



Larry Hogan | Governor  
Boyd Rutherford | Lt. Governor  
R. Michael Gill | Secretary of Commerce  
Signe Pringle | Deputy Secretary of Commerce

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Susan Holm Llareus, PLA, ASLA  
Regional Planner for Maryland Capital Region  
Planner Supervisor  
Maryland Department of Planning  
301 W. Preston St., Suite 1101  
Baltimore, MD 21201

**RE: Local Plan Review: Sugarloaf Treasured Landscape Management Plan Draft, March 2022**

The Maryland Department of Commerce has reviewed the March 2022 draft of Frederick County's **Sugarloaf Treasured Landscape Management Plan** to review it for consistency with the Maryland Economic Development Commission's 2016 five-year Strategic Plan, **Best is the Standard**. The Department of Commerce's 2016 strategic plan has the following goals:

- Goal 1: Achieve Operational Excellence
- Goal 2: Foster a Competitive Business Environment
- Goal 3: Advance Innovation and Entrepreneurship
- Goal 4: Expand Targeted Industry Clusters
- Goal 5: Create One Maryland and Enhance Community Development
- Goal 6: Improve Brand and Talent Attraction

Of these goals, Goals 2 and 4 are relevant to the Sugarloaf Plan. Commerce would like to provide the following information to the County regarding these Goals.

**Goal 2: Foster a Competitive Business Environment.** A major feature of the Sugarloaf plan draft is the creation of a "Sugarloaf Viewshed Overlay" which is intended to limit development in the Sugarloaf area to protect areas that the County defines as "treasured landscapes." According to Commerce's interpretation, the Overlay district does not specifically bar all development, but it does place significant controls on it. In general, all new construction within the Overlay area is limited to a "15,000 square foot building footprint." The County can override this requirement if the landowner can show that "the specialized functional and operational needs of the proposed activity or use that warrant a

non-residential building with a building footprint larger than 15,000 square feet; and the site design elements and building design features, such as enhanced energy efficiency, water conservation (e.g., re-use, consumption reductions), and stormwater runoff controls, or other measures that will be utilized to minimize negative impacts to natural resources and surrounding properties that may result from the overall development proposal and increased building footprint." Certain agricultural uses within the Overlay area are exempted from these requirements, including:

- Agricultural value-added processing
- Agritourism enterprises
- Farm distillery, winery, or brewery
- Feed and grain mill
- Agricultural products processing

This overlay area abuts I-270, one of the State's important business corridors, significantly controlling development on land along its west side between the border of Montgomery County and the City of Frederick (see Figure 1). Commerce notes that this area differs from the area depicted in earlier plans, which excludes the area around Exit 26 off I-270 from the Sugarloaf Mountain Rural Heritage Landscape (see Figure 2).

Commerce recognizes that the area around Exit 226 to the west of I-270 lies outside of the currently-designated Priority Funding Area, and that it is classified in the County's 2013 Growth Tier map as either Tier III (no water & sewer services planned) or Tier IV (areas that are planned for preservation and conservation uses only).<sup>1</sup> Commerce also recognizes that the current Frederick County Comprehensive Plan shows that much of the undeveloped area to the east of I-270 is zoned for "Office / Research Industrial" use<sup>2</sup>, and that the Growth Tier map shows that these areas are listed as either Tier I (areas with water & sewer service) or Tier II (areas with planned future water & sewer service). These classifications would generally direct development in the area to the east side of I-270.

However, Commerce would like to point out that the current Livable Frederick plan designates the area around Urbana and the area around Exit 26 as "primary growth areas" and also notes that two future I-270 interchanges are planned for the area, one to the north and one to the south of Exit 26 (see Figure 3). Highway investments of this type have historically attracted commercial development and increased land values in the immediate area of the investment. The Overlay would place significant controls on any new commercial development that would like to take advantage of new highway infrastructure investments in the Overlay area.

**Goal 4: Expand Targeted Industry Clusters.** The I-270 Life Sciences Corridor is one of the Nation's major locations for the Life Sciences industry, which is one of Maryland's key industry clusters supported by Commerce. Frederick County itself has become a prime location for large scale biomanufacturing operations, offering immediate proximity to Montgomery County's research and regulatory workforce, without the related high cost of land, and it contains large, undeveloped sites that are needed by the industry to expand in the region.

