



**Subdivision Staging Policy: Preliminary Recommendations on the Schools Test, Adequate Public Facilities Approval Trading**

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**Description**

The Subdivision Staging Policy (formerly the Growth Policy) seeks to ensure timely delivery of public facilities (schools, transportation, water, sewer, and other infrastructure) to serve existing and future development. Previously reviewed and adopted every two years, the Subdivision Staging Policy will now be adopted in the second year of each Council term. Three years have passed since the last policy was updated and in the future the policy update will occur every four years.

The Subdivision Staging Policy (SSP) is established to regulate the relative timing of development and facilities. Approved and adopted community master and sector plans regulate the amount, pattern, location, and type of development in the county. The SSP tools can, however, promote smarter growth and assure that sufficient funds are available to serve areas where growth is approved.

The staff will brief the Planning Board on preliminary recommendations regarding Schools and a previous recommendation found in the Planning Board Draft of the 2009-2011 Growth Policy to create a mechanism for transferring APF Approvals. Recommendations for Transportation Policy Area Review (TPAR) and Local Area Transportation Review (LATR) will be discussed at a later date. All recommendations approved by the Planning Board will be incorporated into a staff draft for the Board’s consideration prior to a public hearing.

**Summary**

The staff will present preliminary SSP recommendations beyond those being discussed on TPAR and LATR.

**School Recommendations and Annual School Test**

Regarding schools, staff recommends

- Retaining the current 105 percent capacity deficit threshold for assessment of a school facility payment.
- Retaining the current 120 percent capacity deficit threshold for moratorium new residential subdivisions and construction.
- Updating the school facility payment rates to reflect the most recent school construction costs available.

- Providing the Planning Board the authority to make a mid-cycle finding of adequacy.
- Retaining the current exemptions from the payment requirement.
- Accepting the results of the school test as calculated by Montgomery County Public Schools staff, for FY2013.

**Transfer of APF Approvals**

Regarding APF Transfers, staff recommends

- Deferring recommending this mechanism to County Council until TPAR has been implemented
- That if this tool is recommended:
  - it should exclude transfer of approval for number students
  - it should be guided by staff analysis outlined in this report

**Preliminary 2012 Subdivision Staging Policy School Recommendations and Annual School Test**

School adequacy evaluation is based on three factors. Montgomery County Public Schools (MCPS) enrollment projections, existing capacities of schools, and any additional capacity (additions and new schools) programmed through the County Council adopted Capital Improvements Program (CIP).

Each year 25 high school clusters are evaluated as part of the annual school test for adequacy. For each school level (elementary, middle and high), the total projected enrollment of all schools in the cluster is compared to total school capacity five years in the future. The five-year period represents the estimated time for development to proceed through the review and construction phases to occupancy. Additional students are counted at occupancy.

If a cluster’s projected enrollment exceeds projected capacity, residential subdivision approvals can be halted or assessed. The Subdivision Staging Policy determines the level of “overcrowding” that warrants an assessment (school facility payment) or moratorium.

Currently, at all three levels, enrollment must not exceed 105 percent of program capacity. If projected enrollment at any level exceeds 105 percent of program capacity, residential subdivisions in the affected cluster will be required to make a school facility payment per unit of development.

The school facility payment is derived from the per-student cost for new schools, using student generation rates for each school level by housing type.

**Preliminary Recommendations: Changes to School Adequacy Thresholds**

1. School Facility Payment:

*Retain the current 105 percent capacity deficit threshold for assessment of a school facility payment.* The past two Planning Board drafts of the Growth Policy have recommended a 110 percent school facility payment threshold, a threshold that more closely aligns with facility programming in the CIP. Yet, each time the County Council voted to retain the 105 percent threshold, stating its value as a consistent indicator of the need for capital infrastructure to ensure adequate school capacity.

2. Moratorium:

*Retain the current 120 percent capacity deficit threshold for moratorium new residential subdivisions and construction.* Until 2007-2009 Growth Policy, the threshold for imposition of a moratorium had rarely been exceeded. Since this time, the 120 percent threshold has been in place, and several school clusters have placed residential development under moratorium. In response, school facilities have been promptly programmed. This suggests that there is utility in retaining a standard that serves to alert decision-makers when projected enrollment and capacity are out of balance.

3. School Facility Payment Fees:

*Update the school facility payment rates to reflect the most recent school construction costs available.* The school facility payment fee is 60 percent of the construction cost of providing an additional school seat. The rate varies by school type as construction costs are not the same for an elementary, middle or high school. The rates currently in effect are those approved in 2007.

Table 1 below shows the current construction costs and facility payment rates, Table 2 the proposed update.

**Table 1: Current School Facility Payment Rates**

60% Construction Costs Per	Elementary	Middle	High
Student	\$19,515	\$25,411	\$28,501
School Facility Fee Per			
Single-family detached	\$6,245	\$3,659	\$3,734
Single-family attached	\$4,118	\$3,100	\$3,050
Multi-family garden apt.	\$2,986	\$1,423	\$1,112
High-rise; low-rise w/structured parking	\$820	\$991	\$941

**Table 2: Proposed School Facility Payment Rates**

60% Construction Costs Per	Elementary	Middle	High
Student	\$21,081	\$27,600	\$30,000
School Facility Fee Per			
Single-family detached	\$7,041	\$3,505	\$3,990
Single-family attached	\$3,963	\$2,926	\$4,410
Multi-family garden apt.	\$2,994	\$1,904	\$2,130
High-rise; low-rise w/structured parking	\$ 885	\$1,076	\$ 990

#### 4. Mid-Cycle Finding of Adequacy:

*Provide the Planning Board the authority to make a mid-cycle finding of adequacy.* Over the past few years, for school clusters under moratoria, the County Council has adopted “placeholder” capital projects as amendments to the CIP. This additional funded capacity allows development to be approved if the school facility payments are made. A placeholder is appropriate when facility planning is underway, but the request for design and construction funds has not yet been determined. The placeholder capital project essentially promises support for the full project in the following year’s CIP.

In the fall of 2009, a “placeholder” capital project was approved for three school clusters in order to address ongoing moratoria. For these clusters to come out of moratoria, the Planning Board would need to conduct a school test similar to the annual school test. To accomplish this, the 2009-2011 Growth Policy gave the Planning Board the authority to make a one-time mid-cycle finding of school adequacy for FY2010.

As the school queue monitors school adequacy during the course of a fiscal year, there is the potential for a cluster to enter a moratorium between annual school tests. Providing the Planning Board the authority to make a mid-cycle finding of adequacy would allow the Board to respond to any County Council approved “placeholder” capital project that occur any time.

#### 5. Exceptions:

*Retain the current De Minimis exemption* which allows the Planning Board to approve a subdivision in any cluster where public school capacity is inadequate, provided the subdivision consists of no more than three housing units and the applicant commits to pay a school facility payment as otherwise required.

