a mix of single-family, townhome, and multifamily residences—many of which surround a 12-acre (five-hectare) park/elementary school site. A community center with a pool, an exercise room, and a meeting facility also is located in Watkins Pond. Baileys Common was designed with higher-density residences, including townhouses, condominiums, apartments, and fewer single-family homes. There are also retail uses, a 28-acre (11-hectare) proposed middle school/park site, and luxury apartments located over retail stores in the village center. Upon completion, the 100-acre (40-hectare) Irvington Centre will serve as the commercial office area with an urban streetscape, restaurants, and a hotel.

King Farm offers a variety of housing types, including single-family houses, townhomes, condominiums, and rental apartments. Although only a few of the single-family homes are custom, each home at King Farm has a unique design. The developer selected five builders—many of whom were not accustomed to the relatively strict design guidelines, or to the challenges inherent in having to build with minimal impacts and disturbance to the residents already living in the community. However, the final product was well received and sold quickly. More than 300 of the planned 366 single-family homes have been constructed, and have sold at prices ranging from \$280,000 to \$604,000.

Prices for townhomes range from \$210,000 up to \$523,355. Of the 926 townhome units planned, 415 have been sold. Twelve percent of the total units at King Farm meet the affordable housing requirements of Montgomery County's Moderately Priced Dwelling Unit (MPDU) program. The builder's "two over two" townhome design stacks multiple smaller units to appear like a single larger one, allowing the MPDUs to be mixed among the larger \$375,000 townhomes, and to avoid opposition from owners of the larger units. The development's design guidelines apply to all units built at King Farm.

Most of the higher-density multifamily units (30 units per acre/79 units per hectare) are concentrated in Baileys Common, near the Shady Grove Metro Station and retail area. The garden apartments carefully screen the internal structured parking by tightly tucking it between the buildings and away from the view from the street. The "Charleston style" townhouses contain three units, and each unit has a direct-access garage and a covered porch. In addition, there are nine-unit "manor houses" and townhouses. The mix creates a varied streetscape that integrates both the for-sale townhouses and the mixed-use town center condominiums. Multifamily townhome rental units were constructed above the retail space at the village center. Approximately 75 percent of them are rented. The condominiums and rentals have attracted a broader and more mature market than originally expected, appealing as much to buyers between the ages of 45 and 60 as they do to the 20- to 30-year-old population.

The King Farm Village Center was sited to be within quick walking distance of most of the community. Three roads—King Farm Boulevard, Redland Road, and Gaither Road—bisect the community and provide easy access to the village center for the population outside of King Farm. The village center has seven brick buildings concentrated around a village green park. Currently, 92,319 square feet (8,576 square meters) has been constructed with lease rates ranging from \$28 to \$35 per square foot (\$301 to \$376 per square meter). The village center will have 130,000 square feet (12,077 square meters) of retail upon completion. Current tenants in the village center include six food establishments (Baja Fresh Mexican Grill, Fontina Grille, Quizno's Subs, Nora's Mediterranean Café, Maggie Moo's Ice Cream & Treatery, and the Eastern Chinese Carryout), two banks (Chevy Chase Bank and Equitable Bank), plus many other retailers such as the State of the Art Dental Group, Koko's Flower Shop, the Hair Cattery, the King Farm Cleaners, Lifestyles for Hair, the ELAJ Aveda Day Spa, Designed Wireless, and the King Farm Beer & Wine. The largest tenant is Safeway Food & Drug, which contains a Starbucks, a valet cleaners, and a SunTrust Bank. The community's large population base and nearby neighborhoods provided a good market draw for the retailers.

The Irvington Centre offers residents the opportunity to live near their workplaces. Two buildings are already occupied, and ten more offices totaling 2.5 million square feet (232,250 square meters) and a 300-room hotel are planned. The two existing Class A buildings rent for more than \$30 per square foot (\$322 per square meter), and have amenities such as conference rooms, gyms, and restaurants. Although the structured parking was considerably more expensive to build than typical suburban surface parking lots, the structured parking for the offices allows for higher densities and creates a less sprawling environment. The neoclassical-inspired design gives the six-story buildings a vertical high-rise feel. Irvington Centre will have a 22-acre (nine-hectare) park, tree-lined avenues, and plazas. A right-of-way has been dedicated on King Farm Boulevard to accommodate a proposed light-rail system.

King Farm embodies many smart growth principles. It was built on a suburban infill site utilizing the existing infrastructure. Its higher density and mix of uses encourage transit and pedestrian trips. It is well served by both heavy-rail transport and buses. The community-operated shuttle bus averages 6,000 riders per month, running on a 20-minute circuit from Irvington Centre through the King Farm village center, to the Shady Grove Metro Station, and among the residential areas.

