MCPB
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Item Name: Briefing on Recommendations of the Transportation Impact Study Technical Working Group

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Description

A key element of the upcoming 2016 Subdivision Staging Policy (SSP), scheduled for County Council adoption in November 2016, is the update and refinement of the Local Area Transportation Review (LATR) procedures used in support of subdivision regulation. As a major step in preparation for this effort, the Transportation Impact Study Technical Working Group (TISTWG) has been assembled to review the current LATR process and identify new transportation system performance metrics and regulatory procedures for consideration. The TISTWG consists of key stakeholders in the LATR process, including staff representing the Planning Department, Montgomery County Department of Transportation (MCDOT), the Montgomery County Department of Economic Development (DED), Maryland State Highway Administration (MDSHA) and the Washington Metropolitan Area Transit Authority (WMATA), as well as representatives from civic groups and the private development community.

Summary

This briefing (and ensuing discussion) will serve as an opportunity for the Planning Board to better understand the direction and implications of the proposed LATR-related recommendations and provide feedback to the TISTWG. In addition, a brief update on the remaining schedule of the TISTWG's efforts will be provided. Finally, a brief status and schedule update on other key Subdivision Staging Policy (SSP) related initiatives currently underway will also be provided.

This is the second in a series of Planning Board roundtable discussions on the re-evaluation of Local Area Transportation Review (LATR) procedures. The first roundtable discussion occurred on February 5, 2015.

Since then, the TISTWG has spent considerable effort on two topics that staff suggests serve as the focus for the July 9 roundtable discussion:

- The development of additional "pro-rata share" districts (such as exists in White Flint and is being developed in White Oak) wherein LATR and TPAR (and possibly transportation impact taxes) would be replaced by a district-wide payment system, and
- The consideration of Vehicle Miles of Travel (VMT) as an element within the LATR process.

These two topics are on the TISTWG critical path, because at the broadest level they provide opportunities for significant departures from the current LATR processes. Depending on the outcome of these discussions, the approach plan for other revisions to LATR might be affected. For instance, if it were desirable to fully replace the

LATR approach with a pro-rata approach or a VMT metric, the revisions to LATR processes underway would be rendered obsolete.

The tentative staff conclusion, informed by TISTWG meetings and conversations is that:

- the 2016 Subdivision Staging Policy should establish a framework and process for identifying and establishing additional pro-rata share districts to guide the creation of future pro-rata districts identified through local stakeholder engagement for subsequent SSP updates, and
- VMT should be utilized in the LATR scoping process to identify *de minimis* proposals and in the TPAR process (along with the related metric person-miles of travel) to identify generated travel demand by policy area and consider reflecting that metric in the establishment of TPAR contributions for each policy area.

The following paragraphs (and referenced Attachments and hotlinks) summarize the current status of these two concepts. As part of the July 9 briefing we will also provide an update on other LATR revisions under development as well as the status of related work program items.

LATR Revision Objectives

At the first two TISTWG meetings in fall 2014, the TISTWG concurred that changes to the LATR process are needed to achieve three primary objectives:

- Improve multimodal analysis so that people, not cars, are the focus of the process
- Increase predictability for both applicants and the interested community
- Streamline implementation, both in terms of each individual application as well as the implementation of desired transportation programs and services

Pro-Rata Share District Establishment Process

The basic concept of a pro-rata share district is that the responsibility for private sector participation in the transportation system can be expressed as a ratio between the cost of the total system for which the private sector is responsible and the unit of demand generated by each development.

There is general consensus among TISTWG members that in many locations, the three LATR revision objectives described above can be satisfied by establishment of a pro-rata share district. There is also general consensus that new pro-rata share districts should be:

- Considered for geographically compact and discrete areas of the County where:
    - Stakeholders have common concerns/interests that can be addressed most effectively through establishment of a pro-rata share district,
    - A sufficient inventory exists of unbuilt transportation system elements and private sector development,
    - Implementation and monitoring mechanisms such as Transportation Management Districts are available;
- Developed with participation of the local business and residential communities, preferably in conjunction with a master plan amendment process;

- Established using context-sensitive parameters that reflect the needs and interests of the local stakeholders. For instance, a contrast of the White Flint (as established) and White Oak (as currently proposed) pro-rata share districts includes:
    - White Flint is funded through an ad-valorem tax on commercial properties; White Oak is proposed as a new one-time development fee in lieu of LATR
    - White Flint replaces LATR, TPAR, and transportation impact taxes; White Oak is proposed as a replacement for LATR only
    - White Flint included negotiated "buckets" of multimodal transportation improvements, including implementation of the MD 355 Bus Rapid Transit (BRT) construction within the plan area; White Oak is proposed for at-grade LATR improvements only
    - White Flint was based on a Sector Plan transportation system inventory; White Oak is proposed to be defined by achievement of current LATR standards;
- Coordinated with state, regional, and local transportation implementing and operating agencies; funding for transit operations may be desirable;
- Adopted with a clear set of monitoring processes and a regular schedule (generally within five to ten years) for review and revision as conditions change.

The March 15 proposal for the White Oak Subdivision Staging Policy Amendment #14-02 proposed by the Greater Colesville Citizens Association (GCCA) provides an example of the types of questions and answers that need to be addressed in establishing a new pro-rata share district.

Attachment A provides additional information on the establishment of pro-rata share districts as discussed with the TISTWG at the May and June meetings, including addressing the types of questions raised by GCCA.