*Retain exemption for senior housing* such that the Planning Board may approve a subdivision in any cluster where public school capacity is inadequate, provided the subdivision consists entirely of multifamily housing and related facilities for elderly or handicapped persons or multifamily housing units located in the age-restricted section of a planned retirement community.

*Retain current waiver of the school facility payment for projects located in an enterprise zone* (Wheaton CBD and Long Branch).

## Annual School Test

The Montgomery County Subdivision Staging Policy continues to monitor school capacity by means of an annual test of school capacity. The school test compares projected enrollment five years into the future with projected capacity for each of the 25 high school clusters at the elementary, middle and high school levels. The school test results are finalized in May of each year upon the Council's adoption of the Capital Improvements Program. The school test determines if residential subdivisions in any school cluster should be subject to either a school facilities payment or a moratorium. If projected enrollment at any level exceeds 105 percent of program capacity, residential subdivisions in the affected cluster will be required to make a school facility payment. In addition, if projected enrollment at any level exceeds 120 percent of program capacity, residential subdivisions in the affected cluster will be under moratorium.

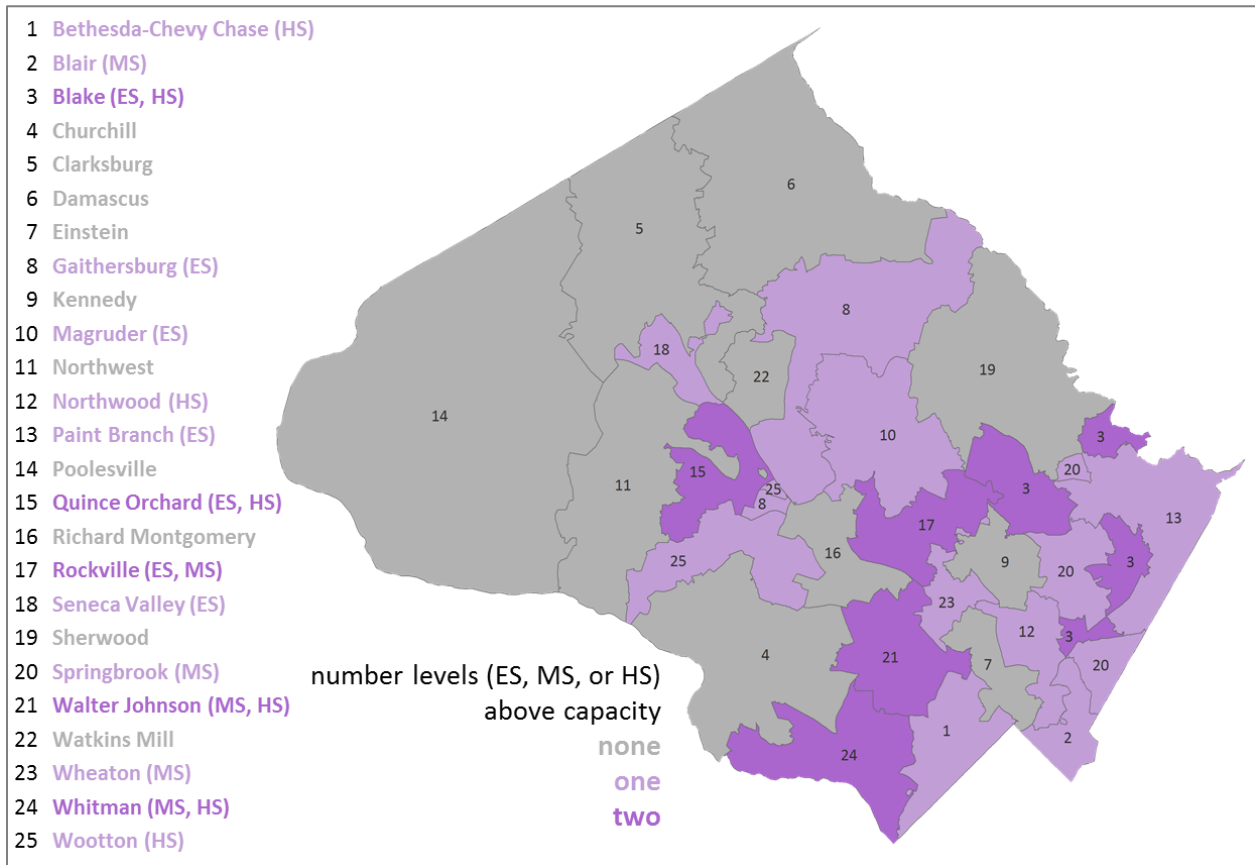
The annual school test analysis is prepared by Montgomery County Public Schools staff using the methodology presented to the Planning Board in April. Planning staff has reviewed the results of the MCPS analysis, below are the results.

For FY2013, the total number of clusters exceeding 105 percent program capacity is fifteen, five of which exceed at more than one school level (See Figure 1). Residential development in these fifteen clusters will be subject to a school facility payment. For those clusters inadequate at more than one school level, a school facility payment will be required for each inadequate school level. No school cluster exceeds the 120 percent program capacity ceiling. Therefore, residential subdivisions will not be under moratorium in any school cluster.

According to the analysis, a school facility payment will be required in the following clusters at the elementary school level: Blake, Gaithersburg, Magruder, Paint Branch, Quince Orchard, Rockville, and Seneca Valley. At the middle school level, residential development in the Blair, Walter Johnson, Rockville, Springbrook, Wheaton, and Whitman clusters will require a school facility payment. And, at the high school level, a school facility payment will be required in the Bethesda-Chevy Chase, Blake, Walter Johnson, Northwood, Quince Orchard, Whitman, and Wootton clusters. A school facility payment will be levied at each school level found to be inadequate.

During FY2012, thirteen school clusters required the payment of a school facility fee with eight school clusters exceeding capacity at more than one school level. One cluster was under moratorium for residential development in FY2012, the Richard Montgomery cluster.

**Figure 1: School Clusters Requiring a School Facility Payment FY 2013**



*Planning staff recommends that Planning Board accept the results of the school test as calculated by Montgomery County Public Schools staff, for FY2013. These findings are attached in Tables 3 and 4 on pages 7 and 8. Once accepted by the Planning Board, these tables (along with the resolution adopted by the Council in November 2009) will constitute Montgomery County's Subdivision Staging Policy as it relates to school capacity until the next Subdivision Staging Policy is adopted later this year.*

**Table 3: Subdivision Staging Policy - Results of School Test for FY 2013**

Reflects County Council Adopted FY 2013 Capital Budget and FY 2013–2018 Capital Improvements Program (CIP)  
Effective July 1, 2012

School Test Level	Description	Cluster Outcomes by Level		
		Elementary Inadequate	Middle Inadequate	High Inadequate
<b>Clusters over 105% utilization</b>	5-year test	Blake (106.7%)	Blair (106.9%)	B-CC ( 115.8%) *
School facility payment required in inadequate clusters to proceed.	Effective July 1, 2012	Gaithersburg (110.0%)	Walter Johnson (112.3%)	Blake (106.7%)
	Test year 2017-18	Magruder (105.4%)	Rockville (115.4%)	Walter Johnson (106.3%)
		Paint Branch (114.5%)	Springbrook (106.7%)	Northwood (111.5%)
		Quince Orchard (108.9%)	Wheaton (109.4%)	Quince Orchard (107.1%)
		Rockville (113.3%)	Whitman (116.0%)	Whitman (109.3%)
		Seneca Valley (111.9%)		Wootton (107.6%)
<b>Clusters over 120% utilization</b>	5-year test			
Moratorium required in clusters that are inadequate.	Effective July 1, 2012			
	Test year 2017-18			

\* Utilization of B-CC HS includes a "placeholder" capital project of ten classrooms, pending a request for an addition in a future CIP.

