



January 30, 2008

MEMORANDUM

TO: Montgomery County Planning Board

FROM: Rollin Stanley, Director, Planning Department
Dan Hardy, Chief, Move/Transportation Planning Division
Pamela Dunn, Planner Coordinator, Explore/Research & Technology Center
Jacob Sesker, Planner Coordinator, Explore/research & Technology Center

SUBJECT: 2009-2011 Growth Policy Outline and Schedule

Recommendation:

That the Planning Board comment on the direction for the Growth Policy update outlined in this report.

Purpose:

This outline is intended to provide the Planning Board with the current thinking of staff on direction for the current update of the Growth Policy.

Introduction:

Up to this point the Growth Policy has and is about “what you cannot do”. Evaluation of development is based primarily on two factors, school and road capacity, to determine when development can proceed. Staff is looking to change this direction to “where and how we should be building”, adding sustainability to the evaluation.

A shift in this direction is timely. The past growth in Greenfield areas has almost ended, with only four percent of the county Greenfield areas left to develop. Future growth will increasingly look inward, to existing areas through infill and redevelopment activity. The need to amend master plans for areas like White Flint and Germantown highlights this trend.

In the past, a new subdivision might require a new or wider road, easily factored into the design. In an infill situation, building additional roads or widening existing ones is not always an option, either for physical or practical reasons. Does this mean that all infill activity should stop? Infill and redevelopment is also more likely to result in fewer

vehicle trips for a number of reasons.

- Closer proximity to transit
- Services are often within walking distance
- People can live closer to employment and education
- Other mobility options exist

Future growth will be strategic, focusing on transit and transportation corridors. Every strip mall in the County, or large surface parking lot, should be considered a potential site for mixed use development of appropriate scale. The business infrastructure, such as servicing and retail already exists. Most of the master planned highways are in place. New transportation infrastructure needs include planned transitways; localized, walkable street grids; and reinvestment in aging systems. Operational considerations are becoming of greater importance to ensure that both roadway and transit services are most efficiently utilized.

Similar questions need to be asked regarding community infrastructure such as parks, libraries, medical services and other community facilities in addition to schools. Should we be building new schools on the periphery of our growth boundaries or seeking a more urban footprint for new schools and creative reuse of older school sites? How should our recreation needs and parks be funded to address smarter infill growth? Is the access to affordable housing and medical services appropriate for an aging society?

Should these infill sites be credited for potential mitigation of some number of vehicle trips or school students in exchange for building “smart” by mixing uses, taking advantage of more accessible location and reducing the building emissions? Would it be acceptable to have slightly higher levels of congestion in exchange for greener development?

As new development occurs, levels of traffic do increase. However, if the development occurs in the right places, growth in traffic congestion is not proportional to development totals where mixed uses and good transit alternatives exist. Silver Spring and Bethesda have emerged as smart growth centers where traffic congestion is recognized by most constituents as an acceptable part of a thriving quality of life. In higher density situations, the acceptable or “perceived” cost of congestion is offset by people’s expectations for more congestion and their ability to budget for it usually offsets their negative opinions towards it.

Currently new development and redevelopment is acceptable to the public when it adds to their quality of life. In the past, the growth policy has interpreted this to mean adequate service levels for transportation and schools, and the availability of water and sewer. But this is a narrow slice of the effect of growth on an existing community.

The goal of the 2009-2011 Growth Policy is to envision development and redevelopment as an opportunity to improve conditions for neighborhoods by adding desired land uses, improving auto-transit-walk-bike connections, providing an improved streetscape and

creating development that is more energy, fiscal and environmentally sustainable.

Current Growth Policy:

- Consists primarily of APFO and impact tax schedule
 - Transportation tests: adoption of a policy area test, PAMR, and minor modifications to the local area test, LATR
 - School test : adoption of the MCPS program capacity for test threshold
 - Impact taxes: adoption of transportation and school impact taxes more closely aligned with the marginal cost of growth
- Introduced the concepts of sustainability and design into the Growth Policy

Future Growth Policy:

The Four Elements

Sustainability has become a one word shorthand for the idea that public policy should be designed to take into account the interaction of the economy, the environment, and social equity in guiding growth and making decisions about public investment. Sustainability is not an action but an outcome. The fundamentals for achieving sustainable growth and development include connections, diversity, design and the environment.

