

PO Box 64
Upperco, Maryland 21154
443.383.0093

Proposed Fueling Station

Market Need Analysis
Clarksburg Town Center
Clarksburg, Maryland

Project #24-11-008



FOR
CTC Retail LLC
1355 Beverly Road, Suite 240
McLean, VA 22010



PO Box 64
Upperco, MD 21155
443-383-0093
polestaranalysis.org

September 10, 2024

Ms. Kate Kubit, Partner/Vice President
Elm Street Development Company
Manager, CTC Retail LLC
1355 Beverly Road, Suite 240
McLean, VA 22010

**Subject: Proposed Fueling Station
Clarksburg, Montgomery County, MD - Need Analysis**

Dear Ms. Kubit:

Enclosed please find Polestar Analysis (Polestar) report of the need for the proposed gas pumps at the site of a proposed Weis grocery store on the north side of Stringtown Road, the south side of St. Clair Road and the west side of St. Clair Road in the Clarksburg village of Montgomery County, Maryland. The analysis has been conducted in connection with your petition for a conditional use to permit gas pumps on that property.

We find that the proposed automobile fueling station will serve unmet public need for gasoline. The enclosed report summarizes our reasoning process.

It has been a pleasure working with you on this project. Please call me at (443) 383-0093 should you have any questions or comments.

Respectfully submitted,
Polestar Analysis

Edward M. Steere, AICP
Principal

Executive Summary

Polestar Analysis has been engaged by CTC Retail LLC in connection with its petition to the Montgomery County Office of Zoning and Administrative Hearings (OZAH) for a conditional use permitting the development of gas pumps at the property located on the north side of Stringtown Road and the south side of St. Clair Road, in the unincorporated Clarksburg village area of Montgomery County, Maryland.

Scope of Work

Polestar Analysis has been engaged to examine evidence of the public need for a gas station at this location. Presentation of sufficient evidence of public need for gasoline sales use is required before a conditional use for that use can be granted.

Clarksburg Weis Gas n' Go

The proposed Weis fueling facility (3 gas pumps) is to be located on the north side of Stringtown Road and the west side of St. Clair Road, with access only to St. Clair Road. Although the property extends to the intersection, the proposed use would be located approximately 500 feet north of the intersection. The 12,000 square foot fuel facility site is part of an overall grocery store pad, which is approximately 4.5 acres and is currently improved by mass grading for a retail pad, with stormwater management and curb cuts for entrances from the road. The land is zoned Commercial Residential Town (CRT) 0.5 and is in the Town Center District of the Land Use Plan.

The site is proposed as part of the Clarksburg Town Center retail component, which lies on the south side of St. Clair Road. Current plans include a proposed 56,500 square foot Weis grocery store anchoring the western side end of the 4.5-acre grocery parcel, and six retail buildings fronting on St. Clair Road. The proposed gas pumps would be at the corner of the parking lot, on the opposite side of the grocery store entrance. The facility is proposed with three multiproduct dispensers (MPDs; 3MPDs = 6 fueling positions) under a canopy, and with a small approximate 500 square foot manned kiosk. The proposed gas pumps will be effectively hidden from the view of nearby residential uses by the Weis store, landscaping, and the other buildings of the Clarksburg Town Center that create an urban walkable environment for the neighborhood. There is no convenience store, nor car wash or service associated with this use.

- Customer Convenience - The Weis Markets gasoline fueling operation offers the sale of fuel, an only limited assortment of other products, such as snacks, soda, water, juice, tobacco, lottery tickets, and automobile products and accessories such as windshield wipers, snow and ice scrapers, windshield washer fluid, and motor oil. These grocery-operated fuel facilities typically operate during the same operating hours as the supermarket, and are open to the public. Customers can earn a discount off the price of their gasoline related to their purchases from the grocery store. The fueling station is integral to the offerings of any new prototypical grocery store such as Weis, as it provides its customers, similar to a meat department, pharmacy, or other in-store departments.

Supply/Demand Issues

Trade Area

The subject's primary trade area is defined as the geographic area within nine census block groups, identified by Weis Markets and confirmed with data from Environmental Systems Research Institute (ESRI). We believe this area demonstrates the customer base is likely to shop at the Weis store and purchase gas. Gas sales at grocery store fueling stations are largely dependent upon consumer traffic for groceries.

Weis correctly assumes that most grocery customers from the rural northern parts of Montgomery County will travel to either Clarksburg or Damascus for groceries, and purchase gas while there. There is little incentive for the householders in Clarksburg to travel into the congested suburbs of Germantown and points south to address daily needs accommodated by Weis. As such the trade area demographics represent only a portion of the market share occupied by this store. Some additional market is derived from pass-through traffic. The data presented below is therefore conservative.

Trade Area Residents

The trade area's residential base is affluent, with an average household income estimated at \$201,727 in 2024. The majority (84.3%) of households are homeowners, with their homes having an estimated value of \$724,195 in 2024. The number of vehicles per household in 2022 averaged 1.96. The vast majority of nearly two-thirds (64.7%) of workers drive alone to work, with nearly one-third (29.0%) having commute times in excess of 45 minutes.

Trade Area Demand

We find that there is strong demand within the Clarksburg trade area for gasoline fueling services. We have quantified 2024 demand for gasoline from residential, commercial and pass-through sources as at least 13.2 million gallons per year. We find that, though the Weis Markets customers represent total demand for approximately 0.5 million gallons of gasoline annually. This number is conservative, considering the lack of alternative options for grocery purchases and gasoline in this growing residential neighborhood.

Competitive Supply

We find that there is very limited competition within the defined Clarksburg Weis Market Gas Station trade area for the available consumer demand for gasoline and diesel:

- Immediate Trade Area Supply The five other gas stations identified within the trade area are not directly competitive with Weis Gas n' Go, due to their store, service bays, location and scale. Those stations serve the residents of the trade area, but also the commuters passing through the area to employment and destinations between Washington, DC and Frederick. Only two gas stations are of modern design, generating the greatest consumer

demand. The two closest stations include an old format service station with a pizza shop that is functionally obsolete, and a deli with two MPD's in an awkward one-way parking lot off a residential road.

- Current Performance - Estimating that the total existing competitive supply is now pumping approximately six million gallons of gasoline per year, we judge that local consumer demand for gasoline within the trade area is shaped by other factors, including the arterial road network, commuters and travelers along the I-270 corridor and the availability of convenience services in a well-lit modern environment. Performance data and traffic generation models prove that the modern convenience store will generate more customer traffic than the traditional and smaller gas stations.

Conclusions

Polestar concludes, therefore, that the public need/necessity for the proposed Clarksburg Weis Gas Station is evident based on our analysis:

We find that there is an estimated residential demand (existing and growth) for at least 13.2 million gallons of gasoline within the defined Clarksburg Weis Markets trade area, as determined by standard market research methodologies of residential demand. It is important to note that the availability of gas stations in the immediate community are presently limited to four stations: one older, obsolete service station with limited convenience services (which is not in demand of the current consumer), and two modern 7-11's, and one gas station and a deli with two MPD's in the parking lot. Finally, there is one other station remote to Clarksburg, in a northern village that has a limited impact on this location. We find that the older and smaller stations may not capture consistent levels of demand, as industry indicators suggest that a substantial volume of trade would be handled by the more modern facilities that offer larger convenience spaces and services that are attractive to a broader market of consumers. Those older and smaller stations are also not conveniently located to serve the bulk of the new housing market within the village of Clarksburg and immediately adjacent to Stringtown Road and Snowden Farm Parkway.

Our analysis in the attached report shows the net unmet demand in the Clarksburg Weis gas station trade area is approximately seven million gallons per year. Presently this demand is being met with supply from outside the immediate trade area, at gas stations located in other markets and near commuters' places of work.