**Table 4: Subdivision Staging Policy FY 2013 School Test - Cluster Utilizations in 2017–2018**

Reflects County Council Adopted FY 2013 Capital Budget and FY 2013–2018 Capital Improvements Program (CIP)  
Effective July 1, 2012

Elementary School Test: Percent Utilization >105% School Facility Payment and >120% Moratorium

Cluster Area	Projected August 2017 Enrollment	100% MCPS Program Capacity With Adopted FY 13-18 CIP	Cluster Percent Utilization in 2017	School Test Result Capacity is:	Cluster is?
Bethesda-Chevy Chase	3,501	3,810	91.9%	Adequate	Open
Montgomery Blair	4,222	4,154	101.6%	Adequate	Open
<b>James Hubert Blake</b>	<b>2,585</b>	<b>2,423</b>	<b>106.7%</b>	<b>Inadequate</b>	<b>School Payment</b>
Winston Churchill	2,650	2,887	91.8%	Adequate	Open
Clarksburg	4,029	3,998	100.8%	Adequate	Open
Damascus	2,395	2,409	99.4%	Adequate	Open
Albert Einstein	2,760	2,639	104.6%	Adequate	Open
<b>Gaithersburg</b>	<b>4,001</b>	<b>3,637</b>	<b>110.0%</b>	<b>Inadequate</b>	<b>School Payment</b>
Walter Johnson	4,089	3,946	103.6%	Adequate	Open
John F. Kennedy	2,773	2,910	95.3%	Adequate	Open
<b>Col. Zadok Magruder</b>	<b>2,683</b>	<b>2,546</b>	<b>105.4%</b>	<b>Inadequate</b>	<b>School Payment</b>
Richard Montgomery	2,745	2,978	92.2%	Adequate	Open
Northwest	4,249	4,309	98.6%	Adequate	Open
Northwood	3,464	3,376	102.6%	Adequate	Open
<b>Paint Branch</b>	<b>2,464</b>	<b>2,152</b>	<b>114.5%</b>	<b>Inadequate</b>	<b>School Payment</b>
Poolesville	652	758	86.0%	Adequate	Open
<b>Quince Orchard</b>	<b>3,035</b>	<b>2,787</b>	<b>108.9%</b>	<b>Inadequate</b>	<b>School Payment</b>
<b>Rockville</b>	<b>2,609</b>	<b>2,303</b>	<b>113.3%</b>	<b>Inadequate</b>	<b>School Payment</b>
<b>Seneca Valley</b>	<b>2,401</b>	<b>2,145</b>	<b>111.9%</b>	<b>Inadequate</b>	<b>School Payment</b>
Sherwood	2,017	2,427	83.1%	Adequate	Open
Springbrook	3,295	3,151	104.6%	Adequate	Open
Watkins Mill	2,663	2,721	97.9%	Adequate	Open
Wheaton	3,156	3,304	95.5%	Adequate	Open
Walt Whitman	2,554	2,560	99.8%	Adequate	Open
Thomas S. Wootton	2,893	3,246	89.1%	Adequate	Open

73,576

**Table 4 (continued)**

**Middle School Test: Percent Utilization >105% School Facility Payment and >120% Moratorium**

Cluster Area	Projected August 2017 Enrollment	100% MCPS Program Capacity With Adopted FY 13-18 CIP	Cluster Percent Utilization in 2017	School Test Result Capacity is:	Cluster is?
Bethesda-Chevy Chase	1,608	2,007	80.1%	Adequate	Open
<b>Montgomery Blair</b>	<b>2,455</b>	<b>2,296</b>	<b>106.9%</b>	<b>Inadequate</b>	<b>School Payment</b>
James Hubert Blake	1,301	1,314	99.0%	Adequate	Open
Winston Churchill	1,345	1,593	84.4%	Adequate	Open
Clarksburg	1,871	2,381	78.6%	Adequate	Open
Damascus	758	740	102.4%	Adequate	Open
Albert Einstein	1,234	1,332	92.6%	Adequate	Open
Gaithersburg	1,711	1,797	95.2%	Adequate	Open
<b>Walter Johnson</b>	<b>2,057</b>	<b>1,831</b>	<b>112.3%</b>	<b>Inadequate</b>	<b>School Payment</b>
John F. Kennedy	1,411	1,436	98.3%	Adequate	Open
Col. Zadok Magruder	1,277	1,637	78.0%	Adequate	Open
Richard Montgomery	1,331	1,444	92.2%	Adequate	Open
Northwest	2,135	2,052	104.0%	Adequate	Open
Northwood	1,453	1,459	99.6%	Adequate	Open
Paint Branch	1,279	1,228	104.2%	Adequate	Open
Poolesville	317	459	69.1%	Adequate	Open
Quince Orchard	1,453	1,688	86.1%	Adequate	Open
<b>Rockville</b>	<b>1,099</b>	<b>952</b>	<b>115.4%</b>	<b>Inadequate</b>	<b>School Payment</b>
Seneca Valley	1,302	1,485	87.7%	Adequate	Open
Sherwood	1,127	1,501	75.1%	Adequate	Open
<b>Springbrook</b>	<b>1,361</b>	<b>1,275</b>	<b>106.7%</b>	<b>Inadequate</b>	<b>School Payment</b>
Watkins Mill	1,239	1,359	91.2%	Adequate	Open
<b>Wheaton</b>	<b>1,738</b>	<b>1,588</b>	<b>109.4%</b>	<b>Inadequate</b>	<b>School Payment</b>
<b>Walt Whitman</b>	<b>1,474</b>	<b>1,271</b>	<b>116.0%</b>	<b>Inadequate</b>	<b>School Payment</b>
Thomas S. Wootton	1,434	1,567	91.5%	Adequate	Open