Connections are about linkages; linking people to work, healthcare, entertainment, stores, schools and the natural environment. It is also about the nature of these linkages; pedestrians, transit, bikeways and roads.

Diversity refers to variety in the housing stock and affordability, a mix of land uses, as well as diverse streetscapes that include a sense of history and identity.

Design is not an end unto itself; it is the means by which we encourage the coordination of mixed-use construction and open spaces with increased access to transportation and other public facilities in a fashion that enhances our environment and surroundings.

Environment is key to creating a sustainable community. Environmental stewardship involves awareness of our impact on the natural environment such as our contribution to greenhouse gas emissions and definitive steps to reverse historical carbon consumption trends.

New Directions

We are suggesting a new approach to Growth Policy, one that incorporates where and how growth occurs with the traditional role of guiding when growth occurs. This new approach requires a closer connection between encouraging “quality of place” and the incentive to grow smarter.

This approach will be synthesized with the master plan and zoning ordinance elements of our work program. In the County’s current legislative system,

- Master Plans primarily define where growth occurs
- Zoning primarily defines how growth occurs, and
- Growth policy primarily defines when growth occurs

We recommend that the Planning Board work within the County Code definitions to better synthesize the “where”, “how”, and “when”. For instance, the Public Hearing Draft of the White Flint Sector Plan recommends changes to both zoning and APFO transportation processes (Growth Policy). Similarly, the 2009-2011 Growth Policy should recommend a comprehensive set of growth incentives; some to be adopted by the Council in November’s growth policy and others through zoning text and master plan amendments.

We need to present a recommended Growth Policy to the Planning Board by June 15. We see four different alternatives for pursuing the integration of “where”, “how”, and “when” during the next four months, described below.

Alternative 1: Minor Tweaks to the Current System of Tests and Taxes

- For PAMR and LATR this could include:
 - Change the “acceptable” definition to allow Relative Arterial Mobility to drop to LOS E if Relative Transit Mobility is B (The Board’s May 2007 recommendation) for urban areas.
 - Develop cordon-line method exemption (explored in White Flint) from PAMR and LATR for urban areas to either/both:
 - Set upper limit for traffic volumes
 - Shift exaction to a proportional estimate of needed funding at local level
 - Develop parking-cap method exemption from PAMR and LATR for urban areas

- For schools this could include re-evaluation of the APFO threshold for the school facility payment and moratorium.
- For water/sewer service current adequacy is based on existing availability, we might consider the value in evaluating adequacy based on age of pipe as well.
- For fire/rescue adequacy has been based on response time. In 2007, the entire County fell within acceptable range of response times.
- For parks and recreational facilities, there is no current APFO. The 2007-2009 Growth Policy recommended revision to the current Recreation Guidelines. Currently, work is underway on Urban Park Guidelines. A comprehensive revision to the Recreation Guidelines should be considered.
- In strategic growth areas where transit is planned for the future, the Corridor Cities Transitway for example, new development in proximity to the future station location should be designated a Town Center Policy Area for purposes of calculating mitigation requirements (the Gaithersburg West Master Plan is advocating this approach, already in place for the Germantown Town Center, for the three station locations).
- For impact taxes and fees:
 - Transportation impact taxes could shift basis of calculation from vehicle trips to VMT
 - Define more disaggregated areas to reflect trip-length ranges for transportation impact fees - SFDU in Damascus would have a higher cost than SFDU in Fairland based on VMT
 - School impact taxes could shift basis of calculation from dwelling unit type to square footage
 - Amount of school facility payment and impact fee recalculated based on current school construction costs
 - Identifying separate transit infrastructure funding needs for the transportation impact fee and appropriating a higher proportion of the impact fee to transit in strategic areas
- Characteristics:
 - Philosophically very few changes with this approach

- This alternative matches the Council direction provided in the 2007-2009 Growth Policy Resolution
- This approach does not materially advance sustainability or design elements within the growth policy framework
- The effects from this approach are fairly predictable