VMT Consideration Process

The TISTWG has discussed the relationship between VMT and the LATR process extensively, with some fairly strong considerations on the topic. In general, most TISTWG members do not believe that VMT has an appropriate role in the LATR process, primarily because the LATR process is about ascertaining the adequacy of transportation systems where the adequacy is geographically specific (whether the capacity of an intersection, the presence of a transit or bikeshare station, or the need for a particular sidewalk connection). In contrast, while certain types and locations of development may generate different amounts of demand for those facilities, and that demand may cause certain facilities to become inadequate, there is not a direct connection between the demand and the adequacy of public facilities without considering the performance of the facilities.

In contrast, the consideration of demand independent of facility adequacy does have a role in the broader planning processes. Examples of facility-independent adequacy include:

- The identification of *de minimis* development; how many vehicle trips are significant? Or, as an extension, how many vehicle trips must be removed from a development to mitigate impact?
- The identification of areawide objectives such as a master plan non-auto driver mode share (NADMS) goal; the 50% NADMS may not be appropriate for each development in White Flint based on development type

and location in the plan area, but the Policy Area Mobility Review approach utilized at time of Plan adoption demonstrated that reducing areawide NADMS was an element of attaining areawide adequacy

Therefore, staff proposes two approaches to integrating VMT into the Subdivision Staging Policy process:

- VMT should be used, in a manner parallel to vehicle trips, in establishing *de minimis* impacts and even identifying a "zero-VMT" development. Attachment B provides additional details on this proposal as discussed with the TISTWG at the May meeting; staff is considering the details of an amendment that would incorporate ground-floor retail (without any additional on-site parking).
- VMT should be considered in the establishment of Transportation Policy Area Review (TPAR) refinements being conducted under separate study.

TISTWG Activities

The activities of the Working Group are summarized on the Department's website:
http://www.montgomeryplanning.org/transportation/latr_guidelines/workinggroup.shtm

The current suite of LATR Concepts is included in an April 1 memorandum; these elements are not intended to be the focus of the July 9 roundtable discussion but are provided for context.
http://www.montgomeryplanning.org/transportation/latr_guidelines/documents/TISTWG_LATRConceptsMemo_040115.pdf

The current roster of TISTWG members and friends are included in Attachment C. The TISTWG is, by design, a diverse advisory group. Consensus is desired and pursued, but unanimity is not expected. The TISTWG reviewed a draft of this staff packet and TISTWG members and friends were offered the opportunity to provide comments to you under separate cover. These comments are included in Attachment D.

Status and Anticipated Schedule of Subdivision Staging Policy and Related Studies:

- **Local Area Transportation Review** (LATR) – Initial LATR-related TISTWG recommendations (referenced above) are scheduled to be discussed with the Planning Board on July 9, 2015. **Refined LATR recommendations anticipated to be provided to the Planning Board at work sessions scheduled during the January/February 2016 timeframe.**

- **Transportation Policy Area Review** (TPAR) **–** The focus of this effort is the refinement of the transit adequacy component of the TPAR process in a manner that explicitly reflects the transportation implications of Bus Rapid Transit (BRT). Metrics considered in the regional modeling context include: (1) the relative comparison of auto-related VMT and VHT with transit-related PMT and PHT and (2) transit accessibility. **Status report on initial results anticipated to be provided to the Planning Board late September 2015.**

- **Travel/4 Regional Travel Demand Model Development –** This effort is the County-focused adaptation of the latest version of the MWCOG regional travel demand model. This tool will be applied in support of future SPP and master plan-related studies. Base year 2010 model validation work completed in June 2015. **Future year 2040 model testing underway and anticipated to be completed during summer 2015.**

- **Assessment of Transportation Modeling Tools and Analysis Approaches –** The focus of this effort (with the assistance of a recently selected consulting team) is the review of "state-of-the practice" and "state-of-the art" transportation modeling tools and analysis approaches. This effort also includes the development of a strategic plan to appropriately guide the future incorporation of these tools into the Department's current transportation modeling framework. **Report on initial results anticipated to be provided to the Planning Board late November 2015.**

- **Trip Generation Study** – The focus of this effort is to update the LATR trip generation rates applied in mixed-use CBD and TOD areas. Field data collection in support of this effort is scheduled during early fall 2015. **Report on initial results anticipated to be provided to the Planning Board late October 2015.**

Attachments

- Attachment A: Pro-Rata Share District Establishment Process
    - June 10 TISTWG meeting concept (first 3 pages)
    - May 6 TISTWG meeting white paper (next 7 pages – provided for reference; includes references to similar programs in Baltimore, Delaware, Florida, and Portland, OR.
- Attachment B: Very Low VMT Proposal
- Attachment C: TISTWG Roster
- Attachment D: TISTWG Member/Friend comments

ATTACHMENT A

PRO-RATA SHARE CONCEPT WHITE PAPER

DRAFT for 6/10 Discussion

TISTWG members have expressed substantial interest in exploring the Pro-Rata Share concepts beyond the White Flint (established and operational) and White Oak (under development) geographic areas. This White Paper outlines a strategy for incorporating different types of Pro-Rata Share approaches into the 2016 Subdivision Staging Policy. It reflects a series of seven questions that the TISTWG has considered that help define the types, levels, and timeframes of analysis needed to put different options into policy and practice.

The following page summarizes the seven questions and high-level answers that should be incorporated into a 2016 Subdivision Staging Policy guidance on establishing future Pro-Rata Share Districts. The following pages provide additional detail and context on these considerations.