There are few opportunities in the market area for customers to find fuel at a discount in a modern, well-lit environment that is in demand at this time. With two exceptions, the gas stations in the trade area are all old and/or outdated, and many do not offer a full range of fuels. Additionally, this station is to be located within the retail center of a planned residential community and accessible to adjacent residential communities, offering an opportunity to fuel up before accessing the interstate. The convenience of grocery shopping and filling one's car with gas at the same trip is also a great advantage.

Introduction

Polestar Analysis has been engaged by CTC Retail LLC in connection with its petition to the Montgomery County Office of Zoning and Administrative Hearings (OZAH) for a conditional use permitting the development of a gas pumps at the property located on the north side of Stringtown Road and the southwest side of St. Clair Road, in the unincorporated Clarksburg village area of Montgomery County, Maryland.

Purpose of Assignment

The subject site is the retail component of the expansive planned community of Clarksburg Town Center. The retail anchor for this site will be a Weis grocery store. The store will be mostly obscured from view by tastefully designed streetside retail pads along St. Clair Road. The site is presently mass graded to suit the retail development. St. Clair Road, which intersects with Stringtown Road, is constructed and open to traffic. The curbing is in place for on-street parallel parking and curb cuts to access the subject site and the future residential planned on the north side of the road. The overall site is approximately 4.5 acres.

The proposed automobile filling station is planned with three multi-product dispensers (MPD's) under a single canopy, in addition to a staff kiosk of approximately 500 square feet for payment options and limited sundries and automotive supplies (windshield wiper fluid, and motor oil).

Polestar Analysis has been engaged to examine evidence of the public need for an automobile filling station at this location. Presentation of sufficient evidence of public need for the use is required before a conditional use for that use can be granted. The Montgomery County Zoning Code, Article 59-7 – Administration and Procedures defines the need requirement as:

§ 7.3.1.E.5. ... when the Hearing Examiner finds from a preponderance of the evidence of record that a need exists for the proposed use to serve the population in the general neighborhood, considering the present availability of identical or similar uses to that neighborhood.

A grocery store is a permitted use on this site, but a filling station requires the demonstration of public need. For purposes of this analysis, we have considered public need/necessity to mean "expedient or reasonably convenient and useful to the public" (as defined in Lucky Stores, Inc. v. Board of Appeals) and "convenient, useful, appropriate, suitable, proper or conducive to the public in the surrounding area" (as defined in Baltimore County Licensed Beverage Association, Inc. v. Kwon). In this case, we consider an automobile filling station and convenience store complex to be accommodating to the public need when it meets the demand of the public living and working

within a reasonably defined trade area for fuel service, as analyzed according to standard market research methodologies.

Weis Niche Market

Polestar recognizes the nature of the subject as a fueling station facility which primarily serves the needs of its supermarket patrons. This “niche market” fueling facility does not, therefore, compete directly against standard service stations—as is clear in its design, offerings, location within the shopping center, signage and marketing. We, therefore, depart somewhat from our methodology typical in an analysis of public need. In particular, the standard methodology involves more attention to pass-by (commuter) traffic in front of a station than is appropriate here, since the Weis supermarket operation already captures and “delivers” its food shopper customers to the fueling station facility.

In this analysis, we focus on the key issues of competitive demand/supply factors within the subject’s trade area and whether the proposed fueling station provides a service which is desired by the Weis customer base.

Scope of Work

In conducting this analysis Polestar has accomplished the following tasks:

- Inspected the subject site and neighborhood;
- Reviewed the subject’s site plan;
- Defined the subject’s surrounding trade area;
- Consulted demographic and economic data for the trade area produced by ESRI (Environmental Systems Research Institute, Inc.) based on U.S. Census information, Baltimore Metropolitan Council and others;
- Inspected gas station properties in the trade area;
- Estimated the scale of gasoline demand within the defined trade area and arrived at certain conclusions.

Organization of Report

Following this section, Polestar’s report is organized in four sections as follows: site and location analysis; need analysis; other supply/demand; summary & conclusion.

Qualifications of Consultant

Polestar Analysis is a multifaceted land use and real estate consulting firm. The principal, Ed Steere, has more than 35 years of experience as a certified land planner, economic developer and market analyst. Mr. Steere has performed hundreds of commercial, residential and institutional studies throughout Maryland and the nation. Polestar provides clients with objective advice and practical assistance at every stage of decision-making in the spheres of land planning, economic development, and development, use or reuse of all types of real estate. Our clients include corporations, institutions, real estate owners, builders, developers, and government entities.

Site Location Analysis

In this section, Polestar describes the proposed gas pump location, its access and surroundings in order to establish its positioning within its trade area and competitive environment generally.

Site Description

The proposed Weis Gas n' Go station is to be located on the south side of St. Clair Road, north of Stringtown Road. The proposed use would be located approximately 500 feet north of the intersection of Stringtown Road and St. Clair Road. The overall retail site is approximately 14 acres and mass graded for the future retail use and parking. The land is zoned Commercial Residential Town (CRT) 0.5 and is in the Town Center District of the Land Use Plan.

The improvements will include an accessory use to the grocery store of gas pumps consisting of three multiproduct dispensers (MPD's) under a single canopy, in addition to a 200 square foot kiosk for staff. There will be no convenience store, car wash or service bays.

As noted above, the site has been mass graded to create the level pads for the stores, parking and gas pumps. The topography drops at the southern lot line to a non-tidal wetland and floodplain associated with the headwaters of a tributary to Little Seneca Creek.

Fueling Station Operation

The "Weis Gas-n-Go" fueling station operation is proposed to be located in the eastern portion of the shopping center, separated from the Weis supermarket by a distance of approximately 200 feet across the center's parking field.

Limited Facilities

The fueling station is planned as having three multi-product dispensers (MPDs) with six fueling positions and a small 200 sq.ft. service kiosk for the use of the attendant only. At less than one half of an acre, the subject site is small, permitting only limited facilities. In our experience most contemporary gas/convenience store facilities are designed for sites of approximately 1.5 acres+/- with many requiring larger parcels.

Niche Market Station

The facility's design, marketing and siting are not consistent with typical gasoline retailing strategies, which emphasize convenience store operations, maximum signage visibility and access from the principal highway frontage:

- Service Kiosk - A major profit center for most contemporary fueling stations is a substantial (typically 4,000+/- sq.ft.) convenience store. The subject's 500 sq.ft. service kiosk cannot offer a wide array of items for purchase.

- Signage/Marketing - The fueling station canopy will be located approximately 200 feet west of St. Clair Rd. Wording on the facility's canopy will be limited to the "Weis Gas-n-Go" logo and pricing information. There will be ESD landscaped stormwater management islands between the store and pumps and an island of trees and shrubs between the canopy and St. Clair Rd.
- Access - Access to the facility is limited to three locations along St. Clair Drive. The two eastern-most access points provide clear routes to the gas pumps.

The facility's design, signage and location are appropriate to a "niche market" station, for which usage is driven by the Weis Markets and not bypass-by traffic. The station is one component of the services offered by the Weis Markets to its customers, an auxiliary service similar to a pharmacy, meat department, or other in-store departments. We regard the subject's niche within the gasoline retailing world to be "supermarket service station," distinct as a category from the contemporary standard format of the highway-oriented gas station/convenience store for example.