37,692

**High School Test: Percent Utilization >105% School Facility Payment and >120% Moratorium**

Cluster Area	Projected August 2017 Enrollment	100% MCPS Program Capacity With Adopted FY 13-18 CIP	Cluster Percent Utilization in 2017	School Test Result Capacity is:	Cluster is?
<b>Bethesda-Chevy Chase*</b>	<b>2,162</b>	<b>1,867</b>	<b>115.8%</b>	<b>Inadequate</b>	<b>School Payment</b>
Montgomery Blair	2,980	2,875	103.7%	Adequate	Open
<b>James Hubert Blake</b>	<b>1,840</b>	<b>1,724</b>	<b>106.7%</b>	<b>Inadequate</b>	<b>School Payment</b>
Winston Churchill	1,860	1,941	95.8%	Adequate	Open
Clarksburg	1,933	1,971	98.1%	Adequate	Open
Damascus	1,267	1,479	85.7%	Adequate	Open
Albert Einstein	1,468	1,618	90.7%	Adequate	Open
Gaithersburg	2,087	2,284	91.4%	Adequate	Open
<b>Walter Johnson</b>	<b>2,437</b>	<b>2,292</b>	<b>106.3%</b>	<b>Inadequate</b>	<b>School Payment</b>
John F. Kennedy	1,694	1,793	94.5%	Adequate	Open
Col. Zadok Magruder	1,626	1,896	85.8%	Adequate	Open
Richard Montgomery	2,301	2,232	103.1%	Adequate	Open
Northwest	2,246	2,151	104.4%	Adequate	Open
<b>Northwood</b>	<b>1,686</b>	<b>1,512</b>	<b>111.5%</b>	<b>Inadequate</b>	<b>School Payment</b>
Paint Branch	1,881	1,899	99.1%	Adequate	Open
Poolesville	1,097	1,152	95.2%	Adequate	Open
<b>Quince Orchard</b>	<b>1,903</b>	<b>1,777</b>	<b>107.1%</b>	<b>Inadequate</b>	<b>School Payment</b>
Rockville	1,499	1,530	98.0%	Adequate	Open
Seneca Valley	1,376	1,694	81.2%	Adequate	Open
Sherwood	1,868	2,013	92.8%	Adequate	Open
Springbrook	1,806	2,082	86.7%	Adequate	Open
Watkins Mill	1,499	1,980	75.7%	Adequate	Open
Wheaton	1,388	1,604	86.5%	Adequate	Open
<b>Walt Whitman</b>	<b>1,998</b>	<b>1,828</b>	<b>109.3%</b>	<b>Inadequate</b>	<b>School Payment</b>
<b>Thomas S. Wootton</b>	<b>2,249</b>	<b>2,091</b>	<b>107.6%</b>	<b>Inadequate</b>	<b>School Payment</b>

\* Capacity at Bethesda-Chevy Chase HS includes a "placeholder" capital project of ten classrooms, pending a request for an addition in a future CIP.



## **Transfer of Approved Adequate Public Facilities (APF)**

### **Background**

One recommendation in the Planning Board Draft of the 2009-2011 Growth Policy was to create a mechanism whereby approved number of APF trips and school students from a development plan in the pipeline could be transferred from a project no longer going forward—prior to their APF expiration date—to a new development plan in an urbanized area of the county. The premise of this proposal is that mitigation standards from past pipeline projects' approvals would be less costly than current standards and utilizing those standards would lower a new applicant's costs. A "sending" plan's approvals would be extinguished, and the "receiving" plan would be more likely to go forward.

From a smart growth standpoint, this policy could shift approvals from areas less served by transit—with potentially greater and longer trips—to areas that are most appropriate for growth. If some of these trips could be shifted to the MSPAs or other urban areas, the same number of vehicle trips would have less of an impact on the road system due to higher transit mode shares and shorter driving distances. Vehicle trips are shorter in urban areas that have more destinations.

This policy also has potential to clear the pipeline of hypothetical trips and students that will never actualize, prior to their eventual expiration. Since the pipeline is used in schools and transportation tests both directly, and now—through the new Transportation Policy Area Review's (TPAR) use of the Cooperative Forecast—indirectly, to determine how much new applicants will have to mitigate for their projects, taking out these hypothetical trips would mean new applicants would not be paying for impacts that are not going to happen.

### **Recommendations for 2012 Subdivision Staging Policy (SSP)**

#### ***Schools APF***

When this proposal last went to the Council as a part of the Planning Board Draft of the 2009-2011 Growth Policy, Council Staff recommended against allowing transfer of schools APF approvals within a school cluster. The Board of Education was against transfer within clusters in moratorium and the Montgomery County Civic Federation was against trading outside an Elementary School service area. With school overcrowding being a continually contentious issue, Staff recommends no longer pursuing APF transfers for the schools test. But the schools portion of a developments' APF approval would still have to be extinguished if the development wanted to transfer transportation capacity.

#### ***Transportation APF***

Regarding trip transfers, Council Staff recommended "deferring this proposal to a Growth Policy amendment or the next Growth Policy—whenever alternatives to PAMR are taken up." The 2012 SSP is effectively the "next Growth Policy" and the alternative to PAMR (TPAR) is now being addressed. Staff felt it was important to bring this policy recommendation back to the Board as a result. Staff carefully examined the 2009 APF Transfer proposal and worked to shape the policy further to make it more successful, if and when it gets implemented. However, key cost determinations for TPAR remain undetermined, hindering a full assessment of whether APF trading would be necessary or effective.

Without a cost per trip calculation for each policy area and a decision from Council on how much public funds will be offsetting developers' costs from area to area, Staff cannot determine whether using previous PAMR mitigation standards will be attractive to new applicants. Even if those determinations were already made, it may be best to evaluate the effectiveness of APF trading after a year or more of TPAR implementation. Further, Staff are concerned that allowing new applicants to avoid TPAR requirements undercuts the Subdivision Staging Policy's intent to ensure timely delivery of new public facilities that meet the demands of new development.

### **Suggestions for Future Considerations of APF Trip Transfers**

Staff has prepared a framework of guiding principles to make an APF trip transfer policy successful. Below, applying these principles, staff has proposed a recommendation for such transfers if and when such a policy is considered.

#### ***Guiding Principles***

*Efficiency*—The policy should give applicants the opportunity to make use of approvals that would otherwise go to waste.

*Smart Growth*—The policy should help to incentivize growth from where we least want it to where we would most want it.

*Utility*—The policy should maximize opportunities to remove from the pipeline projects that may never move forward.

*Equity*—The policy should allow as many applicants as possible that face expiration to have the same opportunity to recoup application and recordation costs.