These questions are posed in general priority order. Question 1 is absolutely the first question to address; all other decisions regarding both the type of Pro-Rata Share Districts being established as well as the work program for the next year flow from the decision to retain a nexus-based approach associated with LATR, TPAR, and the impact tax as opposed to a more broad development policy approach. Question 2 is next in the priority list. Questions 3 through 7 are a suggested order of discussion, but their order may depend on the answers to Questions 1 and 2, both for a Countywide approach established in 2016 as well as for the establishment of any future Pro-Rata Share District established subsequently.

An overarching theme for the establishment of future Pro-Rata Share Districts is that they should be:

- Context-sensitive to the transportation needs of the local area and its constituents (including area residents, the business/development community, and implementing/operating agencies)
- Reflect countywide transportation plans and objectives, but not be limited by them. In particular, the need to achieve certain auto LOS objectives should perhaps be minimized

- Question 1. Should continuing Pro-Rata Share Approaches seek to:
    A. functionally replace LATR
    B. functionally replace TPAR, and
    C. possibly also functionally replace development impact taxes for transportation, or
    D. should they be established as a matter of policy independent of the LATR approach?

From the perspective of any given small area plan, Option D is preferred as a means to facilitate the balanced achievement of plan objectives (transportation and otherwise). However, the establishment of planned infrastructure and services should still reflect Countywide transportation objectives, but not be limited to or by them.

- Question 2. What geographic area(s) might be most appropriate for Pro-Rata Share approaches?

Pro-rata share approaches are likely most appropriate in communities where traditional LATR barriers to infill are greatest, multimodal priorities create conflicts regarding appropriate plan vision and implementation, and overlapping/concurrent development patterns are most complex. Pro-rata share communities should have a Transportation Management District to oversee plan administration and monitor goal achievement.

- Question 3. What types of improvements should be funded by a Pro-Rata Share District and over what timeframe?

Master/sector planned infrastructure should be included, with coordination among state, local, and private sector implementers to define appropriate infrastructure funded by development impact fees. To promote transit investment, there is significant interest in increasing the funding of transit operations and pedestrian/bicycle infrastructure below the radar of improvements typically specified in master plans or sector plans (to potentially include more operational elements such as streetscaping, utility relocation, carshare/bikeshare programs, transit signal priority implementation, etc.). The coordination of LATR, TPAR, and Transportation Impact Tax revenues should be considered in conjunction with other public and private sector sources and a policy decision made by the County Council reflecting the needs of the district.

Pro-Rata Share District objectives, needs, and fees should be revisited periodically throughout the life of the implementation timeframe, generally every five to ten years over a two or three decade implementation process.

- Question 4. Should a Pro-Rata Share District have a defined benefit element in addition to or instead of a defined contribution element?

A <u>defined benefit</u> requires achievement of a certain performance standard (trip generation, mode share achievement) in addition to the <u>defined contribution</u> (the established impact charge, fee, or tax). The White Flint staging element attention to mode share is one example, the monitoring requirements of some "hard" Transportation Mitigation Agreements (TMAg) is another. This decision should be made on a case-by-case basis reflecting desired policy objectives, recognizing that a defined benefit increases potential for plan objective achievement but at a higher risk/barrier to implementation for the development community.

- Question 5. Should participation in a Pro-Rata Share District be mandatory or can it be voluntary?

Participation should be mandatory. The Subdivision Staging Policy already has a variety of alternative review procedures and similar TMAg approaches and processes for voluntary provision of innovative LATR solutions in areas without a formal Pro-Rata Share District.

- Question 6. Should a Pro-Rata Share approach include a monitoring element that evaluates conditions over time and identifies mitigation strategies (if needed)?

Yes. The monitoring element should continue to be biennial to synch with the County's capital budgeting process, and (as noted in the response to Question 4) potential changes to mitigation strategies (including applicable charges and fees) should be included in a predictable process every five to ten years.

- Question 7. What type of coordination needs to be considered with state and regional implementing agencies (such as the Maryland State Highway Administration, Maryland Transit Administration, and Washington Metropolitan Area Transit Authority) in order to develop a Pro-Rata Share approach?

Yes. As noted in the response to Question 3, the balance of funding by state, local, and private sources should be a policy element established on a case-by-case basis in conjunction with affected agencies.

TISTWG members have expressed substantial interest in exploring the Pro-Rata Share concepts beyond the White Flint (established and operational) and White Oak (under development) geographic areas. This White Paper outlines a strategy for incorporating different types of Pro-Rata Share approaches into the 2016 Subdivision Staging Policy. It proposes a series of questions for the TISTWG to consider that help define the types, levels, and timeframes of analysis needed to put different options into policy and practice.

- Question 1. Should continuing Pro-Rata Share Approaches seek to:
    - functionally replace LATR
    - functionally replace TPAR, and
    - possibly also functionally replace development impact taxes for transportation, or
    - should they be established as a matter of policy independent of the LATR approach?
- Question 2. What geographic area(s) might be most appropriate for Pro-Rata Share approaches?
- Question 3. What types of improvements should be funded by a Pro-Rata Share District and over what timeframe?
- Question 4. Should a Pro-Rata Share District have a defined benefit element in addition to or instead of a defined contribution element?
- Question 5. Should participation in a Pro-Rata Share District be mandatory or can it be voluntary?
- Question 6. Should a Pro-Rata Share approach include a monitoring element that evaluates conditions over time and identifies mitigation strategies (if needed)?
- Question 7. What type of coordination needs to be considered with state and regional implementing agencies (such as the Maryland State Highway Administration, Maryland Transit Administration, and Washington Metropolitan Area Transit Authority) in order to develop a Pro-Rata Share approach?