EXPERIENCE GAINED

Cooperation, support, and flexibility from the government are key to designing and building large-scale TND and TOD projects. The local government was already familiar with the nuances of TNDs from its earlier experience with the Kentlands. King Farm also had the backing of the state government, which proactively supports smart growth policies.

The developer maintained control over as much of the design and management as possible to ensure cohesion and to make sure that the retail, office, and public uses would blend with the character of the residential components.

By striking a balance between high-end custom homes and more moderately priced "modified builder homes," the developer provided a product that appealed to a diverse spectrum of customers, and did not overwhelm builders with overly rigid architectural standards and guidelines.

PROJECT DATA**LAND USE INFORMATION**

Site area (acres/hectares): 430/174
 Residential units (planned/built): 3,200/2,000
 Hotel (planned): 300 full-service rooms
 Daycare (planned): 200 children

GROSS BUILDING AREA

Use	Existing (Square Feet/Square Meters)	Planned (Square Feet/Square Meters)
Office	517,000/48,029	2,500,000/232,250
Retail	130,000/12,077	130,000/12,077
Total office and retail GBA	637,000/59,177	2,500,000/232,250

LAND USE PLAN

Use	Percentage of Site
Buildings	75
Landscaping/open space	25
Total	100

RESIDENTIAL UNIT INFORMATION

Unit Type	Number Planned	Number Sold/ Leased	Price Range (Sales/Monthly Rent)
Single-family homes	366	325	\$280,000-604,000
Townhomes	926	415	\$210,000-523,355
Condominiums	708	265	\$122,000-380,000
Rentals	1,200	790	\$1,200-2,500
Total	3,200	1,795	

RETAIL INFORMATION

Tenant Classification	Number of Stores	Total GLA (Square Feet/Square Meters)
General merchandise	1	54,000/5,016
Food service	7	22,359/2,077
Personal services	3	6,173/570
Financial	3	6,094/566
Medical	1	3,693/343
Total	15	92,319/8,576

DEVELOPMENT COST INFORMATION

Site acquisition cost: \$45.4 million
 Site improvement costs: \$66.8 million (hard costs)
 Community buildings and pool: \$3.0 million
 Total: \$115.2 million

Soft Costs

Legal: \$4.4 million
 Project management: \$10.3 million
 Marketing: \$3.2 million
 Other financing costs: \$4.0 million
 Construction and interest fees: \$6.5 million
 Total: \$28.4 million

Total Development Cost: \$143.6 million

DEVELOPMENT SCHEDULE

Site purchased: June 1995
 Planning started: June 1995
 Construction started: November 1996 (Three phases, all under construction)
 Sales/leasing started: October 1997 (grand opening)

DIRECTIONS

From Reagan National Airport: Exit airport on ramp toward Washington (I-395) and merge onto George Washington Memorial Parkway. Merge onto I-495 north toward Maryland. Take I-270 north. Exit onto I-270 local lanes at Shady Grove Road (exit 8), exit at the Shady Grove Road/Redland Road exit, and bear right onto Redland Road. Follow signs to the King Farm Visitors Center at 800 Pleasant Drive, Suite 100.

Or take the subway (Metro) from Reagan National Airport to Shady Grove Metro Station. The King Farm Shuttle operates Monday through Friday, 6:30 a.m. to 7:30 p.m. RideOn buses also operate from Shady Grove Metro Station and run through King Farm.

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This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI-the Urban Land Institute.

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Courtesy of Torti, Galitis and Partners

The developer wanted to avoid the overly rigid design standards that caused problems for other TNDs. While the design guidelines at King Farm called for porches, shallow setbacks, narrow lots, and rear parking, they did not require all-custom homes. Builders were able to modify many of their existing designs to comply with the guidelines, saving time and money, while not compromising the aesthetics of the community.



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There is a wide selection of townhomes with prices ranging between \$210,000 and \$525,000.



King Farm's housing options create a varied streetscape, with townhouses, single-family houses, and multifamily residences often located within a block of each other.



The King Farm Village Center is located within a short walking distance for most of the community. The community's large population base and easy access for residents of neighboring communities made it an attractive location for many retailers.



The developer did not want the Irvington Centre to have the feel of a typical suburban office park. The neoclassical-inspired design gives the office buildings a vertical feel, and the structured parking creates a less sprawling environment. Other features include tree-lined avenues, plazas, a planned 22-acre park, shuttle bus service, and future access to light rail.



Site plan