



MONTGOMERY COUNTY PLANNING DEPARTMENT
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB Date: 10/08/2015
Agenda Item # 8

MEMORANDUM

DATE: October 6, 2015

TO: Montgomery County Planning Board

VIA: Gwen Wright, Director, Montgomery County Planning Department *GWR*
Rose Krasnow, Deputy Director, Montgomery County Planning Department

FROM: Karen Warnick, Division Chief, Management Services *Kaw*
Anjali Sood, Budget Manager, Management Services

SUBJECT: Planning Department FY17 Operating Budget Planning Discussion

Staff Recommendation

Approval to prepare the FY17 Planning Department's operating budget at the Base Budget plus Essential Needs/New Initiatives level.

Background

At its September 17 meeting, the Planning Board received a presentation from the Commission's Department of Human Resources and Management (DHRM) on the FY17 budget process including key trends and the budget outlook, strategy, and timeline.

DHRM reminded the Board that, due to Montgomery County's fiscal challenges, Planning's FY16 Adopted Budget had been reduced by over \$600,000 from our proposed budget. In addition, the Commission has already been asked by the County to implement a savings plan for the current year (FY16), and it is anticipated that we will be asked to increase that plan later this fall. Since the County's fiscal issues are projected to continue into FY17, DHRM further expects that the FY17 Proposed Budget will require possible belt tightening.

DHRM reported that the assessable base for Montgomery County is projected to grow by 4% in FY17. This growth would provide an approximate increase of \$1,104,982 in property tax revenue for the Administration Fund without an increase in the tax rate.

The Planning Board provided general guidance for developing the FY17 Budget with the recognition that we have both mandated requirements and essential needs/new initiatives to meet our expanding and evolving work program. The Board asked that we include any critical essential needs/new initiatives in our budget request.

Budget Preparation

To prepare for the October 8th Planning Board meeting, Planning staff worked diligently over the past several months identifying new master plans and projects to be started in FY17 and elements of our current work program that are inadequately funded. We looked at emerging trends to determine the needs of the future.

Master Plans

In terms of master plans, our recommended FY17 work program follows closely with the work program that was approved for FY16. Several of the plans that we are working on in this fiscal year will carry over into FY17 – these include:

- Montgomery Village Master Plan – SMA
- Bethesda Downtown Plan – SMA
- Westbard Plan – Council review/action and SMA
- Greater Lyttonsville Plan – Council review/action and SMA
- White Flint 2
- Rock Spring
- MARC Rail Stations Plan
- Master Plan of Highways/Technical Corrections and Updates
- Bicycle Plan

We also continue to propose a number of master plans for FY17 that were contemplated in last year's budget discussion – these include:

- Gaithersburg East – but with a revised/delayed schedule
- Aspen Hill and Vicinity – but with a revised/delayed schedule
- Montgomery Hills and Forest Glen

There is one plan that had been contemplated in last year's budget discussion that staff recommends be deleted from the FY17 budget and work program:

- Shady Grove Minor Master Plan Amendment

New master plans that are being proposed for the first time in this budget discussion include:

- Grosvenor Metro Area Minor Master Plan Amendment
- South Silver Spring Small Area Plan
- Veirs Mill Road Corridor Small Area Plan

A draft of the FY17 Proposed Master Plan and Major Projects Schedule is included as Attachment #1.

Major Projects

Our recommended FY17 work program carries forward a number of projects that are being initiated in the current fiscal year and that will continue into FY17. These include:

- Subdivision Staging (Growth Policy) – Council review and action
- Rental Housing Study
- Evolving Retail Trends Study
- Master Plan Reality Check

Base Budget

Known Operating Commitments

The preliminary known increases in the Planning Department for salaries, benefits, retirement, other post-employment benefits (OPEB), were reviewed by DHRM at the September 17 meeting.

Information regarding the known operating commitments, mandated, contractual, and inflationary increases for the operations of the Planning Department are provided in the chart below.

| | |
|--|-----------------|
| CPI increase for contracts and supplies (1.8%) each year | \$73,900 |
| Interagency GIS portal (ITPC) (each year from FY17-FY22) | <u>\$10,000</u> |

Total Breakdown of Major Known Commitments **\$83,900**

CPI Increase for Contracts and Supplies and Materials - \$73,900

The Planning Department is requesting to increase the contracts and supplies budget by \$73,900 or 1.8% over the FY16 Adopted Budget to keep up with inflation.