Alternative 2: Targeted Incentives for Sustainable Development

- This would be crafted similar to recent legislation in California (SB 375), which promotes smarter growth through connections to public transit and higher densities as well as affordable housing goals. Projects meeting a specific list of criteria related to smart growth would be either exempt from specific required obligations or rewarded with additional density or expedited review.
- Possible criteria include proximity to transit/planned transit, energy efficiency/green building, mix of uses (certain percentage use/affordable), and attributes related to environmental conservation or enhancement.
- Possible incentives include expedited review, additional density, or reduced impact taxes. Possible exemptions could be granted for PAMR mitigation. These incentives could be tied to a floor area “bonus” system currently being evaluated as part of the zoning rewrite, where in exchange for specific development elements, a floor area increase is provided. For example, a green roof could result in a floor area increase of either (i) an area equal to the area of the green roof multiplied by a factor, or (ii) a floor area increase relative to the lot size
- Characteristics:
 - This alternative can provide valuation for both existing and planned transit proximity
 - Analysis to establish criteria and thresholds can be based on currently recorded/established data or requirements
 - This is an established approach to incentivize smart growth

Alternative 3: Use of LEED ND Standards

- Require a minimum level of acceptability for project approval – this would be similar to the prerequisites in the LEED ND framework. Where MNCPPC requirements are more stringent than the corresponding LEED ND prerequisite, MNCPPC requirement would prevail.
- Similar to the criteria above, establish a minimum point threshold related to fulfillment of LEED ND criteria with fewer prerequisites. This allows a tradeoff between criteria.
- There is value in this alternative as a “benchmark” for developments to even be considered. A minimum score is needed in order to submit drawings. Many of the current County requirements would be counted towards the base score.
- This “minimum” score, could be the trigger for a “green tape” process for sustainable buildings where the development process is expedited.
- Characteristics:
 - Use of LEED ND provides a measure of familiarity due to the widespread use and recognition of LEED for new construction.
 - LEED ND is not designed for regulatory use.
 - LEED ND pilot program has recently ended. Changes to the LEED ND framework will be made this spring.
 - Application of this approach is not yet tested and is unpredictable. Presumably, development proposals would adapt to pass the new tests and the myriad approaches to achieve any particular LEED score may or may not result in desired development.

Alternative 4: Carbon Trading at the Local Level

- Several of the LEED ND criteria have been identified as carbon-reducing. Establish a system to trade required criteria such as environmental, transportation, and Master Plan compliance criteria currently asked for, and possibly other LEED type criteria, based on carbon equivalencies.
- The idea is to move away from a capacity-centered APF system to one that considers impacts of all kinds in terms of carbon emissions. The thought is that carbon reductions through a green roof for example, could equate to the carbon of a specific number of auto trips. Technologies exist to calculate many of these carbon footprint tradeoffs, although the science remains an emerging one.

- The Planning Department is about to begin a new Capstone Project session with students from George Washington University. The Capstone Project assigned this year will focus on carbon trading at the local level.
- Characteristics:
 - Establishing a carbon equivalency for all required criteria will necessitate significant staff resources.
 - There is little national or local experience related to carbon trading at the local level for development.

Alternative 5 – Combination

- Mix some components of any number of the alternatives. (Elements of) Alternative 1 should be pursued in any scenario.
- Alternative 2 is currently favored by staff as the main “push” in direction for the “new look” growth policy.
- The minimum LEED type score in Alternative 3 could be the benchmark from which Alternative 2 is applied.

Further Discussion

All of the various alternatives need to be responsive to the considerations described below.

Strategic Growth Location Considerations

- One way to view development potential is related to current land use. Attachment A includes a map of the County’s growth areas describing four land use categories with distinct development characteristics:
 - Established Neighborhoods - areas of the County where little change is expected; primarily residential neighborhoods
 - Greenfield/Brownfield areas - only 4% of the County land area left is greenfield, and there are few brownfield areas
 - Reinvestment Areas - areas like downtown Silver Spring and Wheaton where significant infrastructure exists and reinvestment in these areas is creating new activities and more vibrant neighborhoods
 - Emerging Districts - FDA site, Gaithersburg West, and White Flint; areas where the character can be redefined to create sustainable communities

How should the variation in development potential affect APF requirements and impact taxes?