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<sup>1</sup> [https://www.frederickcountymd.gov/DocumentCenter/View/278039/Adopted-SB236\\_TierMap\\_26Feb2013?bidId=](https://www.frederickcountymd.gov/DocumentCenter/View/278039/Adopted-SB236_TierMap_26Feb2013?bidId=)

<sup>2</sup> [https://maps.frederickcountymd.gov/GISPublicDownload/MapAtlas/CompPlan/CompPanelBook\\_105.pdf](https://maps.frederickcountymd.gov/GISPublicDownload/MapAtlas/CompPlan/CompPanelBook_105.pdf)

A 2022 study by Cushman & Wakefield shows that the commercial vacancy rate within the I-270 corridor plunged from about 8 percent in 2015 to below 2 percent in 2021, while asking rents have nearly doubled in that time period.<sup>3</sup> As this area is recognized as having “robust demand,” these low vacancy rates mean that developers and companies are looking for new areas for expansion.

The Maryland State Data Center forecasts that jobs in Frederick County will increase by 23,600 jobs, from 147,000 jobs in 2020 to 170,600 in 2040. Recent private-sector job data collected by Commerce for the Life Sciences cluster in Maryland shows that job growth over the last five years (2015 to 2020) in Frederick County in this cluster is double the overall State growth rate (37.8% vs 18.0%). If this rate of growth continues, Commerce expects that Life Sciences employment in the County could increase from 4,248 in 2020 to a potential 15,318 in 2040, an increase of 11 thousand jobs. This increase could represent almost half of all of the new jobs created in the County between 2020 and 2040.

The State has seen recent successes in attracting significant numbers of Life Sciences jobs that will be located at large-scale employers such as AstraZeneca, Lonza, Thermo Fisher, Kite Pharmaceuticals and Ellume. In addition, the Maryland Department of Commerce is currently working on multistate competitive Life Sciences opportunities that could attract even more large-scale employers, any of which could choose to locate within Frederick County. Unfortunately, the County has a shrinking supply of the large sites that were once available in places like Riverside, Westview and Jefferson Technology Park, which are on the way to 100 percent occupancy. The Urbana area has undeveloped areas that would be attractive to the Life Sciences industry, and is an area that has already drawn major Life Sciences investment in the form of Kite Pharmaceuticals.

Another important economic cluster tracked by Commerce is Tourism. Commerce recognizes that the Sugarloaf area is an important part of the State’s tourism and outdoor recreation sectors, and understands that there must be balance between ensuring that the region has sufficient land for future development while simultaneously protecting its natural assets. The recent creation of the State’s Office of Outdoor Recreation in the Department of Natural Resources reflects the importance of this sector to the State’s economy.

The Department of Commerce hopes that the County will find the above information useful in its evaluation of the March 2022 draft of the Sugarloaf Treasured Landscape Management Plan.

Sincerely,

A handwritten signature in blue ink that reads "J R Palma".

James Palma, AICP  
Maryland Department of Commerce

Figure 1: Sugarloaf Overlay Area (Map 4-6, p.66)