Interagency GIS portal (ITPC) - \$10,000

This annual request of \$10,000 per year is needed to renew the interagency GIS portal created as a result of a pilot project for the Council Interagency Technology Policy Coordination Committee (ITPCC). The pilot project was originally funded by a special appropriation to the Planning Department for \$70,000 which created the portal and funded it for the first two years. This annual \$10,000 covers the licensing fees.

Adjustments in Expenses for Risk Management, Long-Term Disability, Unemployment, and Departmental Chargebacks for CAS Services

The information in this memo does not include adjustments in expenses such as risk management, long term disability payments, and unemployment, or Departmental chargebacks to the Planning Department for CAS services. The Department of Finance expects to provide this information by the end of the October or early November in the Schedule of Fees and Charges. As a result, the Planning Department has not yet included any increases for these expenses in the proposed FY17 budget.

Development Review Special Revenue Account - Chargebacks and Transfers Out

The Planning Department is proposing to increase the chargebacks from the Administration Fund to the Development Review Special Revenue Account (DR-SRA) by \$104,000 from \$2,937,500 to \$3,041,500 (a 2.6% increase) to cover the FY16 compensation increases. The chargeback was not increased during the FY16 budget process due to the uncertainty of the requested compensation increases being approved.

The Department has traditionally requested a transfer from the Administration Fund into the Development Review (DR) Special Revenue Fund in recognition of the fact that revenues may not cover the costs of our review efforts. The fund performed well in FY12, FY13, and in FY15 primarily due to the fees collected for various large projects in CR zones. This performance built a significant fund balance. Due to this large

balance and due to sufficient fees being collected in each of these fiscal years, the Council did not approve a transfer in FY14, FY15 and FY16. However, in the interest of being prudent and not overestimating revenue that may or may not come in during the remaining ¾ of FY 16, we are requesting \$500,000 in FY17 to cover potential shortfalls.

Essential Needs/New Initiatives

The Director and Deputy Director reviewed each division's potential new initiatives and narrowed them down to those which addressed the top priorities of the Department. Many of these initiatives are in direct support of the proposed work program, including new master and sector plans, and are essential to complete the work program. The cost of these new initiatives is \$927,000. This is \$92,000 higher than the \$835,000 included in the FY16 Adopted Budget.

New projects are being recommended for FY17:

1. Retail and Economic Study for Montgomery Hills/Forest Glen Sector Plan (\$50,000)
2. Multi-modal Transportation Analysis for Montgomery Hills/Forest Glen Sector Plan (\$60,000)
3. Partnership with University of Maryland for assistance for the Bikeways Plan Update (\$125,000)
4. Retail Study in South Silver Spring (\$50,000)
5. Design Studies for Veirs Mill Corridor Small Area Plan (\$40,000)
6. Partnership with University of Maryland for Master Plan Reality Check (\$82,000)
7. Continuation of new dynamic transportation modeling tool (\$75,000)
8. Consulting assistance for Corridor Study for MD355 from Gaithersburg to COMSAT (\$75,000)
9. Silver Spring Streetscape (\$75,000)
10. Placemaking Initiatives (\$50,000)
11. Regional Transportation Model Network Development/Management (\$30,000)
12. Bicycle Plan Implementation Activities (\$80,000) (On-going)
13. Partnership with University of Maryland to do study of Employment Trends: Emerging Industries; Future Job Types; Future Workplaces; Design and Planning Implications (\$125,000)
14. Design Excellence Initiative (\$10,000) (On-going)

Summary

The chart below outlines the increases for known operating commitments and gives a snapshot of the base budget proposed essential needs/new initiatives. The chart is followed by specific descriptions for each new plan and new initiative.