These questions are posed in general priority order. Question 1 is absolutely the first question to address; all other decisions regarding both the type of Pro-Rata Share Districts being established as well as the work program for the next year flow from the decision to retain a nexus-based approach associated with LATR, TPAR, and the impact tax as opposed to a more broad development policy approach. Question 2 is next in the priority list. Questions 3 through 7 are a suggested order of discussion, but their order may depend on the answers to Questions 1 and 2.

Question 1. Should continuing Pro-Rata Share Approaches seek to:

a. **functionally replace LATR**
b. **functionally replace TPAR, and**
c. **possibly also functionally replace development impact taxes for transportation, or**
d. **should they be established as a matter of policy independent of the LATR approach?**

This is a landmark question for the TISTWG to consider, and may warrant consideration by the Planning Board and County Council in the near term.

If the answer is **a**, **b**, and/or **c**, then the logical approach is to pursue a similar track as in White Flint (where a, b, and c were bundled into the Special Taxing District) or White Oak (which as currently scoped addresses only option a – LATR). **In this case, required analysis time and resources would almost certainly preclude actual implementation of any additional Pro-Rata Share District(s) as part of the regular Subdivision Staging Policy in fall 2016, but that Subdivision Staging Policy could set the stage and processes for subsequent implementation**. Both the White Flint and White Oak approaches involve multi-year efforts to define the District's transportation needs ensure both a deliberative and the appropriate nexus between the anticipated transportation needs, the policy levers to be applied (LATR, TPAR, impact taxes) and the balance between public and private sector investment to address those needs.

If the answer includes c (development impact taxes), the approach needs to be expanded to include amendments to Section 52 of the County Code.

The 2016 Subdivision Staging Policy could lay out the approaches to be followed by providing the County's direction on the remaining questions in this White Paper, and potentially establish ground rules to guide subsequent studies (as the parameters in the White Oak Science Gateway amendment this spring are guiding the MCDOT study this summer and fall).

Exhibits 1 through 4 reprise the three policy options presented at the January TISTWG meeting and add a fourth option to demonstrate one way a broad policy approach could be addressed.

If the answer is **d**, then there may be an opportunity to consider options that could be implemented as part of the 2016 Subdivision Staging Policy. However, such options would necessarily be fairly sweeping policy changes (i.e., pure exemptions from LATR, TPAR, and/or impact taxes) evaluated without a detailed, community-based, assessment of needs, nexus, and public/private sector investment balance. The focus of the current study effort in this case would need to shift to consideration of support for types and locations of development that would be subject to such sweeping changes.

A third option: The Florida Multimodal Transportation District (MMTD) offers one potential compromise that blends these two approaches; establishing a Pro-Rata Share based on the costs of improvements already identified in the CIP. In this case, the expectation would be to update the Pro-Rata Share estimates on a regular basis (likely every 2 or 4 years to align with CIP or SSP amendments). This process, geared towards short term improvements, would facilitate more rapid establishment of Pro-

Rata Share districts, but would likely be less predictable over time (particularly if more expensive CIP projects were warranted in subsequent analysis cycles to functionally replace LATR improvements).

Question 2. What geographic area(s) might be most appropriate for Pro-Rata Share approaches?

Two types of proposals have been identified:

- Continue the development of additional Sector Plan, or similarly sized, Districts such as White Flint and White Oak.
- Establish a broader Pro-Rata Share District, such as one that would encompass developments served by the Countywide Transit Corridors Functional Master Plan

For a **functional replacement of LATR, TPAR, and/or impact taxes**, our experience indicates that a relatively small and discrete study area is preferable for several reasons:

- Establishing consensus on transportation costs and benefits (as related to the tradeoffs between LATR and a Pro-Rata Share approach) in an equitable manner is more feasible in a smaller geographic area where constituent experiences are similar
- Defining projects to be funded by a Pro-Rata share approach is facilitated by smaller/discrete areas.
- Applying and tracking revenue spending is generally easier in a smaller/discrete area

An exception to this rule could be made if the Pro-Rata Share District is used for a policy independent of functional LATR improvement (i.e., the answer to Question 1 is "d"). The concept of a Pro-Rata Share District dedicated to funding BRT implementation would fall into this category.

Question 3. What types of improvements should be funded by a Pro-Rata Share District and over what timeframe?

The answer to this question is dependent on both Questions 1 and 2 and is most appropriate for context-sensitive consideration with the community. Examples include:

- In White Flint, the Special Taxing District takes the form of an ad-valorem tax on all commercial properties that replaces LATR, TPAR, and transportation impact taxes. The ultimate consensus was to incorporate elements beyond typical LATR improvements such as the redesign of Rockville Pike for BRT within the Plan area and a second entrance to the Metrorail station, but not include any changes beyond the study area (five intersections were analyzed and considered for funding during the Plan development). Further, potential master planned improvements were distributed among three "buckets" of funding; private sector "on-site" streets, projects funded by the Special Taxing District revenue, and projects funded through other public sector sources.
  http://www.montgomerycountymd.gov/council/resources/files/res/2010/20101130_16-1570.pdf

http://www6.montgomerycountymd.gov/content/council/pdf/agenda/cm/2010/101109/20101109_PHEDMFP1-2.pdf (see p. 33/35 of PDF)

- In White Oak, where only LATR is being replaced, discussions are currently underway regarding the extent of intersections to be analyzed (and potentially, but not necessarily, funded) from the Pro-Rata Share approach. http://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2015/150428/20150428_5.pdf

- The City of Portland, Oregon has established two Transportation System Development Charge (TSDC) overlay zones, where the TSDC (similar to Montgomery's transportation impact tax) has been increased to provide funds for local contributions to a series of targeted projects, including the City's $55M contribution to the $1.5B Portland-Milwaukie Light Rail project. TSDC charges citywide can be paid up front or in installments, with interest, for up to 20 years. The TSDC is supplemental to the land use review process but plays a key role in several similar overlay districts where development only has an impact for levels above and beyond that explicitly included in a local master plan that informs the TSDC rates.