#### ***Selecting an Appropriate Geography for Urban Areas***

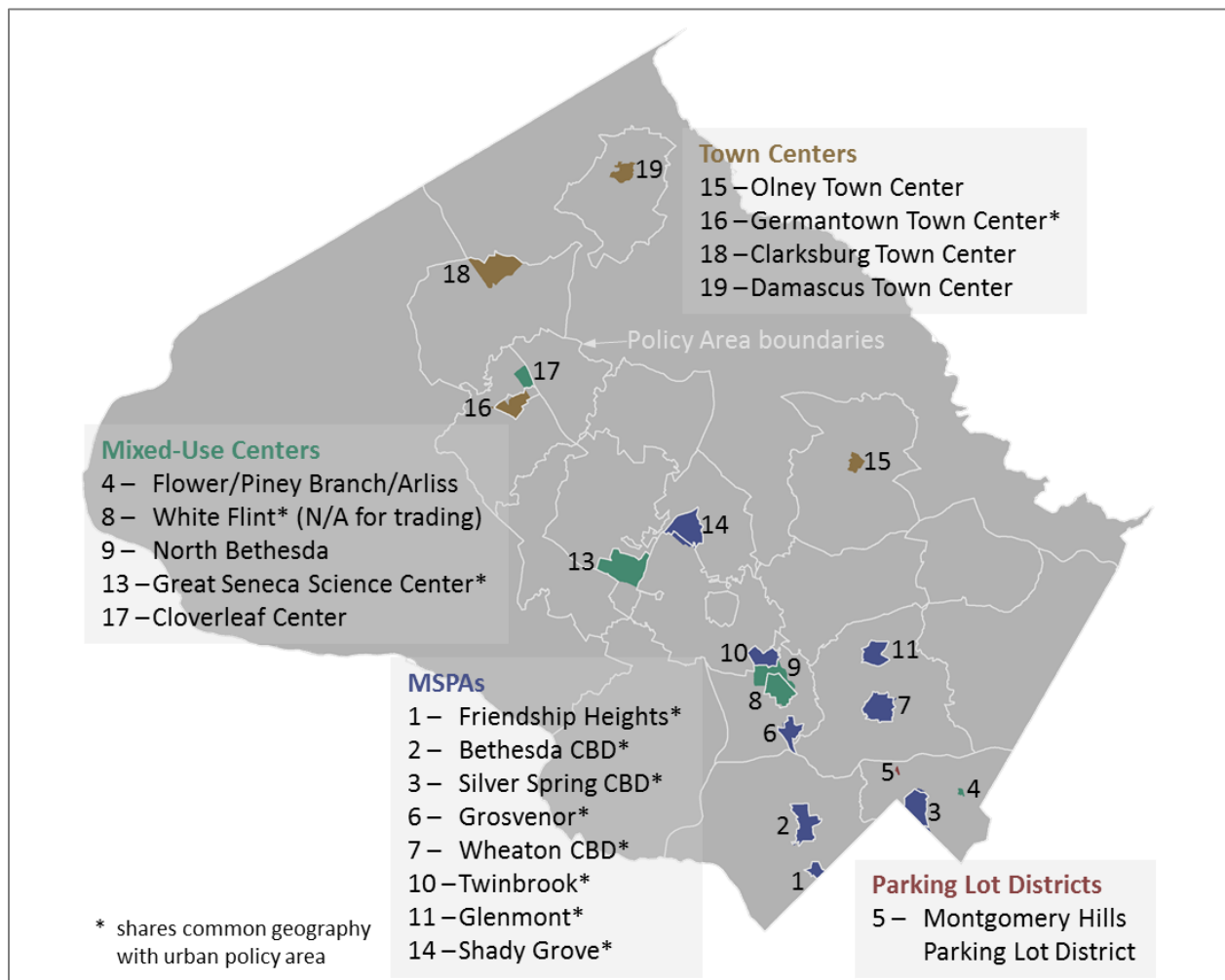
The 2009-2011 Growth Policy recommended the use of Road Code Urban areas as the geography used for plans that could receive APF trips from adjacent suburban or rural portions of the same Policy Area within which the Road Code Urban area exists. Staff now recommend against using Road Code Urban geographies, adhering to policy area boundaries instead. Current policy areas include many of the same urbanized areas as Road Code Urban geographies for reasons explained below.

If trips are meant to be traded within a policy area or from a "parent" suburban/rural policy area to a "child" urban area within it, Road Code Urban areas do extend sender participation to more policy areas in the County. This would improve the policy according to the guiding principles of equity and utility, however, it waters down smart growth because there is great variation among Road Code Urban areas as to their degree of urbanization. Development in Damascus Town Center, for instance, would not be expected to utilize nearly the degree of transit mode shares or create fewer, shorter trips as development in Bethesda CBD.

Figure 2 shows a map of current Road Code Urban areas by the class: MSPAs, Town Centers, Mixed-Use Centers, and Parking Lot Districts. Additional reasons for not using Road Code Urban geographies are listed below.

- Road Code Urban areas are created and updated by the County Government, while the Planning Board controls Policy Area geographies. The Board can set appropriate criteria to take APF trip receiving and sending areas into its decisions for Policy Area updates, but the Road Code, its criteria, and purposes are out of the Board’s hands.
- Some Road Code Urban areas are not expected to produce new applications for development, while all urban Policy Areas see continued growth for years to come.
- Many Road Code Urban areas do not conform to Policy Area boundaries—sometimes spilling over from a suburban to a rural Policy Area or partially containing municipalities for which we do not see development applications. Other times, as with Germantown Town Center, Policy Areas and Road Code Urban areas share the same name but only cover some common areas. This could cause confusion over what new plans might be eligible for receiving trips if they are in one version of “Germantown Town Center” but not the other.

**Figure 2: Road Code Urban (UCA) Areas and Classifications**



Urban Policy Areas have a consistent level of urbanization. The MSPAs (all of which are in both geographies) are served by high quality transit, and the two other areas, Germantown Town Center and R&D Village are slated to be serviced by the Corridor Cities Transitway, beyond already having a higher

degree of destinations for walking, biking, or short car trips within them. They are also slated for continually high growth.