**MONTGOMERY COUNTY PLANNING DEPARTMENT
PRELIMINARY FY17 OPERATING BUDGET REQUEST**

| | | % Change |
|--|---------------------------|----------------------|
| FY16 Adopted Budget | \$19,494,792 | |
| FY17 BASE BUDGET CHANGES | | |
| Salaries & Benefits | (\$86,654) | |
| Major known commitments | \$83,900 | |
| Risk Management, LTD, Unemployment, and CAS Chargebacks | TBD* | |
| Increase in Chargebacks to Development Review Special Revenue Fund | (\$104,000) | |
| Subtotal - Base Budget Changes | <u>(\$106,754)</u> | <u>(0.5%)</u> |
| Less: FY16 One-time Expenses | <u>(\$835,000)</u> | <u>(4.3%)</u> |
| Add: Proposed One-time Initiatives | | |
| Consulting funding for Retail Study in South Silver Spring | \$50,000 | |
| Consulting funding for Corridor Study for MD 355 from Gaithersburg to COMSAT | \$75,000 | |
| Consulting funding for Silver Spring Streetscape | \$75,000 | |
| Placemaking Initiatives | \$50,000 | |
| Consulting funding for Regional Transportation Model Network | \$30,000 | |
| Development/Management | | |
| Consulting funding for Study of Employment Trends | \$125,000 | |
| Multi-modal Transportation Analysis for Montgomery Hills/Forest Glen Sector Plan | \$60,000 | |
| Consulting assistance for the Bikeways Plan Update | \$125,000 | |
| Retail and Economic Study for Montgomery Hills/Forest Glen Sector Plan | \$50,000 | |
| Partnership with University of Maryland for Master Plan Reality Check | \$82,000 | |
| Continuation of new dynamic transportation modeling tool | \$75,000 | |
| Consulting funds for Design Studies for Veirs Mill Corridor Small Area Plan | \$40,000 | |
| Subtotal – Proposed One-Time Changes | <u>\$837,000</u> | <u>4.3%</u> |
| Add: Proposed On-going Changes | | |
| Design Excellence Initiative | \$10,000 | |
| Consulting funding for Bicycle Plan Implementation Activities | \$80,000 | |
| Subtotal – Proposed On-going Changes | <u>\$90,000</u> | <u>0.5%</u> |
| Net Change from FY16 Adopted to FY17 Proposed Budget | <u>(\$14,754)</u> | <u>(0.1%)</u> |
| ** FY17 Proposed Budget Plus Essential Needs/New Initiatives | \$19,480,038 | <u>(0.1%)</u> |

Notes:

* TBD Waiting for the schedule of Fees & Charges CAS in early November

**Total does not include the transfer to the Development Review Special Revenue Fund, compensation marker, OPEB PayGo and OPEB prefunding. They are budgeted in the Administration Fund's non-departmental account.

New Plans to Begin in FY17

- **Grosvenor Metro Area Minor Master Plan Amendment**

WMATA has selected a development partner for the redevelopment of their surface parking lot at the Metro Station. The 1992 North Bethesda Sector Plan recommends a PD-25 floating zone. It would be timely to determine if a different density and/or mixed use zone would be appropriate to encourage transit oriented development at this location. A minor master plan amendment could be done as quickly as the local map amendment process needed to implement the previously recommended zone.

- **South Silver Spring Small Area Plan**

Update the 2000 Silver Spring CBD Sector Plan to focus on a smaller planning area that has not seen much redevelopment and that is struggling with a variety of economic and planning issues.

- **Veirs Mill Road Corridor Small Area Plan**

Montgomery County has undertaken master plans for the various transit station areas along both legs of the Metro Red Line. This plan would evaluate the heavily used corridor between the Wheaton and Rockville Metro stations, including the activity center at Randolph Road/Veirs Mill Road. A preferred alternative for the Veirs Mill Road BRT line will be selected in July 2016; it would be timely to commence this project immediately afterwards.

Plan to eliminate from FY17 work program

- **Shady Grove Minor Master Plan Amendment**

Although the Smart Growth Initiative is proceeding on the east side of the Shady Grove Metro station, development on the west side of the station is severely limited by the staging in the 2006 Shady Grove Sector Plan. Absent government action to fund some significant transportation improvements, it is unlikely that this obstacle can be addressed soon (with or without the proposed special events center). Other potential plans with more immediate results are higher priorities.

Essential Needs/New Initiatives

There are a number of new initiatives that are being proposed which focus on ways to both reimagine and reinvigorate our master planning activities, as well as ways to address significant planning issues and concerns that face Montgomery County.

- **Retail and Economic Study for Montgomery Hills/Forest Glen Sector Plan (\$50,000)**

Provide consultant services to do a detailed study of the Montgomery Hills/Forest Glen business district area to find ways to initiate more retail activities and to support existing businesses.

- **Multi-modal Transportation Analysis for Montgomery Hills/Forest Glen Sector Plan (\$60,000)**

Provide consulting services to do analysis that goes beyond the typical transportation modeling to focus on pedestrian, bicycle and vehicular safety and accessibility in coordination with the local area transportation modeling for Georgia Avenue and surrounding street network.