- Baltimore establishes fees for their Traffic Mitigation Zones in the central part of the city based on 10-year programmed improvements with the possibility of updating fees every five years.

- Delaware DOT has established a Transportation Improvement District (TID) process for a Pro-Rata Share approach that is implemented in coordination with local jurisdictions as needs arise, with parameters defined to meet those needs. Horizon years are generally 20 years in the future and incorporation of the TID parameters as part of the comprehensive plan.

- The Mobility Fee programs in Florida tend to identify both short-term and long-term needs, although like most impact fee programs (and both the calculation, and implementation, of Montgomery's impact tax), they do not necessarily abolish traffic impact study requirements. Smaller jurisdictions, like Kissimmee and Destin, have sufficiently defined multimodal needs that a multimodal project-driven approach can be applied to identify and fund sidewalks, bike paths, and transit circulator services. Larger jurisdictions tend to pursue a consumption-based approach that considers average unit costs for roadway based improvements (i.e., the total number of arterial lane miles needed), with the assumption that multimodal elements of the roadway are incorporated in those costs. Osceola County's current examination of a Mobility Fee provides one example of this consumption based approach to replace their current Road Impact Fee: http://www.osceola.org/core/fileparse.php/2731/urlt/040915_Mobility_Fee_Study.pdf

- Pro-Rata Share approaches tend to focus on capital costs, with a frequent exception being the inclusion of some amortized operating cost elements for local shuttle services that primarily benefit the District users and may also be funded through operating entities (such as the Montgomery County Transportation Management Districts and Urban Districts).

Question 4. Should a Pro-Rata Share District have a defined benefit element in addition to or instead of a defined contribution element?

Generally, Pro-Rata Share Districts operate on a defined contribution approach – a pay and go solution for development in any particular district. There are several ways that a defined benefit element can be coupled to the define approach element:

- Most Pro-Rata Share Districts or impact/mobility fees are re-evaluated periodically; the fee may rise or fall to the extent that additional projects are needed to achieve acceptable performance measures, or to achieve other policy objectives such as encouraging or discouraging certain types, locations, or timeframes of development.

- The White Flint Special Taxing District uses a staging approach to consider achievement of both mode shares and progress on critical infrastructure delivery. The Sector Plan and Special Taxing District legislation allow for changes to ad valorem tax structure if determined through a public process

- The Greater Colesville Citizens Association proposal suggests a defined benefit approach using site-specific mode share performance goal associated with individual site performance. There are several concerns with this proposal. First, it removes a key benefit of the Pro-Rata Share District – an improved certainty of development risk. Second, it creates a required linkage between developers and future owners that continues to prove problematic in the Transportation Mitigation Agreement arena. And finally, a common set of mode share assumptions may not be equitably and efficiently applicable to different types of development based on development types, sizes, and multimodal accessibility (distances to destinations by multiple modes) that influences mode shares. An alternative approach to achieving the same general approach would be to decouple the defined benefit approach from the Subdivision Staging Policy but establish development size and type thresholds for Traffic Mitigation Agreements, particularly for long-term, phased developments.

Question 5. Should participation in a Pro-Rata Share District be mandatory or can it be voluntary?

We have not found any true Pro-Rata Share District in which an applicant has a choice to conduct a traditional impact study or opt for a Pro-Rata Share approach in lieu of a traffic impact study. Partly this is due to the limited number of places that have abolished traditional traffic impact studies.

Options like Montgomery's Alternative Review Procedure (where a higher impact tax payment is established based on a general sense of the impact tax/LATR contribution), which remains an appropriate approach for voluntary selection of a Pay-and-Go mechanism.

Even with a mandatory Pro-Rata Share approach, an applicant that wishes to promote certain planned transportation investments should (and can, in most cases) be allowed to provide the desired improvement (if consistent with the District's comprehensive plan) and be credited with a reduced Pro-Rata Share payment.

Question 6. Should a Pro-Rata Share approach include a monitoring element that evaluates conditions over time and identifies mitigation strategies (if needed)?

Regardless of the answers to the prior questions, we believe that a Pro-Rata Share district should include a monitoring program that provides information to constituents on the District's transportation system performance, as well as an opportunity to revisit and adjust those goals (and the fee requirements, if found necessary). The monitoring systems for the White Flint Sector Plan, the Great Seneca Science Corridor Plan, the County's Transportation Management Districts, and the Mobility Analysis Report are examples of monitoring elements on a biennial cycle designed to be in synch with and inform the biennial CIP process.

Conditions can be expected to change from those initially assumed in a Pro-Rata share calculation over a long-range period, necessitating revisions to the assumptions and costs of development. The actual decision to revisit Pro-Rata share costs should not be made on a biennial basis, however, for two primary reasons. First, a longer tenure for given costs is desirable to establish consistency in development predictability. Second, the analysis process itself takes time to perform and review. A process for reviewing Pro-Rata share costs might reasonably be expected every 5 to 10 years, and even then, only acted upon if the monitoring program indicates that adjustments are needed.

Question 7. What type of coordination needs to be considered with state and regional implementing agencies (such as the Maryland State Highway Administration, Maryland Transit Administration, and Washington Metropolitan Area Transit Authority) in order to develop a Pro-Rata Share approach?