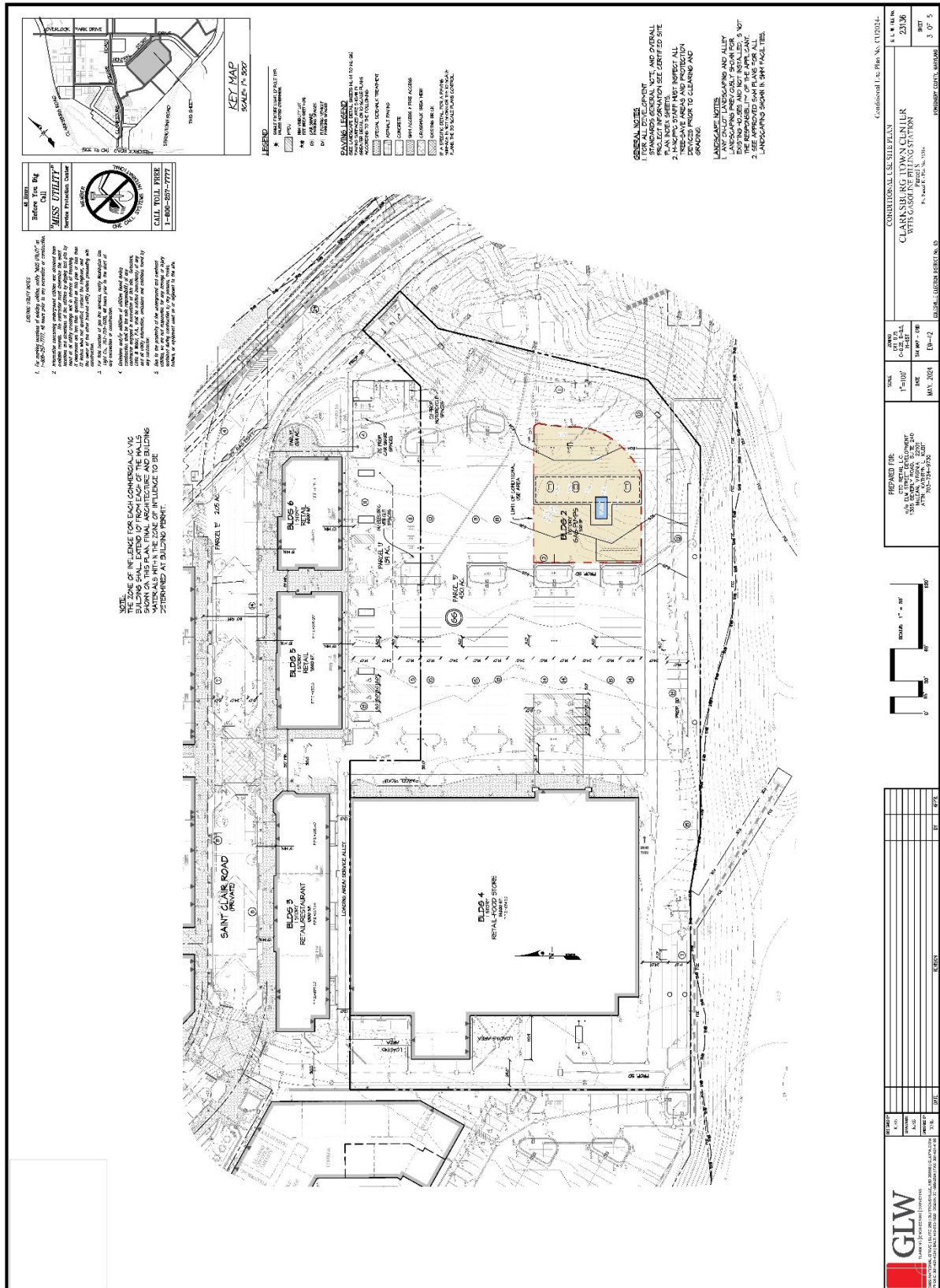
Services/Hours

The facility's hours of operation will initially correspond to the supermarket's operating hours. Debit cards, credit cards (Visa, Master Card, Discover, American Express) and cash will be accepted. There will always be one attendant on duty to assist customers. The station offers three grades of gasoline, and diesel fuel. In addition to handling fuel sales transactions, the facility will also have available a limited number of other products such as snacks, soda, juice, water, tobacco, lottery tickets, and automotive supplies (e.g., window washer fluid, oil and motor oil) at the kiosk. No auto services other than fuel will be offered.

Weis Fuel Pricing

The Weis Markets fuel pricing policy is to match the prevailing pricing of the nearest competitors. The fueling station will be used by both Weis customers, who receive a discount off the market price of gasoline when they use their Preferred Shoppers Club Cards, and other customers.

Preferred Shoppers Club Card members earn Gas Rewards Points by shopping at the Weis Markets. They earn a \$0.10 discount per gallon for every \$100 grocery and/or pharmacy purchase during a set promotional period. The points can then be redeemed for savings on gas purchases made at either a Weis Gas-n-Go location or participating Sunoco locations. The discount cannot exceed a dollar per gallon of gas, and the purchase cannot exceed 20 gallons. Points expire at the end of the promotional period.





Subject site from St. Clair Road



St. Clair Road looking North



St. Clair Road looking East



St. Clair Road looking South (Subject on Right)

Site Access

The subject property has excellent frontage on St. Clair Road with three full movement access points. St. Clair Road has a full intersection with Stringtown Road, presently with stop signs on St. Clair Road on both approaches. Stringtown Road at this location is a divided collector road with a grass median, two lanes in each direction and dedicated left turn lanes. The intersection is designed for future signalization when volumes warrant. There is a broad pedestrian/bicycle trail along Stringtown Road and also extending North along the Greenway into the Clarksburg Town Center development.

Surrounding Land Uses

The subject is located approximately one-mile northeast of I-270 off Stringtown Road, which enjoys full access both north and south bound on the interstate highway. I-270 is the primary artery connecting Frederick, Maryland and Washington, DC. Stringtown Road is the principal arterial road designed to feed extensive new development from the greater Clarksburg area to

the interstate highway and the new commercial enterprises on the southwest side of the interstate. The Clarksburg area is the westernmost development frontier in Montgomery County and as such, has experienced substantial residential growth in the recent decades. Part of the early phases of development included the construction of pieces of Stringtown Road, which eventually replaced Clarksburg Road as the main route from the highway to the new development along the new Snowden Farm Parkway. Snowden Farm Parkway is a defacto "beltway" around Clarksburg and provides an arterial connection to the also burgeoning Germantown community, southeast of Clarksburg. All along Snowden Farm Parkway are large developments of single family attached and detached homes on small lots.

At the subject site, there is development north and west in the form of high density multifamily and attached housing. This subject site is part of the Clarksburg Town Center community and is walkable by sidewalks to the residential community behind it. Other developments, such as Clarksburg Square are south of the site and offer similar home choices. A map of the burgeoning development in Clarksburg is on the following page, illustrating a pipeline of 11,000 new households.

To the north of the subject site is the neo-traditional development of Clarksburg Town Center. This is a community of large single-family homes on nearly zero lot lines and attached units. The center of the community includes an amphitheater and regional library. The western end of the site includes a new extension of Clarksburg Square Road to Frederick Road. The construction of the new road was coupled with the redevelopment of the site adjacent, by relocating a historic house, the Horace Wilson House, and converting it into a boutique retail venue, as well as reposition two MPD's associated with the existing Clarksburg Market on the same site. The site no longer has direct access from Frederick Road and be oriented to Clarksburg Square Road instead.