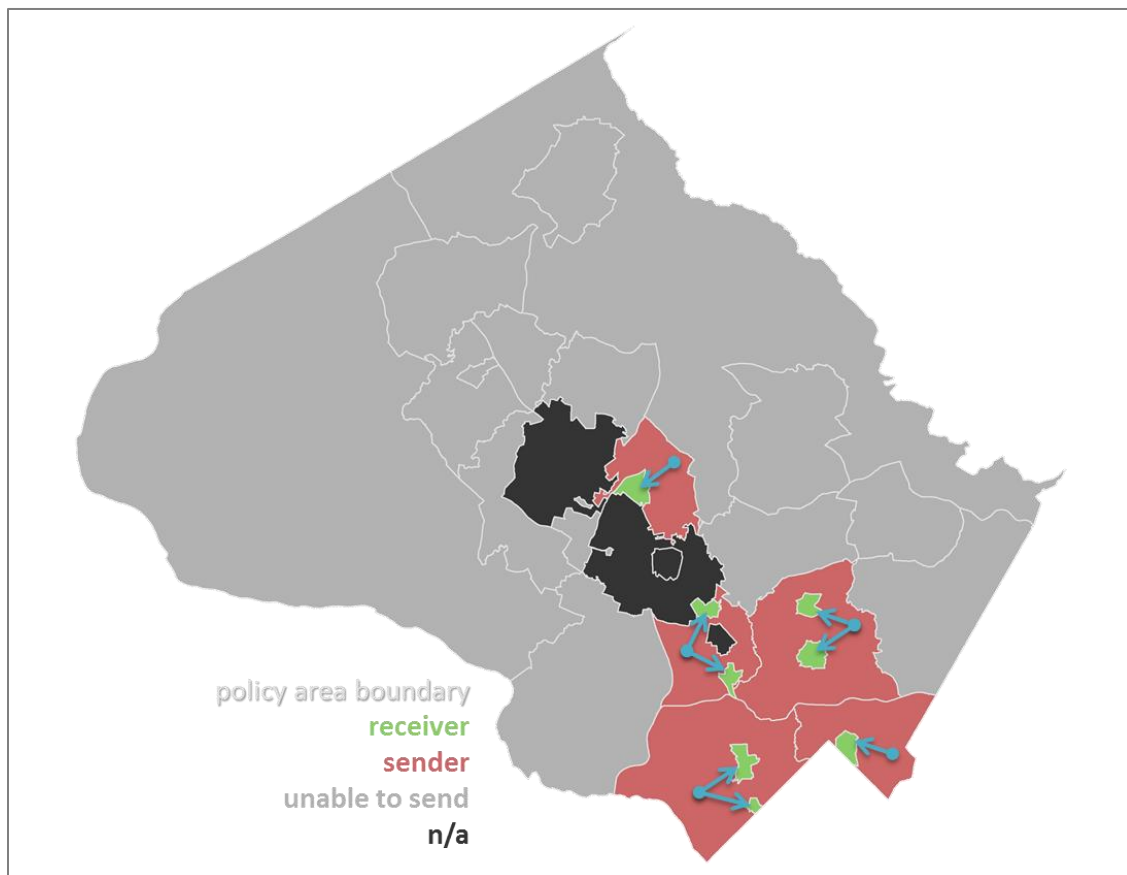
**Sender/Receiver Scenarios Using Policy Area Boundaries**

Three policy scenarios—Alternatives 1, 2, and 3—were evaluated in light of the guiding principles listed above when considering what areas should send and receive trips.

*Alternative 1*

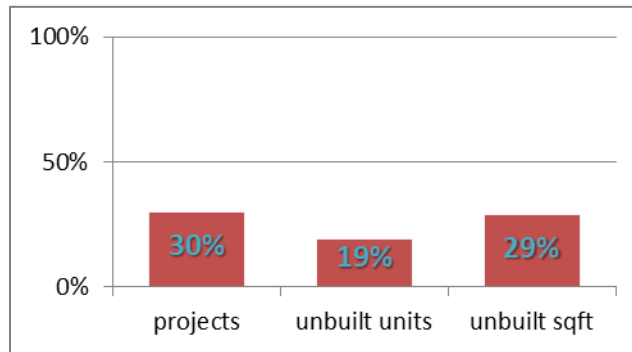
Because the 2009-2011 Growth Policy proposed trading from “parent” (surrounding) to “child”(urban core) policy areas and made special mention of MSPAs, Alternative 1 examines what areas would be able to participate if only MSPAs could receive trips and only projects within an MSPA’s parent policy area could send to it. Figure 3 is a map depicting policy areas as a “sender” or “receiver” under Alternative 1. It also shows which policy areas are “unable to send” because they lack a child MSPA. Four policy areas are labeled “N/A” because they would not participate in APF trading. The Board has no jurisdiction over development plans in Rockville City, Rockville Town Center, and Gaithersburg City. While it does make decisions on development plans in White Flint, within that Sector Plan area, staging and financing public facilities operates independently from the SSP.

**Figure 3: Alternative 1 Map**



For the principles of efficiency, equity, and utility, the number of plans that could participate in the proposed policy is a key factor. To gauge how many plans might one day be eligible to utilize trip transfers, current pipeline projects with APF expiration dates were used. Figure 4 shows that only 30 percent of projects, 19 percent of unbuilt units, and 29 percent of unbuilt non-residential square feet from projects outside urban policy areas could use the policy under Alternative 1.

**Figure 4: Eligible Sending Participation from Current Pipeline Projects Outside Urban Policy Areas – Alternative 1**



Among all these plans that are eligible for sending trips at some point, it is helpful to gauge how many might be likely to send in the next few years if an APF transfer policy is implemented. Staff opinion is that urban projects—tending to be larger than many suburban or rural projects—would want to cover a larger portion of their trip mitigation requirements through APF transfer in order to make it worth their while to pursue transfers. As a result, for this analysis, a threshold of projects was set with 50 or greater units or 50,000 or greater commercial sq. ft. set to expire by the end of 2015. Under Alternative 1, only one project meets the 50 unit or more criteria, with 844 unbuilt units. Six meet the sq. ft. criteria, totaling 1,037,393 unbuilt sq. ft.

*Alternative 2*

Figure 5 is a map showing participation under Alternative 2. In this scenario, non-MSPA urban Policy Areas are added to the receivers. Germantown West is added as a sender to Germantown Town Center’s parent Policy Area. R&D Village lacks a parent policy area but North Potomac could be considered for that role because of its adjacency to R&D Village and because both are in large part covered by the Great Seneca Science Corridor Master Plan geography. Because of this, Figure 6 shows a range of participation by projects, unbuilt units, and unbuilt sq. ft. Because no plans expiring before the end of 2015 meet the 50 unit or 50,000 sq. ft. thresholds in Germantown West or North Potomac, the overall plans meeting this criteria are the same as Alternative 1.