This question has two elements. The first element relates to the general division of funding and implementation responsibilities for regionally and locally serving transportation facilities. There are very few "bright lines" defining the boundaries between the two, and judgment is required. A current example is the White Oak Policy Area traffic study direction to include needed at-grade intersection improvements along US 29 that are needed in part to serve local development (while also helping through traffic to some extent), but not include the master planned grade-separated interchanges that are often viewed as part of a broader, statewide system (although they also provide local traffic benefits).

Similarly, the current Transportation Impact Tax rates were established based on an assessment of the improvements likely to be implemented using County funds (see page 191-195 in the 2007-2009 Growth Policy document hotlinked below).

http://www.montgomeryplanning.org/research/growth_policy/growth_policy_2007_2009/documents/InfrastructureFinancing.pdf

This assessment of $1.182B in long-term infrastructure needs divided by 101,000 new peak hour vehicle trips formed the basis for the $11,000 per peak hour vehicle trip value for non-auto facilities (which has since been escalated due to inflation).

The second element relates to the level of information or study needed by MCDOT to assess access permit requirements (essentially driveway access design and operations considering anticipated adjacent street traffic). Typically in the few places without a Traffic Impact Study process (including White Flint) a much more narrowly-focused circulation plan will be required, where background traffic may be assessed using analyst judgment on the nature and timing of known or anticipated changes.

ATTACHMENT B

LATR CONCEPT SUMMARY
SA-3: Alternative Review Procedure for Very Low VMT
Process: Scoping Elements
Sub-Process: Study Alternative Review Procedures

Concept in a Nutshell:

Developments that generate a very low VMT should be able to be credited with the same types of benefits as those that generate low vehicle trips. A development that, by virtue of increasing the overall development density or diversity of its site context, reduces VMT generated by surrounding land uses should be able to take credit for that reduced VMT as well. Three levels of Very Low VMT are considered:

- **Type 1 Zero-VMT Development**: M-NCPPC would identify development types and locations that reduces areawide VMT and are automatically exempted from any transportation mitigation action (i.e., no action under LATR, TPAR, or transportation impact taxes)
- **Type 2 Very Low VMT Development**: M-NCPPC will identify development types and locations that generate low VMT rates that could be considered to have a *de minimis* effect based on reduced areawide VMT should follow the *de minimis* rules (i.e., no action under LATR, but still action based on TPAR and payment of transportation impact taxes)
- **Type 3 Mitigated VMT Development**: Applicants may propose that M-NCPPC consider their development a Low-VMT case following the same logic currently applied under concept SA-1, a 50% reduction in vehicle impact monitored through a Traffic Mitigation Agreement (TMAg). The Type 3 development would operate under the same approach as in SA-1, except that VMT would be measured rather than vehicle trips:
  - Applicant proposes analysis, mitigation, and monitoring to achieve site-generated VMT that is 50% or lower than that VMT which would otherwise be assumed to be generated by the site.
  - No action under LATR or TPAR
  - Payment of twice the applicable transportation impact tax
  - TMAg with accepted monitoring, mitigation, and incentives/disincentives for achieving the 50% VMT reduction.

Primary Purpose:

Recognize the benefits of density and diversity in urban areas not only in achieving a modal shift away from auto drivers but also the benefits of shorter trip lengths for those who do use autos.

Effect on:

Study Objective	Strengths	Weaknesses
Improving context-sensitivity and multimodal **analysis**	Introduces combination of development type and surrounding context	None
Improving **predictability**	Enables applicants to consider development proposals that eliminate need for any action under LATR	None
Streamlining **implementation**	None	None

Relationship to Current LATR (or prior growth policy concepts)

Type 1 and Type 2 cases are new, based loosely upon the concepts emanating from initial SB 743 concepts in California jurisdiction and a desire to establish a baseline for potential VMT reduction scenarios.

Type 3 cases are similar to, and framed to replicate, the current Alternative Review Procedure for reducing vehicle trips by 50% in conjunction with a Traffic Mitigation Agreement (TMAg), as described in LATR Concept SA-1.

Expected Application Area:

The Type 1 and Type 2 cases have been developed for new residential development within the Bethesda and Silver Spring CBDs, which are selected because these two CBDs have:

- development densities and J/HH ratios are both high enough that new residential development of the right size and characteristics is arguably capable of reducing overall areawide VMT
- Transportation Management Districts to help support and monitor effects across the CBDs

Examples of Application

The assessment of low VMT development types 1, 2, and 3 are described below.

Type 1: Zero VMT Development

The basic theory of a Zero-VMT Development is that, by virtue of its location or characteristics, the activities it generates reduces VMT generation by nearby development sites to such an extent that the change in total areawide VMT after introduction of the new development is at most zero (and possibly a net reduction in areawide VMT occurs). In other words, the development site can take credit for reducing VMT at other sites as part of its VMT calculation.

A basic challenge with this approach is that it is difficult to conclude that any new development actually takes vehicle trips off the road from nearby developments. For instance, we would expect that a new residential development in Bethesda or Silver Spring would generate a number of walk/bike trips to adjacent retail locations, thereby positively affecting both the total number of person-trips, total amount of sales, and the total non-auto driver mode share at those adjacent retail locations. However, it is unlikely that the presence of new walk trips would also result in the removal of a prior auto trip to the same retail location. The one exception could be for retail experiences (the most exclusive restaurants or sold-out entertainment venues) but these are the rare exception rather than the rule.