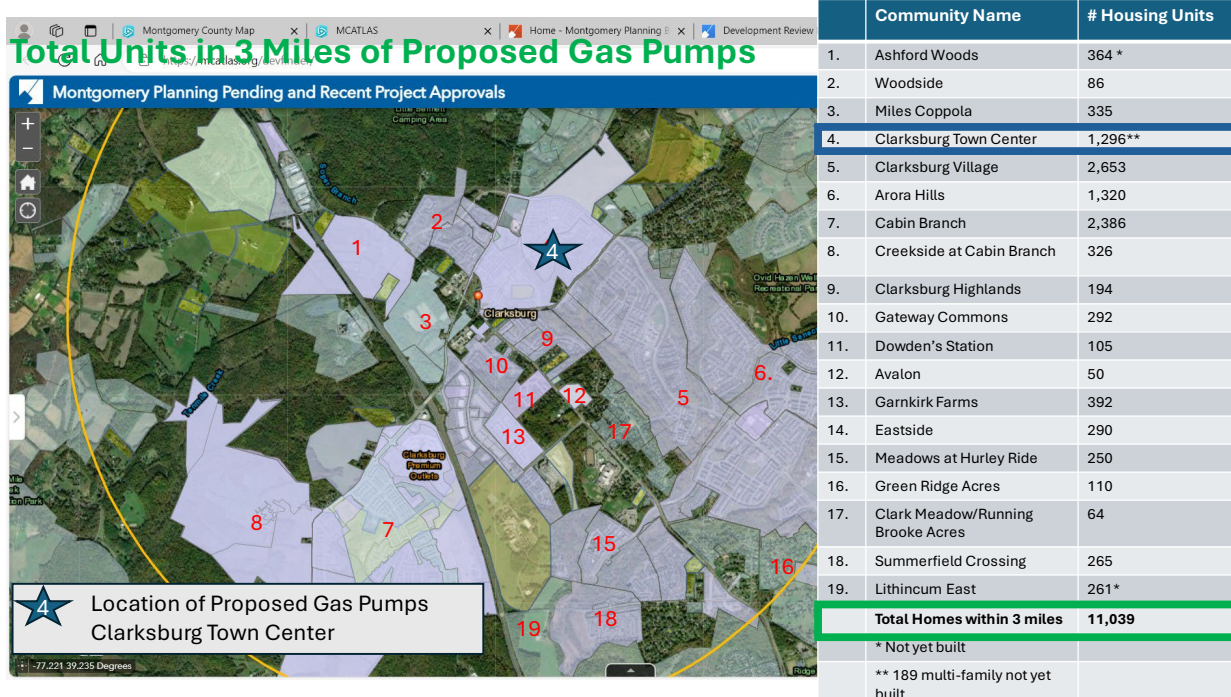
To the south of the subject site is the community of Gateway Commons. This is a community of mostly garage townhomes and condominiums with some single family detached units on narrow lots.

Southwest of the site are a few large lots and the Clarksburg Elementary School.

Snowden Farm Parkway, when complete will circle the historic village of Clarksburg from Frederick Road clockwise to Ridge Road (MD-27), which goes through downtown Germantown and intersects with I-270. Most of the land between Snowden Farm, Ridge and I-270 is either developed with dense residential or parkland.

The only substantial commercial center in the Clarksburg area is the recently opened Clarksburg Premium Outlet mall on the south side of the I-270 interchange with Stringtown Road. The mall is surrounded by multifamily residential developments still under construction, with single family attached and detached units along the periphery of the neighborhood. Stringtown Road has been

realigned and regraded through a series of roundabouts on to mall property, which created retail pad sites on the north side of the road. One of those sites was developed as a 7-11 with gas pumps, and opened in 2022. The gasoline filling station at the mall site was not subject to the same zoning requirements as the subject, due to different base zoning district: it was approved conceptually with the shopping mall, and subsequently a detailed site plan was reviewed and approved prior to construction.



Summary

In summary, the subject property is well situated off the northwest side of Stringtown Road, north of Frederick Road (MD-355). Stringtown Road is a principal arterial route for thousands of homes and residents who will travel to and from I-270. Within the Clarksburg Town Center development St. Clair Road is the primary route for most residents to commute to Stringtown Road and I-270 as well.

The proposed project is planned to be an accessory department/structure and use to the Weis grocery store, consisting of three MPD's under a single canopy with a 200 square foot kiosk for staff.

The site is located near I-270 and centered within a significantly large land mass of new residential development surrounding the historic village of Clarksburg and extending to Germantown. The

site will access St. Clair Road at three curb cuts, all of which offer full access to the road network (no directional limitations).

This site will provide a unique opportunity for thousands of drivers to access fuel and convenience items prior to entering the interstate highway system. There are very limited fueling opportunities in the Clarksburg area at this time.

The auto-oriented convenience services offered by the proposed Weis gas station are, therefore, supportive of existing development nearby and transient traffic, given the role the adjacent highway network plays as a major commuter connector.

Need Analysis

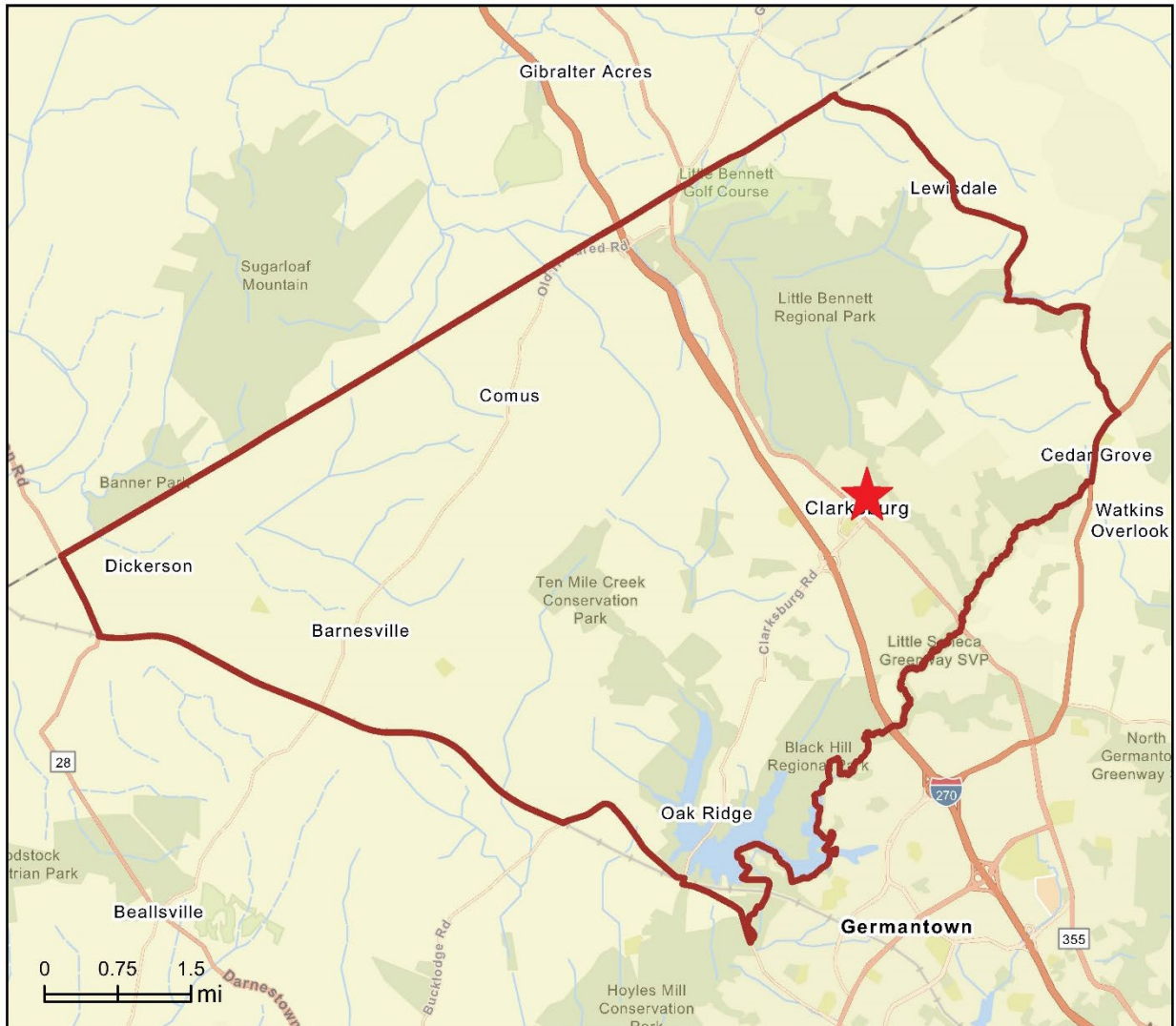
In this section, Polestar reviews certain factors which are determinative of the subject fueling station's ability to accommodate the public need. We describe the Weis Markets business model, estimate total demand for gasoline within the subject's trade area, examine the proposed store's consumer characteristics and estimate the subject fueling station's usage, then draw conclusions regarding accommodation of public need.