- Partnership with University of Maryland for assistance for the Bikeways Plan Update: (\$125,000)

In FY16, the Functional Planning and Policy Division began updating the Countywide Bikeways Master Plan. This effort will continue in FY17, with a need for additional consulting services in FY17 to complete the project. The work on the Plan is based on new bicycle planning guidance that has been developed by the Planning Department with assistance from a Council of Governments Transportation/Land Use Connections (COG TLC) grant. This guidance or methodology emphasizes the development of connections that would attract those who do not ride bicycles now, but would likely ride in certain conditions, with facilities that offered more separation from vehicular traffic. Significant work and community outreach has been completed on the Bikeways Master Plan during FY16, but more work is needed in FY17 to complete the project.

- Retail Study in South Silver Spring (\$50,000)

Provide consultant services to do a detailed study of the South Silver Spring area to find ways to initiate more retail activities and to support existing businesses.

- Veirs Mill Corridor Design Studies (\$40,000)

Provide consulting services for design studies that explore how to integrate enhanced transit facilities and infill development to create a pedestrian friendly boulevard with discrete activity centers.

- Partnership with University of Maryland for Master Plan Reality Check (\$82,000)

In 2008, we initiated a partnership with the University of Maryland that was designed to be a win-win for both parties. Through a contract with the University's National Center for Smart Growth, the Planning Department was able to hire a number of planning students or recent graduates to help us on a variety of projects as assigned. In addition, the Department and the University agreed to collaborate on a biennial planning conference that would highlight innovative planning practices and trends and generate innovative thinking on topics of mutual interest. The individuals hired through this effort ended up doing a substantial amount of the work on the Zoning Code rewrite and comprehensive mapping effort and, in FY15, they were our subject matter experts as we began implementing the new Code. In FY16, they are working on the proposed Master Plan Reality Check. The work they provide is so critical to the successful completion of the Reality Check that we believe that a continued partnership with the University is in everyone's interest. They will also work on the Bicycle Plan and the study of Employment Trends.

- Continuation of new dynamic transportation modeling tool (\$75,000)

During FY16, Functional Planning & Policy (FPP) expects to begin the implementation of a new dynamic modeling tool for use by FPP in support of master plan analysis and subdivision staging. Travel forecasting models incorporating dynamic traffic assignment are evolving from the research realm to actual application in some states and metropolitan areas and are thought to offer potential for more detailed evaluation of small area networks. Research is currently underway to investigate the best new approach to transportation modeling and additional assistance will be needed during implementation.

- Consulting assistance for Corridor Study for MD355 from Gaithersburg to COMSAT (\$75,000)

Re-evaluate previous land use recommendations along the BRT corridor along MD 355 north to COMSAT in response to the ongoing BRT studies and in light of changes in the office market identified in the recent Office Market Assessment Report released by the Planning Department.

- Silver Spring Streetscape (\$75,000)

Update the 1992 streetscape guidelines for Silver Spring to account for new technology and changes to tree species and street furniture.

- Placemaking Initiatives (\$50,000)

Build on the successful Placemaking Program that was conducted for Silver Spring, by conducting Placemaking charrettes and planning in Montgomery Hills, Bethesda and other areas.

- Regional Transportation Model Network Development/Management (\$30,000)

We anticipate COG staff will provide us with a copy of their GIS-based network management tool and database (called "COG Tools") sometime this fall. This tool will allow us to develop and manage the roadway and transit networks used by the regional model in a much more efficient and consistent manner. After we acquire COG Tools, we may occasionally need technical assistance from the software developer (Daniels Consultants, Inc.) to support our continued use of this tool. In particular, this may be the case when a new version/update of the ESRI GIS software comes on-line or as we try to implement specialized applications of COG Tools. We estimate the need for \$30,000 for consultant technical assistance to support this work.

- Bicycle Plan Implementation Activities (\$80,000) (On-going)

For the past 2 or 3 years, we have done some great specific bicycle analyses using staff time and end-of-the-year funds. With the approval of the Bicycle Master Plan, we expect more of these types of detailed analyses will be coming up. We propose a new initiative to include funding to draw on during the year to do concept plans (like we did for the Connecticut Ave cycle track), reviews of a facility plan (like we did for the Purple Line / Capital Crescent Trail / Silver Spring Green Trail projects), or to help work through difficult development issues. In addition, as we implement the Bicycle Master Plan, we expect that there will be a need to look at best practices in other places and this may include sending staff to conferences and/or study tours. The goal would be to witness the bicycle infrastructure and the general approach to urban design and streets taken by other communities. Funding would support these study efforts.