- Would there be times where transit proximity is not our highest priority? For instance, would a mixed use project that redevelops a surface parking lot in Burtonsville be smarter growth than a project that doubles the density on an already fully developed site in Silver Spring?
- If a development is built in a strategic location is an exemption from PAMR or LATR a reasonable incentive or should the tests be recalibrated by a set percentage to adjust the scoring system?
- Would coordinating certain “urban” boundary definitions (i.e., Metro Station policy areas, Transportation Management Districts, Urban Districts, Parking Lot Districts and off-street parking requirements, zoning boundaries for housing requirements) help achieve policy goals and streamline the development review process?

Policy Considerations

- Should there be an incentive to encourage projects that create a better balance in the “jobs to housing” ratio for a specific area?
- For a green project that scores well on a LEED type scenario, could some current requirements, environmental, site plan or otherwise, be waived or expedited?
- Should the growth policy consider a change to the end-state conditions of the County? If we incentivize greater density in our most urban areas, do we need to disincentivize an equal amount of density in less urban areas, or envision a greater growth total?

Fiscal Climate Considerations

- Given the current state of the economy, what types of development require incentives and what is the appropriate public sector response to incentivizing any or all types of growth? The allocation of responsibility can be a “zero sum game” by shifting a predefined burden of proof or responsibility to the locations and types of growth where incentives are desired (moving from vehicle trips to VMT in transportation impact taxes would lower costs for downcounty development and raise them for upcounty development). Or the County can choose to assume greater responsibility for development in the application of incentives (the exemption of hospitals and bioscience from the transportation impact tax was assumed by the in public sector rather than passed on to other types of growth).
- How does the Board wish to allocate scarce staff resources in the growth policy development? A direction toward Alternatives 3 or 4 above could result in substantial progress toward sustainable development, but we could not simultaneously dedicate resources to complete the items requested by the County Council as indicated under Alternative 1.

Schedule and Process

We initiated this year's Growth Policy study with a series of public discussions in November and December and an online survey. Attachment B summarizes the comments we received and has been used in developing the proposals in this memorandum.

Attachment C summarizes the proposed outreach process and project schedule. By County Council direction, the staff draft is due to the Planning Board by June 15. We recommend the following approach:

- Based on guidance received February 5, staff will spend several weeks, primarily working in-house, to develop preliminary growth policy recommendations for an interim review by the Planning Board at the end of March.
- During April and May, staff will work more extensively with stakeholders to refine the preliminary recommendations. During this time period, the Board also needs to act on other elements of the 2007-2009 Growth Policy including setting PAMR and school requirements for FY 10.

Conclusion

There has been a healthy internal discussion about how to bring sustainability into the Growth Policy discussion. Some creative ideas have emerged as outlined above. Some of these may need to be "cooked" for a longer period, perhaps the next review of the Growth Policy in 2011. However, staff believe that the options outlined here offer an exciting new approach, with a firm foundation in the known growth tools the County has embraced.