Clarksburg Weis trade area

We have defined the subject gas station primary trade area as identified by Weis Markets of nine census block groups, identified by Weis Markets and confirmed with data from Environmental Systems Research Institute (ESRI). We believe this area demonstrates the customer base is likely to shop at the Weis store and purchase fuel. Although there is no restriction on fuel purchases at the Weis by non-Weis customers, the fuel sales at grocery store stations are largely dependent upon consumer traffic for groceries.

For the purposes of this analysis, we consider the Clarksburg Weis Gas n' Go station trade area to include the greater Clarksburg area, approaching Damascus in the Northeast, Frederick County line in the Northwest, the CSX railroad in the west, Little Seneca Lake in the South and Little Seneca Creek to the Southeast. The Little Seneca Creek boundary is a natural divider to the greater Germantown area and the far more urbanized areas of Rockville and Gaithersburg to the South. Damascus is another unincorporated census designated place (CDP) with another Weis grocery store. To the West is rural, centering on the Town of Poolesville, approaching the Potomac River. Weis correctly assumes that most grocery customers from the rural northern parts of Montgomery County will travel to either Clarksburg or Damascus for groceries, and purchase fuel while there. There is little incentive for the householders in Clarksburg to travel into the congested suburbs of Germantown and points south to address daily needs accommodated by Weis. A map of the trade area is on the following page.

Trade Area Map



September 02, 2024

Residential Demand

We have compiled data obtained from ESRI, a respected national demographic and economic research firm, describing demographic trends and socio-economic characteristics of the trade area.¹ Population trends are as follows:

Trade Area Demographic Trends				
	2010	2020	2024	2029
Population	14,189	21,461	25,078	25,622
Households	4,275	6,475	7,584	7,706

Source: 2010 and 2020 Census; ESRI estimate, 2024 and 2029.

The Census statistics and ESRI estimates find the trade area residential base to be stable and growing slowly. Those households have the following socio-economic characteristics:

Trade Area Statistics	
Average Household Income (2024)	\$201,727
Average Household Size--Persons (2024)	3.23
Homeownership Rate (2024)	84.3%
Average Owner-Occupied Home Value (2024)	\$724,195
Average Vehicles per Household (2022)	1.96
Household Workers with 2+ Vehicles Available	77.2%
Workers Who Drove Alone	64.7%
Travel 45+ Minutes to Work	29.0%

The trade area's residential base is affluent, with an average household income estimated at \$201,727 in 2024. The majority (84.3%) of households are homeowners, with their homes having an estimated value of \$724,195 in 2024. The number of vehicles per household in 2022 averaged 1.96. The vast majority of nearly two-thirds (64.7%) of workers either drives alone to work, with nearly one-third (29.0%) having commute times in excess of 45 minutes.

We have also consulted the Metropolitan Washington Council of Governments (MWCOG) Round 10.0 Cooperative Forecasts for population, household and employment data for the same general market area. The MWCOG data is typically more precise than Census data due to the local source information and participation. However, we find that both the Census and MWCOG household projections appear very conservative and not reflective of the current state of new construction in the area, both for residential and non-residential uses.

¹ ESRI US Census estimates are based on American Community Survey (ACS) annual data derived between 2018 and 2022.

Residential Gasoline Demand

Residential consumers within the defined Clarksburg Weis trade area are estimated to purchase approximately 13.2 million gallons of gasoline in Calendar Year 2023.

This estimate conservatively assumes that each of the estimated 7,584 households in 2023 is buying approximately the same amount of gasoline as in 2022. For 2023, the Bureau of Labor Statistics Consumer Expenditure Survey and Census American Community Survey estimates that consumer households spent 3.3% of annual gross income for gasoline, with gasoline selling at an average of \$3.83 per gallon for the Washington-Arlington-Alexandria MSA in 2023 according to the U.S. Energy Information Administration. We assume that driving behavior has not changed substantially. Demand for gasoline being relatively inelastic, we estimate that market area households are now buying an average of 1,997 gallons of gasoline per year:

$$\begin{aligned} \$201,727 \text{ annual HH income} \times 3.3\% &= \$6,657 \text{ per household per annum} \\ \$6,657 \div \$3.83/\text{gal.} &= 1,738 \text{ gallons per annum per household} \end{aligned}$$

We find these estimates to be reasonable, based on the data Census has developed and distances driven to employment centers. If the average household is purchasing approximately 1,738 gallons of gas annually, that equates to 33.4 gallons per week—about two fill-ups for typical automobiles. The average number of vehicles per household in the market area is 1.96 and the majority of workers are longer-distance commuters. Understanding those factors, we judge the demand estimate to be conservative.

$$7,584 \text{ households} \times 1,738 \text{ gallons per year} = 13,180,992 \text{ gallons}$$

Other Demand

In addition to trade area residential consumers who will be the principal patrons at the subject automotive fuel station, we find that there are at least two additional identifiable groups of consumers whom the station could serve:

Workers in the Clarksburg Area

Businesses in the Clarksburg Weis trade area employ an estimated 5,384 workers in 2024, according to estimates by the MWCOG. Those estimates are made for the following TAZs (Transportation Analysis Zones):

433	434	435	436	437	444	445
446	447	448	449	450	451	452
453	454	455	459	463		

The MWCOG TAZ areas do not specifically match the census block group mapping. It is also important to note that the transportation analysis zones in the South near the Germantown area are near other interchanges with I-270 and a more developed commercial area with gas filling

stations, and thus it is unlikely that workers or residents in Germantown would travel 10 minutes north to Clarksburg for gas or convenience services.

Transient Travelers

At a high traffic count of over 30,000 ADT, many drivers are passing through the area on the highway network in order to reach destinations outside the defined trade area. Given their location on the highways, trade area service stations will be convenient to some travelers for the purchase of fuel. .

Although we do not specifically quantify potential demand from the two groups in this analysis, traffic generation models show that a modern gas station with convenience stores could attract as much as 64% of morning peak hour pass-by traffic and 66% of evening peak hour pass-by traffic.² We cannot compute the individual impacts of each of these three consumer groups of local residents, commuters and local employees because the overall traffic data includes overlap among them. The only other local gas stations are the Liberty on Clarksburg Road, which is not the primary route to I-270 since the redevelopment of Stringtown Road, the Clarksburg Market, the 7-11 at Clarksburg Village Center, and the 7-11/Exxon across I-270. We also believe that the actual volume of gasoline demand in the trade area far surpasses the capacity of these three stations.

Weis Markets Consumer Base

We have made the assumption that the overwhelming majority of the subject's fuel purchasers are regular Weis Markets customers. Based on sales performance data taken from the Weis Markets 2023 Annual Report, we can estimate the number of households in the trade area who are likely to be regular Weis Markets customers.