Figure 5: Alternative 2 Map

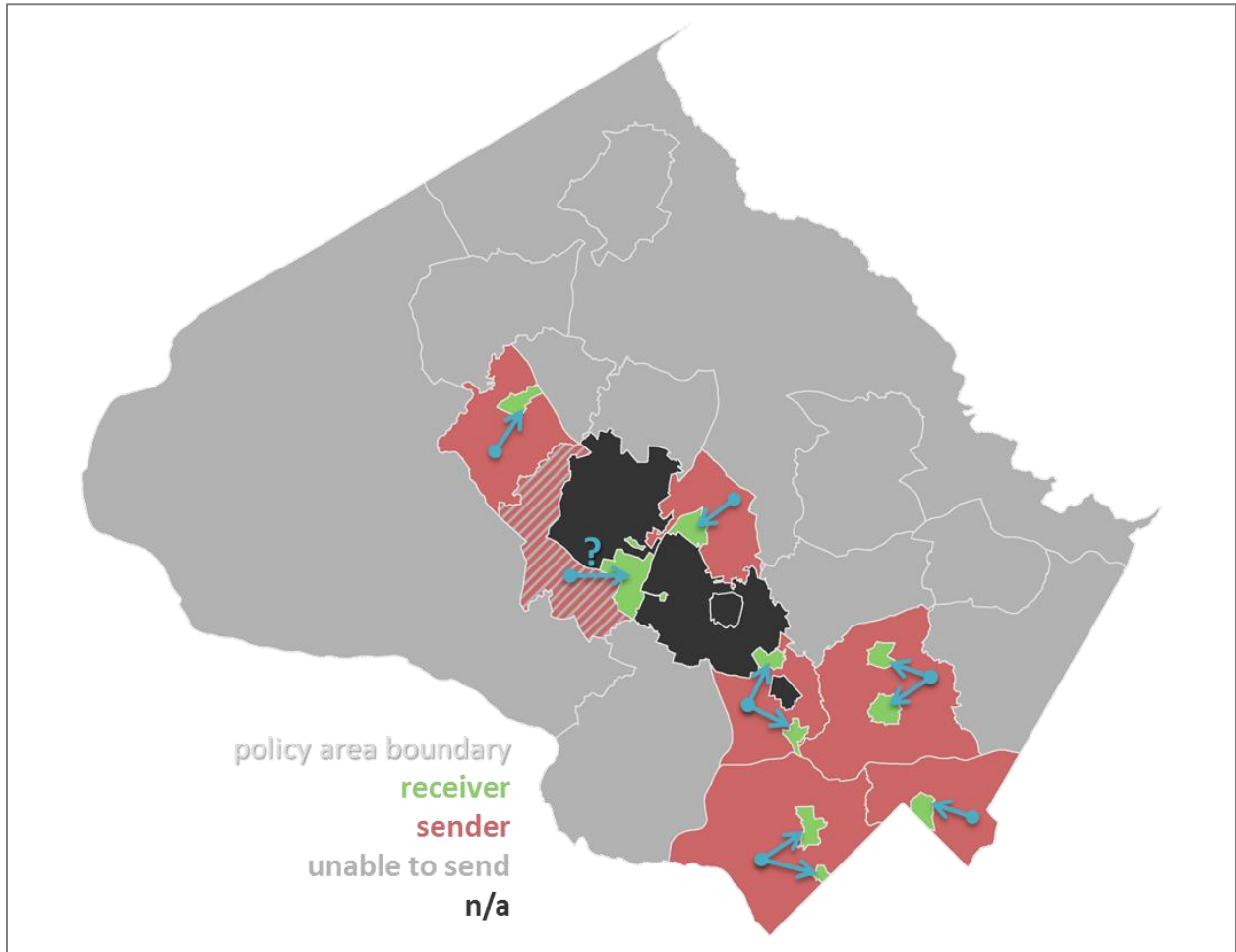
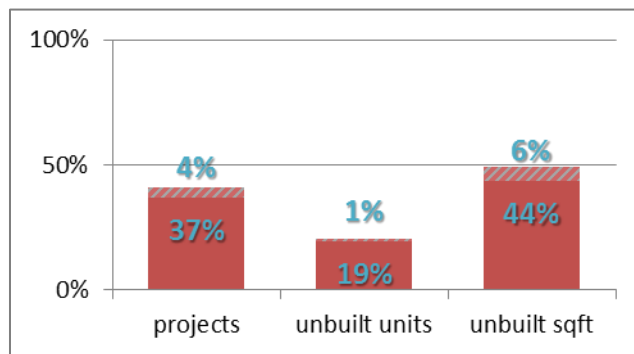


Figure 6: Eligible Sending Participation from Current Pipeline Projects Outside Urban Policy Areas – Alternative 2

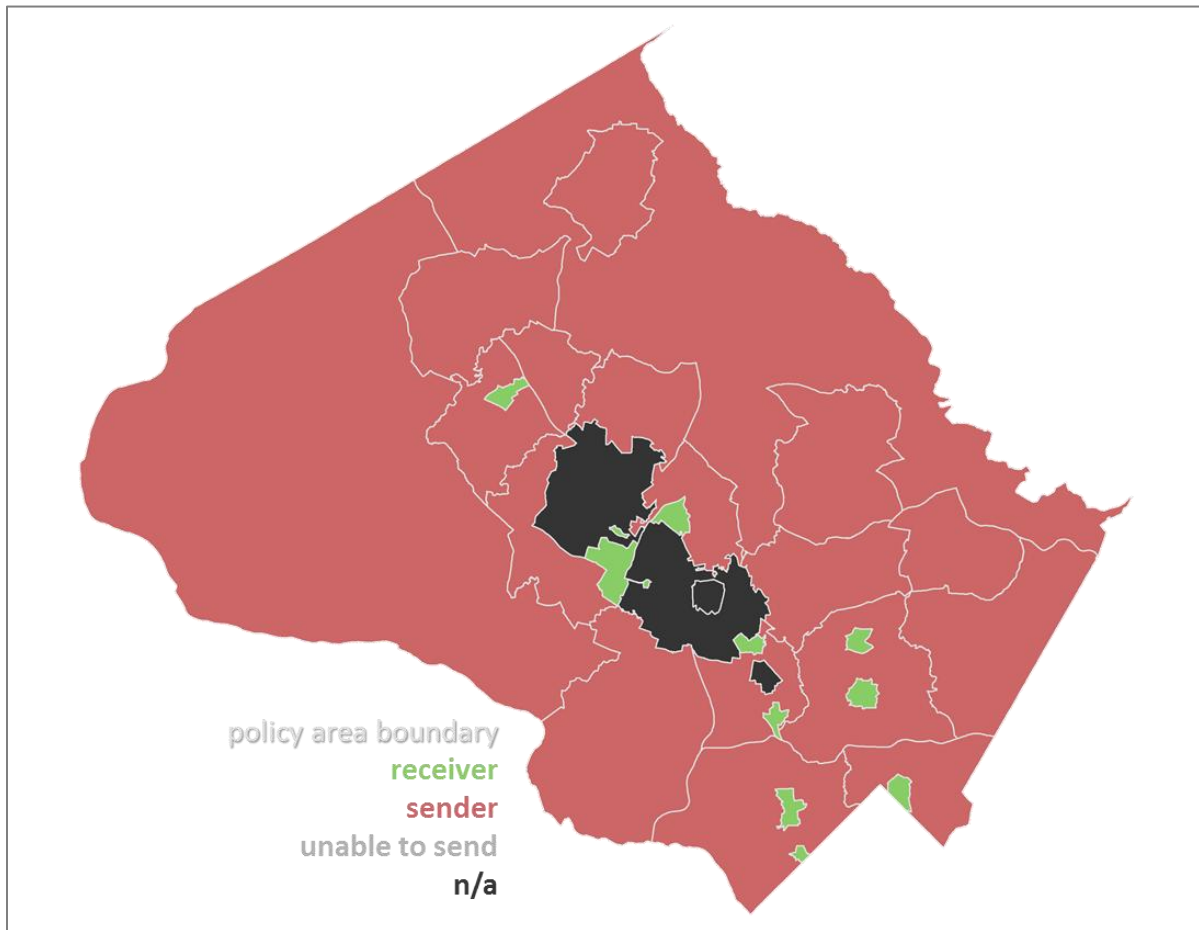


*Alternative 3*

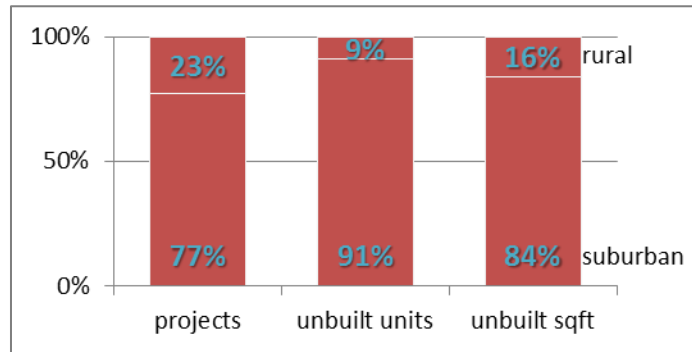
Alternative 3 proposes allowing all Policy areas to send to all urban Policy Areas except White Flint, which is exempt from the APFO (see Figure 7). This is staff’s recommended proposal based on the guiding principles above. Comparing by guiding principles, this option clearly is the stand-out.