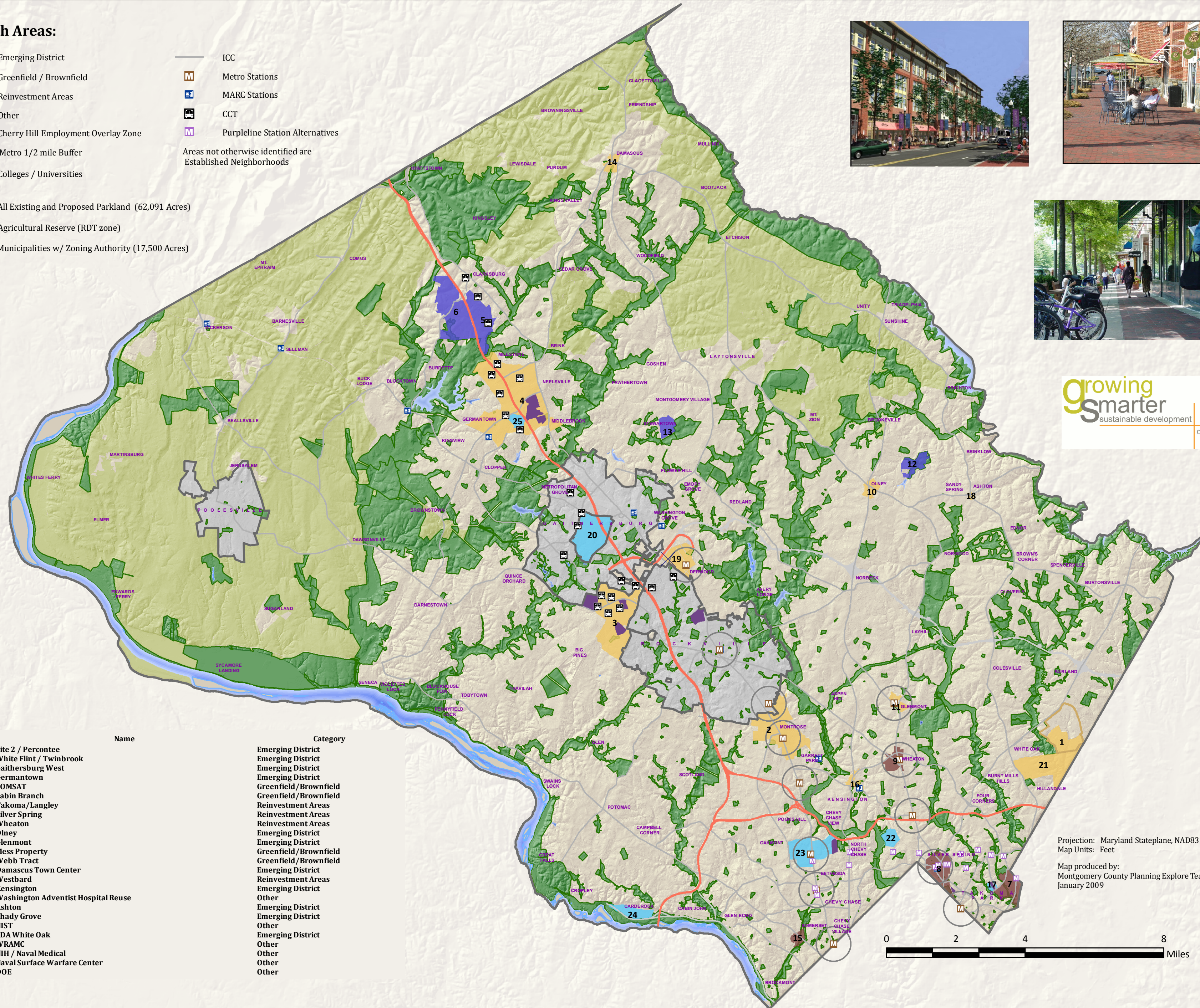
The key is to develop a way to balance or "mitigate" our traditional approach, with green, sustainable development that will result in a greater "quality of place" for residents.

Growth Map

DRAFT

Growth Areas:

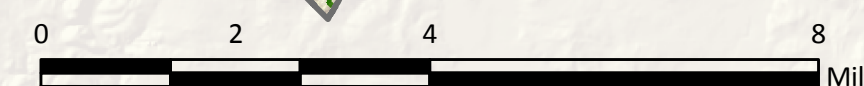
- Emerging District
 - Greenfield / Brownfield
 - Reinvestment Areas
 - Other
 - Cherry Hill Employment Overlay Zone
 - Metro 1/2 mile Buffer
 - Colleges / Universities
 - All Existing and Proposed Parkland (62,091 Acres)
 - Agricultural Reserve (RDT zone)
 - Municipalities w/ Zoning Authority (17,500 Acres)
- ICC
 - Metro Stations
 - MARC Stations
 - CCT
 - Purpleline Station Alternatives
- Areas not otherwise identified are Established Neighborhoods



| ID_NUM | Name | Category |
|--------|-------------------------------------|-----------------------|
| 1 | Site 2 / Percontee | Emerging District |
| 2 | White Flint / Twinbrook | Emerging District |
| 3 | Gaithersburg West | Emerging District |
| 4 | Germantown | Emerging District |
| 5 | COMSAT | Greenfield/Brownfield |
| 6 | Cabin Branch | Greenfield/Brownfield |
| 7 | Takoma/Langley | Reinvestment Areas |
| 8 | Silver Spring | Reinvestment Areas |
| 9 | Wheaton | Reinvestment Areas |
| 10 | Olney | Emerging District |
| 11 | Glenmont | Emerging District |
| 12 | Mess Property | Greenfield/Brownfield |
| 13 | Webb Tract | Greenfield/Brownfield |
| 14 | Damascus Town Center | Emerging District |
| 15 | Westbard | Reinvestment Areas |
| 16 | Kensington | Emerging District |
| 17 | Washington Adventist Hospital Reuse | Other |
| 18 | Ashton | Emerging District |
| 19 | Shady Grove | Emerging District |
| 20 | NIST | Other |
| 21 | FDA White Oak | Emerging District |
| 22 | WRAMC | Other |
| 23 | NIH / Naval Medical | Other |
| 24 | Naval Surface Warfare Center | Other |
| 25 | DOE | Other |