Weis Markets

Weis Markets sells groceries and other food items for human consumption off the grocery store premises, including bottled, canned, or packaged soft drinks; candy; gum; packaged snacks; etc. Weis stores are located throughout the mid-Atlantic, numbering 197 stores of 8,000 to 71,000 square feet (averaging approximately 49,000 sq.ft.) through the end of 2023. Fuel accounts for approximately 5.1% of Weis' total sales. Approximately 11.2% is attributed to pharmacy and the remaining 83.8% consists of the primary grocery merchandise items.³

Weis' Gasoline Fueling Stations

As of the end of 2023, Weis Markets had 60 Gas n' Go stations in operation at its grocery stores.⁴ The fueling stations are generally self-service, relying on "pay at the pump" technology that

² Traffic Generation Manual, 10th Edition; Institute of Traffic Engineers, September 2017.

³ Weis Markets 2023 Annual Report: Fiscal Year Ended December 30, 2023; p1

⁴ Ibid; p5

accepts credit and debit card transactions. Cash is also accepted at the kiosk. Both regular-grade, mid-grade, premium-grade gasoline and diesel fuel are available.

Typically, the Weis price for gasoline is competitive with the lowest prices prevailing in its marketplace, presenting a favorable price image to existing and prospective members. This pricing offers value to Weis Preferred Shoppers Club Rewards members and sufficient incentive to combine their fueling stop with a trip to the grocery store.

Based on the Weis Annual Report Data, we project the following for this site on an annual basis:

Subject Store size:	56,500 square feet
Corporate Revenue per Square Foot:	\$483.72/sf
Projected Revenue at Subject:	\$27,330,348
Fuel Revenue at 5.1% net:	\$1,393,848
Fuel Gallons at \$3.263/gal:	427,168 gal.

This supply calculation is based on averages, and thus very conservative.

Summary

In this section, Polestar has analyzed the public need for gasoline fueling stations from two principal perspectives:

Consumer Demand

We find that there is strong demand within the Clarksburg trade area for gasoline fueling services. We have quantified 2024 demand for gasoline from residential, commercial and pass-through sources as at least 13.2 million gallons per year. We find that, though the Weis Markets customers represent total demand for approximately 0.5 million gallons of gasoline annually. This number is conservative, considering the lack of alternative options for grocery purchases and gasoline in this growing residential neighborhood.

Convenient/Useful

We find that the proposed fueling station is “reasonably convenient and useful to the public” because it meets the demand of Weis Markets shoppers for fuel service as demonstrated by:

- Weis Markets Patrons - Weis Markets is locating in an area underserved by retail grocers, therefore capturing more of the market than the average grocery store with nearby competition.
- Expedient or Reasonably Convenient - There will be a high propensity for a large segment of Weis Markets cardholders to combine their shopping trip at the supermarket with a fuel stop at the on-site fueling station.

- Useful - Members will find the competitive fuel pricing available to Weis Markets Preferred Shoppers Club Card members at the subject fueling station to be advantageous (though probably not sufficient to merit an extra trip to the store).

We assume that the addition of discount fuel purchases for Weis Markets Preferred Shoppers Club Card members will work to better serve the supermarket's customer base and improve the store's productivity/value. The supermarket's success will be further evidence that it serves the public's need.

Other Supply/Demand Issues

In this section, Polestar reviews other issues in the competitive marketplace for gasoline service stations which might be considered relevant to the case at hand. We examine the likely demand of Weis Markets patrons for the subject station in the context of competition within its Clarksburg retail trade area. Polestar has surveyed automobile filling stations located within the defined trade area. In addition to our observations, we have consulted various sources including the Maryland Department of Assessments & Taxation (SDAT), CoStar Realty Group's commercial multiple list system and others to better describe the competitive supply in the Clarksburg area.

Station types

Polestar consulted the National Association of Convenience Stores (NACS) for facts associated with the different types of motor fuel sales operations. The Clarksburg trade area has a variety of fueling stations: some with service bays, others with kiosk stores, and large convenience stores. NACS classifies these establishments as follows:⁵

- **Kiosk** – less than 800 square feet with fast moving retail items like tobacco, beverages and snacks. Typical customers are transients and locals stopping in to buy gasoline.
- **Mini Convenience Store** – typically 800-1,200 sq.ft.. Limited to prepared foods and serving people buying gasoline.
- **Limited Selection Convenience Store** – approximately 1,500 to 2,200 sq.ft. which is the typical conversion of a former 2-bay service station.
- **Traditional Convenience Store** – Typically 2,400 to 2,500 sq.ft. with an expanded product mix, often including more grocery items.
- **Expanded Convenience Store** – About 2,800-3,600 sq.ft. This is a popular alternative to the large grocery store and often attract more families, women and senior citizens.
- **Hyper Convenience Store** – Very large stores at 4,000-5,000 sq.ft. These stores employ more staff, offer fresh food and sit-down eating spaces. These stores attract more families, senior citizens and in some locations act as a mini-truck stop with expanded services.

We find it important to study the classification of the supply in the trade area and balance that against the customer type, or target markets in this rapidly developing community. Additionally, there are three overarching store market types: Neighborhood, Commuter and Interstate. The subject location is in the unique position to serve primarily neighborhood and commuter markets and subsequently some interstate as well.

NACS reports that convenience store operations sell approximately 80% of all consumer motor fuels in the country. The remaining 20% is sold at traditional service stations and supermarkets. They also report that consumers will drive up to 10 minutes out of their way to save pennies on gas purchases, which is why the convenience store venues are often able to sell fuel with lower

⁵ NACS State of the Industry of 2016 Data Fact Book.

margins, based on sales of other goods with higher margins. The Weis Markets Gas n' Go is classified as a lower volume supermarket supplier and does not have an associated convenience store as cataloged above.

Immediate Trade Area

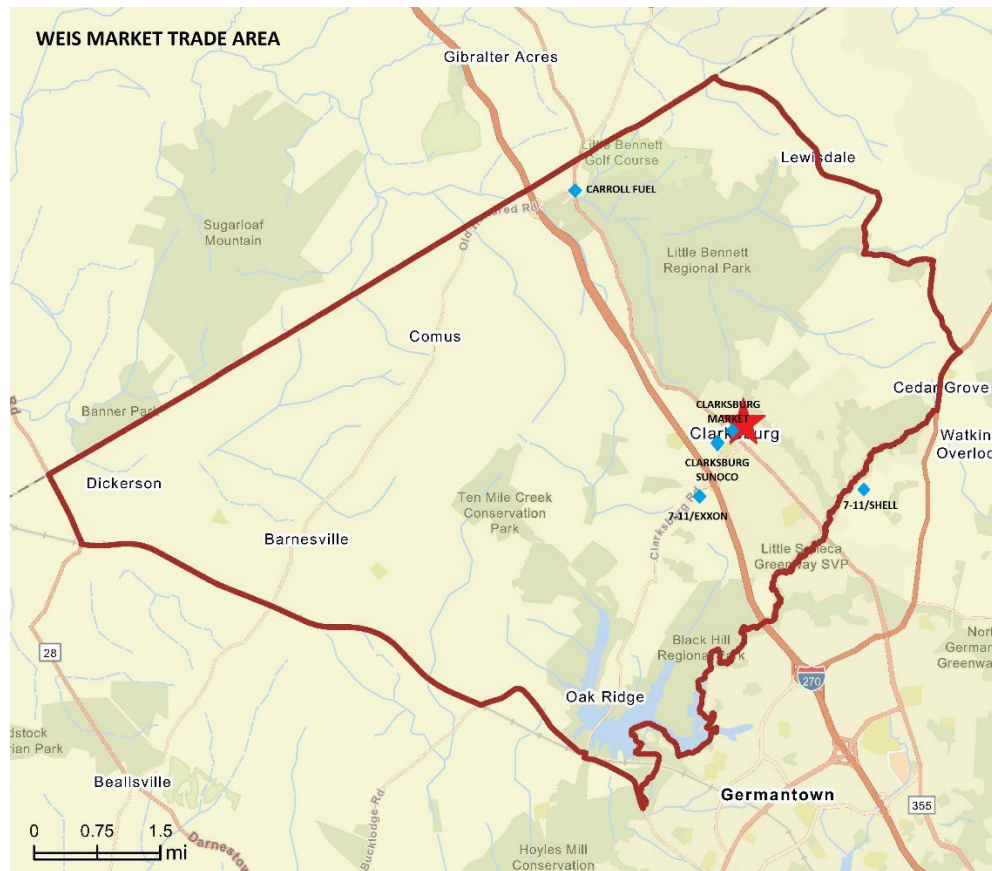
We have focused on the competitive supply within northwestern Montgomery County, since those gas stations are in the trade area's core at highway locations important for serving demand derived from throughout the broader trade area geography. As available, the areas of automobile filling station improvements and parcels have been taken from SDAT assessment records for the sake of consistency. We find that there are only six other existing gas stations located within the designated grocery store trade area:

- Clarksburg Sunoco – 23300 Clarksburg Road – This service station is located on the old main road that was replaced by Stringtown Road. This site is a service station with four bays and a small convenience store with a pizza shop vendor. There is one freestanding diesel pump and four MPD's under canopy. There is also a used car lot that appears to be associated with this use. The station was constructed in 1951 on approximately 0.78 acres. This site is less than one-half mile west of the subject.
- 7-11/Exxon – 22702 Gosnell Farm Drive – This store is the newest delivery to the market in 2022 on the west side of I-270 on the roundabout that is the entrance of the outlet mall. This facility has six MPD's and a 3,792 square foot convenience store. There are four diesel positions at the six MPD's, and no car wash.
- 7-11/Shell – 12101 Snowden Farm Parkway – This is a modern expanded convenience store with 6 MPD's under canopy and four diesel positions, which opened in 2015. Although just outside the designated trade area, due to its modern design and conveniences, it is a primary competitor for local demand at this time that is commuting to points south.
- Clarksburg Market – 23329 Frederick Road – This is a unique site with an historic house that was moved south slightly to accommodate Clarksburg Square Road, which is an entry road to Clarksburg Town Center from the West. The house is used as a small neighborhood grocer and delicatessen, with a long, one-way access parking lot that includes two MPD's serving Top Tier brand fuel and no diesel. This is a very awkward site to access for fuel, requiring entrance from Harness Point Way, which is internal to Clarksburg Square single and attached homes. Clearly this property is banking on the store's use over gas supply.
- Carroll Fuel – 1904 Urbana Pike – This is the only gas station between Clarksburg and the Frederick County line, in Hyattstown, on Frederick Road at Fire Tower Road. This is a Limited style convenience store with four MPD's and three diesel hoses under a canopy. It is also open 24 hours.

Evaluation

At the time of our survey on a weekday morning, only the modern gas stations with convenience were busy. The Clarksburg area is underserved with modern gasoline/convenience options, with only two other modern stations within 5-minutes of downtown historic Clarksburg – the other stations are an outdated service stations: one with small snack shop and pizza shop and one with a deli with an awkward parking lot with two gas pumps. We make the following observations:

- There are five gas stations presently serving the Clarksburg Weis trade area – an outdated service station with service bays; two modern 7-11s: one with Exxon gas, and with a 3,700 sq.ft. store, and 24-hour operation, and one with Shell gas and a 2,500 sq.ft. store; the closest gas station offering in the parking lot of a deli with two MPD's and no canopy; and the last station north of Clarksburg at a rural crossroads. One 7-11 is located southwest of the subject in a location where commuters would travel south (away from the subject) to access employment centers and southwest of the subject at the side of the I-270 interstate ramps. The other 7-11 is located southeast along a collector road that is used as an alternative to I-270. The 7-11s are attractive to commuters and commercial traffic, while the subject would appeal to local residents and rural homeowners who will grocery shop this store and possibly bypass the site to access I-270.
- Stringtown Road is a primary arterial route serving a large population of new households with access directly to I-270 and the commercial center on the south side of the interstate highway.
- Newer stations, on redeveloped sites or newly developed sites offer modern convenience and accessibility presently not available in the area.



Current Performance

Petroleum retail industry sources including the Maryland Motor Fuel Tax & Motor Carrier Tax (IFTA) Annual Report and "National Petroleum News" and our experience indicate that the average gasoline fuel service station pumps about 93,943 gallons of gasoline per month or 1.44 million gallons per year. Yet 80% of that volume was from convenience stores. In this trade area, there are only two modern convenience stores. The supply in the Clarksburg is limited to five gas stations, but only two are likely performing at or above the average. The others are models of low performance with service bays, no canopy, and limited convenience store offerings. Therefore, we estimate that the total supply is less than four million gallons per year.

More realistically the gas station performance in this trade area is based on other factors such as price and the presence of a convenience store, accessibility, and perceived safety and accessibility. The stores within the subject site trade area vary widely in regard to these other factors and some are so antiquated that they do not draw the same volumes of customers as the newest offerings. Based on ITE traffic generation models, a hyper convenience store has a daily customer traffic of 3,350 vehicles, whereas a traditional service station generates 1,200 ADT (35.8%).⁶ ITE classifies the super convenience station as one with greater than 3,000 sq.ft. of retail space and at least 10

⁶ Trip Generation Manual, 10th Edition, Institute of Traffic Engineers; September 2017

fueling positions. Within our trade area there is only one super convenience station at the 7-11/Exxon. Factoring the 36% rate of traffic generation among smaller stations to the hyper station, we can further refine the supply to be limited by a factor of 2:1, suggesting that the modern gas station with convenience services will draw more customer traffic than the outdated competitive supply.

Based on the performance of similar Weis Gas n' Go sites, the applicant is programming this site to produce approximately 1.3 million gallons per year. It is clear upon midday drive-by that the modern convenience store sites have a greater volume of traffic than the neighboring service station sites. The National Association of Convenience Stores (NACS) has surveyed that more than 50% of fuel customers prefer to go inside the store for additional purchases.

In addition to the other variables listed above, each of the competitive stations serves a different local market or trade area, likely based on a traditional 5-minute or 10-minute drive time. Customers in Germantown are not likely to venture northwest on I-270 to find gas. Likewise, for consumers in the Damascus area. It is also clear that the unmet local demand in Clarksburg is being met with supply in other distant markets, thereby increasing traffic and volumes of production at other stations.

Summary

We find that there is very limited competition within the defined Clarksburg Weis Gas n' Go station trade area for the available consumer demand for gasoline and diesel.

Immediate Trade Area Supply

The five other gas stations identified within the trade area are not directly competitive with the Weis Gas n' Go, due to their store, service bays, location and scale. Those stations serve the residents of the trade area, but also the commuters passing through the area to employment and destinations between Washington, DC and Frederick. Only two gas stations have a modern design with the greatest consumer demand. The closest stations are an old format service station with a pizza shop that is functionally obsolete, and a deli with two MPD's in an awkward one-way parking lot off a residential road.

Current Performance

Estimating that the total existing competitive supply is now pumping approximately six million gallons of gasoline per year, we judge that local consumer demand for gasoline within the trade area is shaped by other factors, including the arterial road network, commuters and travelers along the I-270 corridor and the availability of convenience services in a well-lit modern environment. Performance data and traffic generation models prove that the modern convenience store will generate more customer traffic than the traditional and smaller gas stations.