- *Efficiency.* It gives the most projects—all of them—the opportunity to make use of their APF approvals, rather than let them go to waste through expiration.
- *Smart Growth.* It allows least desirable growth—in the most remote and rural parts of the county (Rural East and Rural West Policy Areas) to benefit growth where it’s most desired—urban policy areas (See Figure 8). The other options never allowed for transfers from rural policy areas.
- *Utility.* Extending participation to all policy areas gives the policy the most chance of impacting the pipeline’s accuracy over time. This is also seen in the number of projects expiring by the end of 2015 that meet large unit and sq. ft. thresholds. Under Alternative 3, three projects meet the unit criteria adding up to 1,039 units and eleven meet the sq. ft. criteria, totaling 3,738,155 sq. ft.
- *Equity.* No one is excluded from the benefits of this tool. Even plans in receiving areas could send within their own or to other urban policy areas if they knew they would not be going forward.

Figure 7: Alternative 3 Map



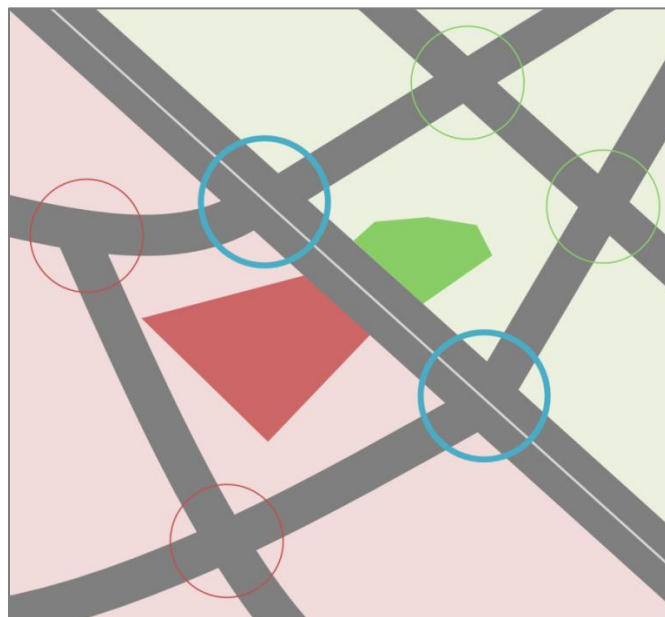
**Figure 8: Eligible Sending Participation from Current Pipeline Projects Outside Urban Policy Areas – Alternative 3**



***APF Trip Transfers for Local Area Transportation Reviews (LATR)***

Though opportunities would be rare, Staff finds no reason not to support 1:1 LATR trip transfers from sender to receiver plans for trips affecting common intersections. Figure 9 is a graphic representation of such a scenario. The light red area is a suburban policy area bordering an urban area (light green). The policy area boundary (light grey) runs along the centerline of a major road. The dark red is a sending project, and the dark green is a receiving project. Though all PAMR trips could be transferred, only the LATR trips from intersections circled in blue could transfer trips because the sender and receiver projects both impact those two intersections. The sender’s other LATR trips impacting the intersections circled in red could not be transferred and would be extinguished at the time eligible trips are transferred. The receiver site would benefit from a reduction in the number of total trips that need to be mitigated at the common intersections, but would still have to mitigate its two non-common intersections (circled in green) according to current LATR standards.

**Figure 9: Graphic Representation of Intersections Eligible for LATR Trip Transfer**





### ***Other Requirements for APF Transfer***

The following are additional requirements recommended beyond those listed above, should an APF transfer mechanism be implemented.

- Sending site must have valid APF
- If recordation is required, recordation of the sending site must be completed prior to trading because without validating the sending plan, there is really nothing to trade.
- Planning Board action must extinguish the entire remaining APF approval of the sending site (schools and all trip types).
- Board action must establish transportation capacity (i.e., trips) and the required transportation improvements that may be transferred.
- All transfers must be 1:1 in terms of trips, but the transfer may result in a greater square footage of development for the receiving site (i.e., for a use that generates fewer trips).
- Board conditions must prohibit any further building permits for the sending site until a new APF approval is granted.
- Permits and bonds secured by the sending site at the time of record plat for required transportation improvements may be transferred to the receiving site.
- Plan approval for the receiving site must include legal documentation of agreement to transfer between the parties.
- Board action must establish the receiving site's:
  - square footage that can be developed based on transferred trips
  - validity period of the APF approval
  - required transportation improvements and construction schedule

### ***Weighing Guiding Principles against Timely Delivery & Adequacy***

As stated previously, the SSP seeks to ensure timely delivery of public facilities to adequately serve existing and future development.

TPAR cost per trip calculations are based on the costs of transportation improvements needed to accommodate forecasted development. If a new project opts out of TPAR requirements, it decreases the likelihood of those transportation improvements being delivered in a timely way, or perhaps at all. Opting out of TPAR requirements means opting out of funding—both private and public funds—of projects deemed necessary to have in place.

County law also states that the SSP is “an instrument that facilitates and coordinates the use of the powers of government to limit or encourage growth and development in a manner that best enhances the general health, welfare, and safety of the residents of the County.” Not delivering adequate public facilities could jeopardize general health, welfare, and safety, but an argument can be made, using the principle of smart growth, that failure to attract growth to urban areas could jeopardize these things as well.

Even after extending participation to all policy areas, utilization of APF trip transfers would be rare. A rare occurrence of opting out of TPAR requirements may not jeopardize full funding or timely delivery of TPAR projects. However, rare utilization of APF transfers may not make much of an impact on smart growth either. Ensuring greater public subsidization of transportation projects in urban policy areas

would have a profound impact on smart growth compared to rare usage of an APF trading policy. At this time, staff recommends focusing on steering public funding to areas where growth is smartest.

***Recommendation***

Regarding APF Transfers, staff recommends

- Deferring recommending this mechanism to County Council until TPAR has been implemented
- That if this tool is recommended:
  - it should exclude transfer of approval for number students
  - it should be guided by staff analysis outlined in this report

MD/CC/PD/BG/kr