Projection: Maryland Stateplane, NAD83
Map Units: Feet

Map produced by:
Montgomery County Planning Explore Team
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Attachment B

Summary of Community Outreach Meetings on Growth Policy

This fall staff launched a public outreach campaign to educate citizens about Growth Policy and to elicit opinions on growth from County residents. To kick off this effort, a booth at the Silver Spring Fall Festival was staffed with planners who engaged the public in conversation about growth and development. At the festival, residents were provided the opportunity to answer an on-line survey and were offered information on upcoming meetings to be held regarding Growth Policy.

Following extensive public notification through press release, website posting, flyer distribution, and news articles, four community meetings were held in November and early December. The meetings were held in different areas of the County and at different days and times. This was done in an effort to increase participation and provide various opportunities for attendance. In addition to these meetings, an on-going effort is underway to publicize and encourage participation in the on-line survey.

At each of the four community meetings, staff made a presentation summarizing growth policy and introducing new concepts under consideration for inclusion in 2009-2011 Growth Policy. Following the presentation residents were asked to participate in guided discussions grouped into four categories: connections, diversity, design and environment. During each discussion, residents were asked to assess the relative value they place on various amenities related to each category.

Provided the prompts below participants were given a number of votes (less than the number of available prompts). Participants were instructed to place their votes on the amenities they value most, allowing for multiple votes per amenity. Below are the results:

| Connections | Percentage of Total Votes Cast |
|---|--------------------------------|
| Neighborhood parks easily accessible by bike or walking | 7% |
| Stores, libraries, schools or other public facilities accessible by walking, biking or taking transit | 21% |
| Access to transit like Metrorail, Metro bus, or Ride-On nearby | 15% |
| Improved sidewalks, biking and walking trails | 29% |
| Access to jobs by transit, walking or biking | 11% |
| Universal Wi-Fi access | 9% |
| Development of a bus rapid transit system | 10% |

| Diversity | Percentage of Total Votes Cast |
|--|--------------------------------|
| Varied housing-type choices such as apartments, single-family homes, senior-living, etc... | 15% |
| Varied housing choices for different income levels | 9% |
| Attracting and accommodating people of all ages, abilities, incomes and cultures | 22% |
| Increasing transportation choices | 27% |
| Creating a mix of homes, jobs, shopping and public places | 24% |
| Neighborhoods with a range of building heights, materials and uses | 3% |

| Design | Percentage of Total Votes Cast |
|---|--------------------------------|
| Commercial and residential centers with stores and restaurants that encourage walking | 24% |
| Sidewalks, building entrances and public spaces accessible to everyone | 10% |
| Beautiful public gathering places with green and active uses | 19% |
| Fewer surface parking lots; replaced with structured parking or renovated for developed use | 15% |
| Quality projects that contribute to a positive perception of our community | 10% |
| Recognize neighborhood character to retain or encourage community identity | 22% |

| Environment | Percentage of Total Votes Cast |
|--|--------------------------------|
| Energy efficiency and energy producing buildings | 22% |
| Improved air quality | 7% |
| Re-use of historic, existing and structurally sound buildings | 10% |
| Compact development to reduce environmental impacts | 10% |
| Restore and preserve wetlands, forests and sensitive habitats | 23% |
| Reduce impervious surfaces such as surface parking lots to reduce storm water runoff | 18% |
| Use existing infrastructure more intensively instead of building more (roads, water and sewer lines) | 10% |

In addition to voting, comments from the discussions were noted by staff. Most of the comments were additional amenities that the residents thought should be added to the list, or an elaboration on why a certain amenity had value. With regard to *connections*, several residents commented that pedestrian safety and lighting should be noted as another amenity of value. Several other residents suggested their desire to see Metro expansion brought to Germantown and/or Clarksburg, as well as expanded MARC service in the form of extended hours and weekend days. Although the majority of residents participating support an increase in transit, a few residents commented that they hoped major routes in the current road system would not lose lanes or shrink in lane width.