However, the journey to work trip describes a case wherein the introduction of a new walk/bike trip should result in the removal of another trip. The number of available jobs in Bethesda at any point in time is finite; if a resident of a new development takes a job in a nearby building, it stands to reason that that very same job/position must have been vacated by someone else who may or may not have been a Bethesda resident. Since many of those jobs are held by persons who drive a long distance to work in Bethesda, we can convert the typical Bethesda office worker's journey to/from work VMT into a credit for the new development. This approach is described in the attached table for a hypothetical 200 unit development (the size of the residential development is not proposed as a factor in the mathematics at hand, but using a specifically sized development makes it easier to conceptualize the data) and summarized below:

- Step A. Consider VMT generated by new development
  - MWCOG Household Travel Survey indicate that Silver Spring and Bethesda households generate an average of 16.19 VMT
  - The residential development will generate trips by non-residents (deliveries, friends, maintenance staff, etc.); estimated based on 85%/15% generic peak period directional split and an estimate that non-resident trips are generally about half the length of resident trips
  - The development generates about 3,481 daily VMT
- Step B. Consider VMT generated by a typical CBD employee
  - We know from the Bethesda TMD 2009 survey report (latest info readily available) that there's a NADMS (all times of day) of about 38%, so in other words, 62% of Bethesda employees drive to work.
  - The average trip length (admittedly, for all modes) is 15.8 miles one way
  - Therefore the "typical" Bethesda employee generates about 19.6 VMT daily
- Step C. Consider how likely it is for the new residential development to generate employees in Bethesda
  - From the Bethesda TMD we know that about 4% of employees walk or bike to work; we use this as a surrogate for local employees (some will walk from outside the CBD, and some residents inside the CBD will take transit or drive to work)
  - These 4% of employees total about 1538 employees, which works out to about 0.16 employee in every Bethesda CBD household

- The 200 unit residential unit may therefore produce about 33 Bethesda CBD residents walking/biking to work, each of whom displaces a typical Bethesda employee generating about 19.6 VMT traveling to/from work.
- The net benefit of the new development at reducing journey-to-work VMT is therefore about 654 VMT.

- Step D. Consider the residential site VMT generation in contrast to its effect in reducing areawide VMT:
  - 3,481 VMT generated by the site
  - 654 VMT reduced by replacing typical Bethesda employees
  - 19% reduction in site generated VMT attributable to the new residential development.
- Step E. Consider parking restrictions to reduce VMT attributable to the new residential development to be equal to the offset provided by reduced employee journey-to-work VMT
  - Currently, average household owns 1.2 vehicles, or 240 total
  - New building generates 14.5 VMT per owned vehicle (VMT includes that generated by visitors, etc.)
  - In order to limit VMT to 654 VMT offset associated with lower journey-to-work VMT in Step C, the number of vehicles would need to be limited to 45, or 0.23 vehicles per household, or equal to 0.23 spaces per vehicle.
  - (Note: this value may be a tad high; as vehicles/DU drop, it's reasonable to assume that the proportion of non-resident vehicle VMT might increase due to increased deliveries and use of taxis or carshare; from a policy perspective we would argue this is close enough).

Conclusion: M-NCPPC should grant a Very-Low VMT exemption to any residential building in the Bethesda or Silver Spring CBDs that provide fewer than 0.16 resident parking spaces per unit.

Type 2: Very Low VMT Development

Using the assumptions in Type 1, we can postulate that whatever the *de minimis* rate ends up being for Silver Spring and Bethesda CBD development, it can be increased to reflect the lower VMT associated with residential development in jobs-heavy CBDs of Bethesda and Silver Spring, subject to parking restrictions as noted below:

Using reasonable facsimiles of the current vehicle trip generation rates and a 30 vehicle trip level of *de minimis* working out to about 60 vehicle trips

If parking is limited to	The number of units for a *de minimis* finding would be
No limit	71
0.8 spaces per DU	74
0.6 spaces per DU	98
0.4 spaces per DU	147
0.2 spaces per DU	295

Next Study Steps

This approach would need to be adjusted as we work on person-trip *de minimis* rates.

MNCPPC Subdivision Staging Policy
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Very Low VMT Option
Red numbers indicate placeholders

1. Type 1: Zero-VMT Development
Case Study - Bethesda and Silver Spring CBDs

A		Identify VMT from new proposed development
	200	High rise DU
	16.19	Current daily VMT generation rate per DU (MWCOG HTS)
	3238	VMT from DU residents
	0.075	Factor for visitor/delivery VMT (source TBD - based on reverse flow in peak periods from ITE x 50% triplength reduction)
	3481	VMT for total development
B		Identify VMT for Bethesda employees
	38%	Non-Auto Driver Mode Share (from Bethesda TMD surveys, 2009 report p. 59)
	15.8	One-way average auto trip length (from Bethesda TMD surveys, 2009 report. 60)
	19.6	VMT for JTW for "typical Bethesda employee"
C		Identify extent of VMT reduction for new proposed development
	4%	Percent new residential development walk/bike to work (Bethesda TMD surveys, 2009 report p. 60)
	38446	Total number of employees in Bethesda (current master plan effort - MWCOG 2015)
	1538	Walking/biking employees
	9207	Total number of households in Bethesda (current master plan effort - MWCOG 2015)
	0.167	Number of locally employed residents per DU
	33.4	Total new DU residents that walk/bike to work, replacing "typical" Bethesda employee
	654	Total reduced JTW VMT associated with new development
D		VMT effect of new development
	3481	New development VMT generated
	654	Reduced VMT from employee replacement
	19%	Percent goal achieved for Very Low VMT Option 1 (total reduced VMT)
E		Parking restriction affect
	0.83	Average vehicles/household (from MWCOG Household Travel Survey)+D37
	166	Total vehicles in building
	21.0	Total VMT per vehicle (including VMT generated by non-residents)
	654	Allowable VMT for zero-VMT development
	31	Number of vehicles allowed
	0.16	Parking spaces per DU

