

Gaithersburg lawmakers green-light Lakeforest Mall redevelopment



A rendering of new uses approved where the Lakeforest Mall currently stands at 701 Russell Ave. in Gaithersburg.

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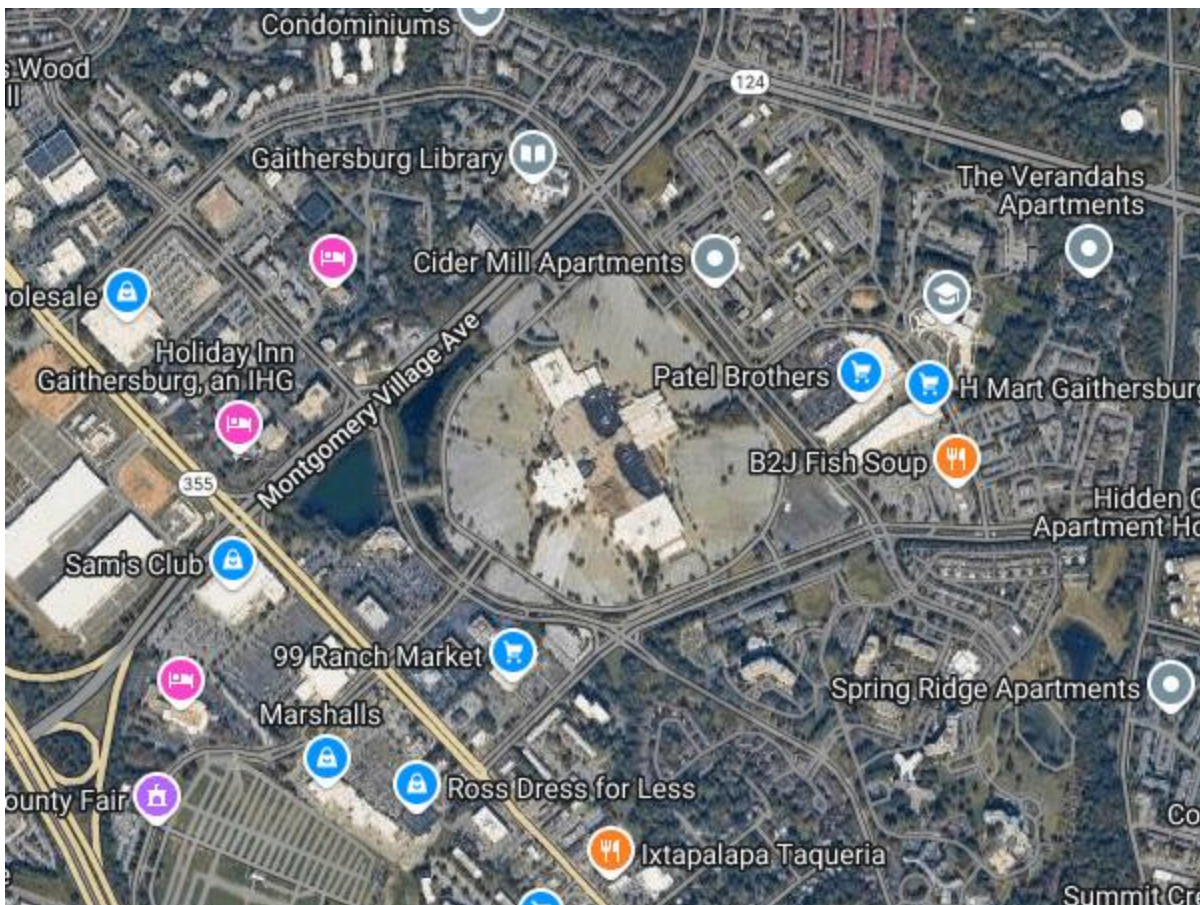
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WRS Inc. has won final discretionary approval from Gaithersburg lawmakers to [redevelop the shuttered Lakeforest Mall with a massive \\$1.2 billion mixed-use project](#).

The South Carolina developer acquired the 102-acre mall site at 701 Russell Ave. in pieces between 2019 and 2022 for a total of \$75 million, always with the intention of redeveloping it into a live-work-play community. Clearing the way toward that end, the Gaithersburg City Council unanimously approved on Thursday what's called a schematic development plan for up to 3.6 million square feet of new uses to replace the existing 1 million-square-foot mall and its sea of surface parking lots.



The project is approved for up to 1,600 new residential units, both multifamily rentals and for-sale, 750,000 square feet of new life science-related commercial space – office, research and development, light manufacturing – and 470,000 square feet of new retail.

Demolition is scheduled to begin in early 2025. The residential and retail portions could deliver within the next five or six years, WRS principal Kevin Rogers told me. A timeline for the project's life science component is less certain, he said, given that demand in that industry has slowed since the boom times of 2022.

[BXP Inc.](#) recently opted to pare back life science uses at its [Shady Grove Innovation District in Rockville](#), pivoting to townhouse development instead, with Pete Otteni, who co-heads the company's Greater Washington office, citing "sustained weakness in life sciences demand." But [MCB Real Estate](#) is pressing ahead with plans for [Viva White Oak](#), a gargantuan 12 million-square-foot mixed-use development near the [Food and Drug Administration](#) headquarters. While the precise mix of uses isn't yet decided, it's hard to imagine that project isn't predicated on the market potential for a major life science research and development footprint.

WRS plans to sell the Lakeforest Mall site's southern half to a homebuilder, likely Pulte Homes, for the for-sale residential units.



A rendered street view of mixed-use development that'll replace Gaithersburg's Lakeforest Mall.

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Once fully developed and stabilized, the Lakeforest Mall redevelopment would generate an estimated \$2.7 million in annual revenues for the city, according to a fiscal and economic impact analysis prepared by RCLCO Real Estate Consulting.

Thursday's approval is a decisive milestone because it means no more horse-trading between the developer and the local governments, Rogers said. WRS will still need to get site plans approved for the development's various phases, but those are more about technical code compliance, not about the mix and densities of uses.

Even so, to lock in the project beyond the shadow of a doubt, WRS is still looking for the City Council's separate approval on Oct. 14 of a development rights and responsibilities agreement, or DRRA. That legislation would ensure that WRS development rights are fully vested, that a future council couldn't change its mind and undo or require changes to the approved plan. Without the DRRA, under Maryland law, vesting doesn't occur until the developer sinks the first footer of its first building, Rogers said.

It would be a "pretty scary proposition," Rogers said, to tear down the leasable mall structure without absolute certainty the rug couldn't be pulled from under the planned new revenue-generating uses.