Under *diversity* it was noted that residents desire a variety in senior-housing – more mixed-use rather than campus setting. A common remark heard in this discussion was the need to protect local businesses in the face of expansion and redevelopment. Several residents remarked on the importance of neighborhood character and identity in both the *diversity* and *design* discussions.

With respect to *design*, a common remark was the need to integrate the landscape and natural environment into the project design. In addition, access for cyclists was also mentioned as a priority for design. Under *environment*, a few residents suggested providing incentives for green development through the provision of tax credits and regulation of greenhouse gas emissions was also requested.

The on-line survey is similar in design to the set of prompts presented at the community meetings. The survey is organized into the same four categories. Respondents are asked to rank from *least important* (a value of 1) to *most important* (a value of 7) a list of amenities almost identical to the list provided at the public meetings. One difference is that survey respondents could score every amenity as being *most important*. So far, over 150 surveys have been completed. Given most of the prompts are positive in nature, a majority of the prompts have received a ranking of 5, 6 or 7 by over 80% of the respondents.

Two questions were added to the on-line survey to gauge residents' valuation of the potential trade-off between (increased) traffic congestion (in the short-term) in exchange for increased transit or more energy-efficient design. For the first question, "Longer commute by car OK if you know transit is coming in a few years" approximately 39% of the responses were in the "*least important*" categories (scoring 1,2 or 3) compared to 38% rating it in the "*most important*" categories (scoring 5,6 or 7). For the second question, "Longer commute by car OK if you know new development will feature energy-efficient, walkable communities" the response was similar, 45% rating it in the "*least important*" categories compared to 47% in the "*most important*" categories.

Although these two questions did not receive an 80% or greater "approval rating" as did the other survey questions, the response was still positive. Overall, reception to the Growth Policy presentation and the discussions on growth were met with enthusiasm. Residents welcomed the opportunity to discuss growth and its implications in a framework broadened to include concepts related to diversity, design and the environment.

Attachment C: Proposed Growth Policy Outreach and Schedule:

- Establish an interagency working group with monthly meetings
- Meet with civic groups:
 - Dec. 4. Montgomery County Civic Federation
 - Jan. 15. Joint Chambers of Commerce (Gaithersburg and Germantown)
 - Feb. 2. Committee for Montgomery and D&R International Business Group (Silver Spring)
 - Feb. 25. Joint meeting of Sierra Club, League of Women Voters, and Coalition for Smart Growth
 - March 4. Montgomery County Building Industry Association
 - March 10. Olney Civic Association
 - March 19. State Planning Directors Roundtable
- Status Report with interim recommendations to the Planning Board on March 26th
 - Take public testimony
 - Present information from the 3/26 session to stakeholder groups at their April meetings to provide feedback information and encourage participation in June
- Planning Board adopts new PAMR mitigation April 27th
- Planning Board transmits Highway Mobility Report to the County Council April 27th
- Planning Board adopts FY10 School Enrollment figures, end of May
- Draft Report presented to the Planning Board on June 12th
 - Public meeting at MRO one evening the following week
 - Planning Board hearing June 25th
 - Worksessions in July
- Delivery of Planning Board draft to the County Council by August 1st
 - Worksessions with the PHED and MFP Committee in September
 - County Council hearing(s)
 - Worksessions with the full Council in October
- Adoption of 2009-2011 Growth Policy Resolution required by November 15th

Analysis Required as Part of the 2009-2011 Growth Policy under Resolution 16-376

F11- Biennial Growth Policy Report which must include the following:

- Analysis of the current and future pace and pattern of growth in the County
- Analysis of the factors affecting the demand for public facilities in established communities
- Update of the Sustainability Indicators (and the County's success in meeting the indicators)
- Implementation status report for each Master Plan/Sector Plan and how the planned development is proceeding, whether public facilities in the plan are proceeding in a timely way
- Biennial Highway Mobility Report
- List of priority public facilities to be added to the Capital Improvements Program

F12c – A study of options to increase efficiency in allocating development capacity, including trading capacity among private developers

F12d – A study of the County's job-housing balance, including implications for housing affordability and traffic congestion