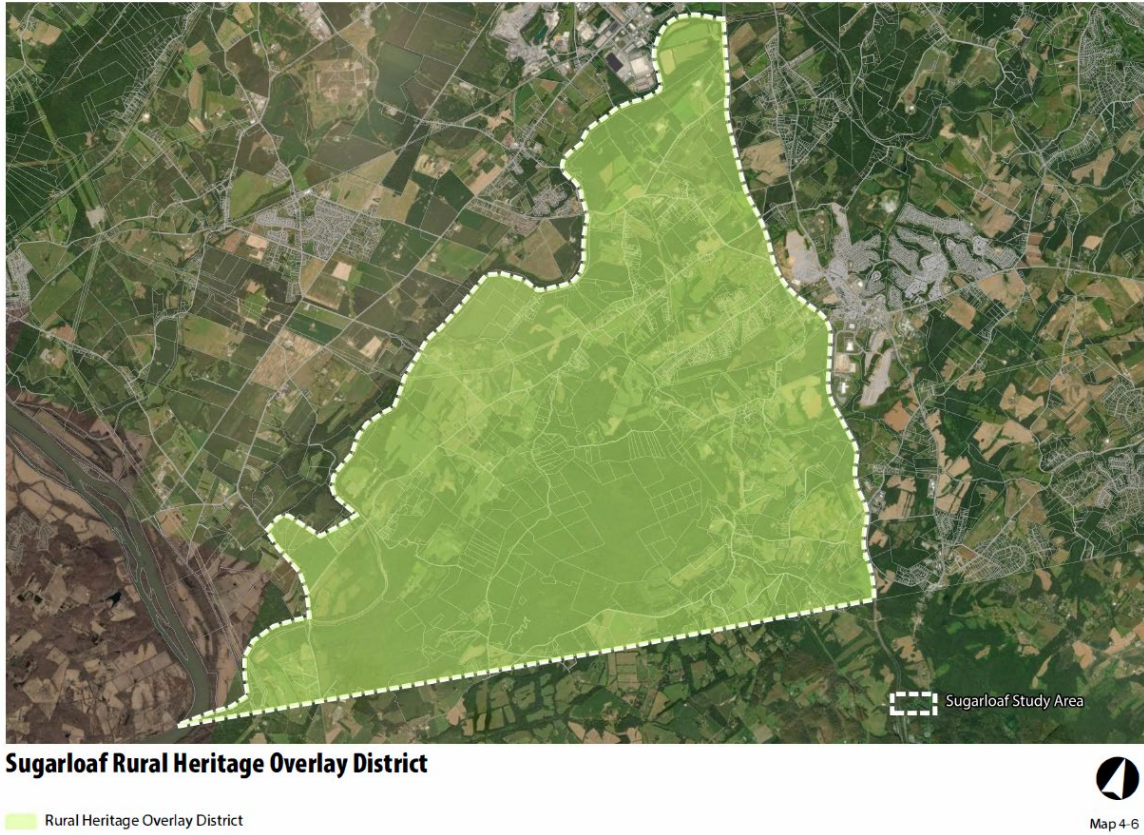


Figure 2: Sugarloaf Mountain Rural Heritage Landscape Map (p. 4)

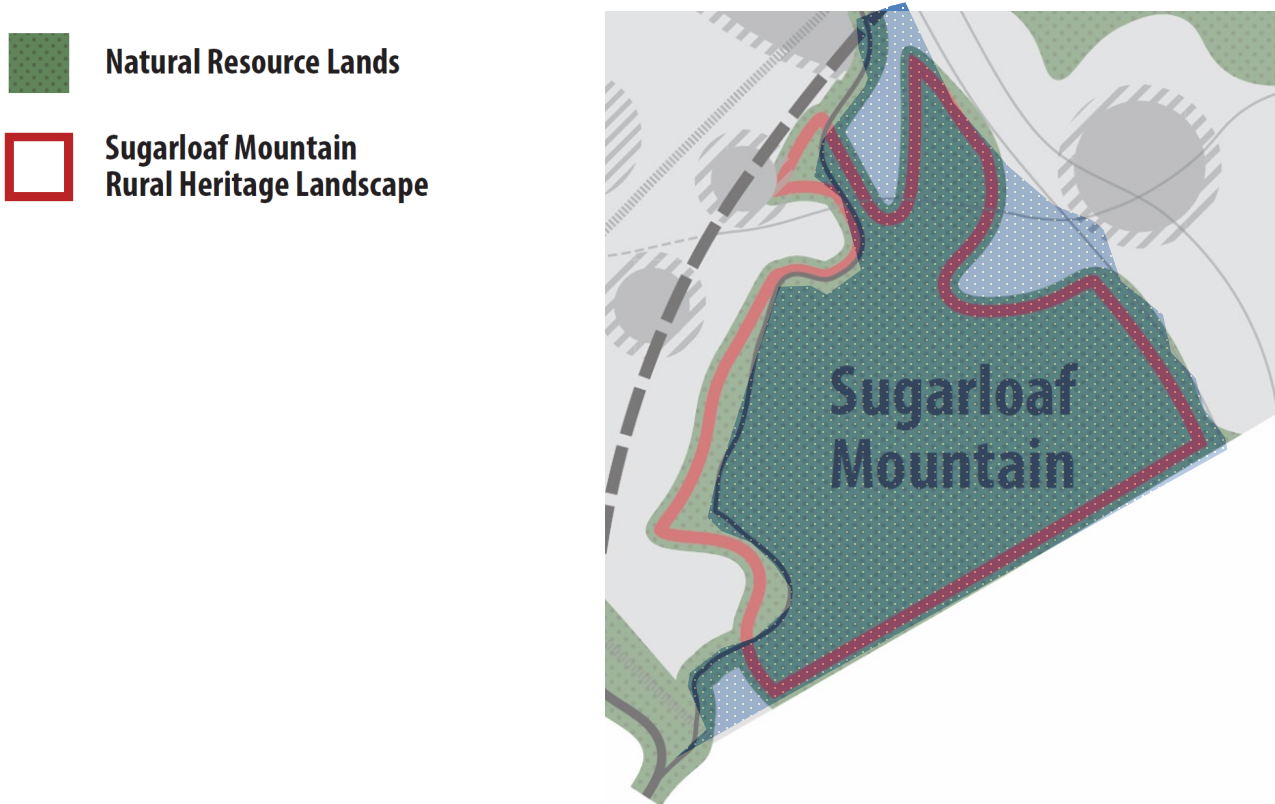




Figure 3: Sugarloaf Mountain Rural Heritage Landscape Map (p. 4)