- Study of Employment Trends: Emerging Industries; Future Job Types; Future Workplaces; Design and Planning Implications (\$125,000)

Recent research undertaken by the Montgomery County Planning Department has shown that there is a growing mismatch between the County's existing stock of commercial space on the one hand, and the location needs of existing and emerging businesses on the other. This mismatch could undermine the area's ability to compete for jobs and revenues. The Planning Department proposes to undertake an in-depth study of workforce demographics, industry cluster economics, technological trends and other forces that are altering the unique workspace design, location preferences, transportation linkages, amenities, infrastructure and other needs of the County's target industries. The analysis will identify zoning, master plan principals, building and urban design standards and other strategies and best practices to redirect land use and development into more competitive patterns. The study will also look at potential regulatory and market barriers to adjustment.

Montgomery County is aggressively reorganizing and refocusing its economic development efforts to bolster the County's economic competitiveness. These initiatives—launched in the wake of tepid job

growth, rising office vacancy rates and growing instability in the region's federally-oriented industries—will be guided by target industry marketing, workforce development and other business attraction, retention and diversification strategies contained in the County Executive's new Comprehensive Economic Development Strategy. Land use strategies are not an explicit element of the current program. This additional effort will help guide the Planning Department in developing master plans and land use regulations that are responsive to the economic development challenges of Montgomery County and the region, in the wake of the shifts in the regional employment climate.

- Design Excellence Initiative (\$10,000) (On-going)

Recognizing and promoting design excellence throughout the county through an annual awards program in partnership with American Institute of Architects (AIA).

FY17 Proposed Master Plan and Major Projects Schedule 10/6/15

| Master Plan & Major Projects | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | |
|--|------|---|---|------|---|---|------|---|---|------|---|---|------|---|---|
| | J | A | S | J | A | S | J | A | S | J | A | S | J | A | S |
| Bethesda Downtown Plan | | | | | | | | | | | | | | | |
| Greater Lyttonsville Plan | | | | | | | | | | | | | | | |
| Westbard Plan | | | | | | | | | | | | | | | |
| Montgomery Village Master Plan | | | | | | | | | | | | | | | |
| Highways Master Plan/Tech. Corrections and Updates | | | | | | | | | | | | | | | |
| Grosvenor Metro Area MMA | | | | | | | | | | | | | | | |
| Subdivision Staging (Growth Policy) | | | | | | | | | | | | | | | |
| MARC Rail Stations (Germantown and Boyds) Plan | | | | | | | | | | | | | | | |
| White Flint II Plan | | | | | | | | | | | | | | | |
| Bikeways Plan Update | | | | | | | | | | | | | | | |
| Rock Spring Plan | | | | | | | | | | | | | | | |
| Gaithersburg East Master Plan | | | | | | | | | | | | | | | |
| Veirs Mill Rd Corridor Plan (Wheaton to Rockville) | | | | | | | | | | | | | | | |
| Aspen Hill and Vicinity Plan | | | | | | | | | | | | | | | |
| Montgomery Hills and Forest Glen Master Plan | | | | | | | | | | | | | | | |
| South Silver Spring Small Area Plan | | | | | | | | | | | | | | | |
| Recreation Guidelines | | | | | | | | | | | | | | | |
| Rental Housing Study | | | | | | | | | | | | | | | |
| Colocation of Public Facilities Study | | | | | | | | | | | | | | | |
| Evolving Retail Trends Study | | | | | | | | | | | | | | | |
| Master Plan Reality Check | | | | | | | | | | | | | | | |
| Assist with OLO School Study | | | | | | | | | | | | | | | |
| Corridor Study for MD 355 | | | | | | | | | | | | | | | |
| Silver Spring Street Scope | | | | | | | | | | | | | | | |
| Study of Employment Trends | | | | | | | | | | | | | | | |
| Placemaking Initiatives | | | | | | | | | | | | | | | |
| Staff | | | | | | | | | | | | | | | |
| Planning Board | | | | | | | | | | | | | | | |
| Planning Board Draft | | | | | | | | | | | | | | | |
| CE Review & Council Noticing Period | | | | | | | | | | | | | | | |
| Hearing | | | | | | | | | | | | | | | |
| Council Review | | | | | | | | | | | | | | | |
| Commission Adoption, SMA | | | | | | | | | | | | | | | |