Unmet Demand

Based on the performance indicators above of the two modern stations and the three old stations, we estimate that there is unmet demand of approximately seven million gallons per annum in this trade area.

Summary & Conclusion

In this section, Polestar summarizes our findings and draws conclusions regarding the proposed Clarksburg St. Clair Road gas station on the north side of Stringtown Road at its intersection with Frederick Road (MD-355) in the unincorporated area of Clarksburg, Montgomery County, Maryland.

Clarksburg Weis Gas Station

The proposed Weis gas station is to be located on the north side of Stringtown Road and the west side of St. Clair Road, with access only to St. Clair Road. Although the property extends to the intersection, the proposed use would be located approximately 500 feet north of the intersection. The grocery site is approximately 4.5 acres and is currently improved by mass grading for a grocery store pad, with stormwater management and curb cuts for entrances from the road. The land is zoned Commercial Residential Town (CRT) 0.5 and is in the Town Center District of the Land Use Plan.

The site is proposed as part of the Clarksburg Town Center retail component, which lies on the south side of St. Clair Road. There will be a 56,500 square foot Weis grocery store anchoring the western side end of the site, six retail buildings fronting on St. Clair Road, and the proposed fuel pumps would be at the eastern end of the site, in the southeastern corner of the parking lot. The facility is proposed with three multiproduct dispensers (MPDs; 3MPDs = 6 fueling positions) under a canopy, and with a small 500 square foot manned kiosk. The proposed fuel pumps will be effectively hidden from the view of nearby residential uses by the Weis store, the other buildings of the Clarksburg Town Center, and landscaping, all of which create an urban walkable environment for the neighborhood. There is no convenience store, nor car wash or service associated with this use.

Supply/Demand Issues

Trade Area

The subject's primary trade area is defined as the geographic area within nine census block groups, as estimated by Environmental Systems Research Institute (ESRI). We believe this area demonstrates the customer base is likely to shop at the Weis store and purchase gas. Although there is no restriction on fuel purchases at the Weis, the fuel sales at grocery store stations are largely dependent upon consumer traffic for groceries.

Weis correctly assumes that most grocery customers from the rural northern parts of Montgomery County will travel to either Clarksburg or Damascus for groceries, and purchase fuel while there. There is little incentive for the householders in Clarksburg to travel into the congested suburbs of Germantown and points south to address daily needs accommodated by Weis. As such the trade

area demographics represent only a portion of the market share occupied by this store. Some additional market is derived from pass-through traffic. The data presented below is therefore conservative.

Trade Area Residents

The trade area's residential base is affluent, with an average household income estimated at \$201,727 in 2024. The majority (84.3%) of households are homeowners, with their homes having an estimated value of \$724,195 in 2024. The number of vehicles per household in 2022 averaged 1.96. The vast majority of nearly two-thirds (64.7%) of workers either drives alone to work, with nearly one-third (29.0%) having commute times in excess of 45 minutes.

Trade Area Demand

We find that there is strong demand within the Clarksburg trade area for gasoline fueling services. We have quantified 2024 demand for gasoline from residential, commercial and pass-through sources as at least 13.2 million gallons per year. We find that, though the Weis Markets customers represent total demand for approximately 0.5 million gallons of gasoline annually. This number is conservative, considering the lack of alternative options for grocery purchases and gasoline in this growing residential neighborhood.

Competitive Supply

We find that there is very limited competition within the defined Clarksburg Weis Markets Gas n' Go station trade area for the available consumer demand for gasoline:

- Immediate Trade Area Supply - The five other gas stations identified within the trade area are not directly competitive with Weis Gas n' Go, due to their store, service bays, location and scale. Those stations serve the residents of the trade area, but also the commuters passing through the area to employment and destinations between Washington, DC and Frederick. Only two gas stations are of modern design with the greatest consumer demand. The closest stations are an old format service stations: one station with a pizza shop that is functionally obsolete, and one station that is part of a deli with two MPD's in an awkward one-way parking lot off a residential road.
- Current Performance - Estimating that the total existing competitive supply is now pumping approximately six million gallons of gasoline per year, we judge that local consumer demand for gasoline within the trade area is shaped by other factors, including the arterial road network, commuters and travelers along the I-270 corridor and the availability of convenience services in a well-lit modern environment. Performance data and traffic generation models prove that the modern convenience store will generate more customer traffic than the traditional and smaller gas stations.

Conclusions

Polestar concludes, therefore, that the public need/necessity for the proposed Clarksburg Weis Markets Gas n' Go gas station is evident based on our analysis:

We find that there is an estimated residential demand (existing and growth) for at least 13.2 million gallons of gasoline within the defined Clarksburg Weis Markets trade area, as determined by standard market research methodologies of residential demand. It is important to note that the availability of gas stations in the immediate community are presently limited to five stations, one older, obsolete service station with limited convenience services, which is not in demand of the current consumer, two modern 7-11's and a deli with two MPD's in the parking lot. There is one other station remote to Clarksburg, in a northern village. We find that the older and smaller stations may not capture consistent levels of demand, as industry indicators suggest that a substantial volume of trade would be handled by the more modern facilities, which offer larger convenience spaces and services that are attractive to a broader market of consumers. Those stations are also not conveniently located to serve the bulk of the new housing market within the village of Clarksburg and immediately adjacent to Stringtown Road and Snowden Farm Parkway.

The net unmet demand in the Clarksburg Weis gas station trade area is approximately seven million gallons per year. Presently this demand is being met with supply from outside the immediate trade area, at gas stations located in other markets and near commuters' places of work.

There are few opportunities in the market area for customers to find fuel at a discount in a modern, well-lit environment that is in demand at this time. With two exceptions, the gas stations in the trade area are all old and/or outdated, and many do not offer a full range of fuels. Additionally, this station is to be located within the retail center of a planned residential community and accessible to adjacent residential communities, offering an opportunity to fuel up before accessing the interstate. The convenience of grocery shopping and filling gas on the same trip is also a great advantage.

APPENDIX A

Consultant Qualifications

Polestar Analysis

Polestar Analysis is a multifaceted land use and real estate consulting firm. Polestar provides clients with objective advice and practical assistance at every stage of decision-making in the spheres of land planning, economic development, and development, use or reuse of all types of real estate. Our clients include corporations, institutions, real estate owners, builders, developers, and government entities.

The principal-in-charge of this assignment has been Edward Steere, AICP, MSRE, Senior Managing Director. He has 35 years of planning, real estate development, and consulting experience. He has successfully completed market studies and economic and fiscal analyses for many development opportunities throughout the Mid-Atlantic in Maryland, Pennsylvania, Delaware and Virginia on behalf of public and private clients.

Edward M. Steere, AICP

Edward M. Steere, AICP, is the senior consultant who completed this assignment. Mr. Steere has a broad professional background in planning and real estate acquired over 35 years in the industry including: site design, entitlement, research, sales and marketing, development, financing and appraisal. His advisory assignments have encompassed: market and financial feasibility analyses of major real estate projects; land acquisition and marketing for residential development; tax-motivated and conventional financing for single family and multifamily residential projects; and advising public, non-profit and private clients concerning real estate decision-making.

Mr. Steere is qualified in analyzing the multitude of issues relating to residential and commercial real estate development, including: demographic and economic trends, financial analysis and property valuation, economic and fiscal impacts.

Mr. Steere has conducted real estate and market feasibility analyses throughout the Washington-Baltimore region. He has testified and has been accepted as an expert witness before administrative bodies concerning the public need for various kinds of commercial facilities and other planning issues in many of the jurisdictions in the Washington-Baltimore region, including the Montgomery County Office of Zoning and Administrative Hearings.