Type 2: Very Low VMT Development

A Comparison against current "de minimis" rules for Low VMT Option 2 (adjusted de minimis amount)
The deminimis rate could be raised by 19% without parking restrictions

If current de minimis definition triggers traffic study at 60 Dus

Then:

With the following parking restriction:	The de minimis rate would be
None	71 Dus
0.80 spaces/DU	74 Dus
0.60 spaces/DU	98 Dus
0.40 spaces/DU	147 Dus
0.20 spaces/DU	295 Dus

ATTACHMENT C

Transportation Impact Study Technical Working Group (TISTWG) Roster

Public Agency Staff:

Name	Affiliation
Pamela Dunn	Montgomery County Planning Department
Thomas Autrey	Montgomery County Planning Department
David Anspacher	Montgomery County Planning Department
Jaesup Lee	Montgomery County Planning Department
Edward Axler	Montgomery County Planning Department
Matt Folden	Montgomery County Planning Department
Michael Garcia	Montgomery County Planning Department
Aaron Zimmerman	Montgomery County Planning Department
Eric Graye	Montgomery County Planning Department
Gary Erenrich	Montgomery County Department of Transportation
Andrew Bossi	Montgomery County Department of Transportation
John Thomas	Montgomery County Department of Transportation
Gregory Leck	Montgomery County Department of Transportation
Rebecca Torma-Kim	Montgomery County Department of Transportation
Scott Newill	Maryland State Highway Administration
Morteza Tadayon	Maryland State Highway Administration
Anyesha Mookherjee	Maryland State Highway Administration
Pranoy Choudhury	Maryland State Highway Administration
Johnathan Parker	Washington Area Metropolitan Transit Authority
Glenn Orlin	Montgomery County Council Staff

Tina Benjamin	Montgomery County Department of Economic Development

Civic Representatives:

Name	**Affiliation**
Benjamin Ross	Action Committee for Transit
Eileen Finnegan	Montgomery Civic Federation/Hillandale Citizens Association
Daniel Wilhelm	Greater Colesville Civic Association
Harriet Quinn[1]	Montgomery Civic Federation/Woodmoor-Pinecrest Citizens Association

Transportation Consultants/Building Industry Representatives:

Name	**Affiliation**
Cherian Eapen	Temoss, LLC/Montgomery County Upcounty Civic Federation
Edward Papazian	Kimley Horn & Associates, Inc.
Robert Kaufman	Maryland National Capital Building Industry Association
Stephen Elmendorf	Linowes & Blocher, LLC
Steven Robins[2]	Lerch, Early & Brewer, Chtd.
Timothy Dugan[3]	Shulman Rodgers

[1] Friend of TISTWG (Resident)
[2] Friend of TISTWG (Land use attorney)
[3] Friend of TISTWG (Land use attorney)

ATTACHMENT D

904 Cannon Rd
Colesville, MD 20904
July 1, 2015

Montgomery County Planning Board
Mr. Casey Anderson, Chair
8787 Georgia Avenue
Silver Spring, MD 20910

Re July 9, Agenda Item 2. TISTWG

Dear Chairman Anderson:

I am a member of the Transportation Impact Study Technical Working Group (TISTWG). I think many members of this group feel that some change is needed to the existing LATR process. The discussion that has taken place in the meetings has allowed all of us to expand and evolve our thinking. At this point, I don't think there is a consensus on what the change should be. Actually, it is probably early in the process for us individually to come to a final position, since we need to hear the views of the Planning Board and others.

LATR is primarily focused on road improvements. LATR made sense when the County was undertaking primarily green field development. However the County is now largely built-out and our ability to add new roads or expand existing ones is much more limited. Rather, we need to direct our focus on transit, walking and biking. The Transportation Policy Report (TPR) of 2002 showed it is impossible to build or widen enough roads to satisfy our needs and that in fact congestion will continue to get worse if we continue to focus on roads. At the time, I was part of the Montgomery County Citizen Federation and we debated the results from TPR for some 40 hours over a two year period. The conclusion was that MCCF members supported transit over widening existing roads and supported widening existing roads over building new roads.

Recently there has been much discussion about economic development and the need for more good paying jobs in the county. I have seen several presentations that show our job growth is poor and much of what is being added are low income jobs. The average salary per job has dropped substantially over the last few years, and that is without considering inflation. I think one of the reasons for poor growth of new good paying jobs is the regulatory environment in getting new development projects approved.

I think the existing LATR, TPR and impact tax regulatory structures need to be changed to increase predictability and streamline implementation. We also need to facilitate transit and development needs to be structured to encourage the production good paying jobs. The "pro-rata share" districts idea presented in the staff report and presentation is a start in addressing these short comings. I don't support moving to VHT as an element of LATR because it doesn't address the needed change.

I agree that the County should undertake the necessary traffic studies as proposed in the pro-rata approach. The current process requires all developers to undertake traffic studies but small projects rarely need to make any improvements. The larger projects are left to fund much of the infrastructure. I think every development should pay its share of the infrastructure costs. Since the County is largely built out, projects are largely providing in-fill development and redevelopment. I expect more projects will be smaller in scope because of difficulty with assembling parcels into projects. Requiring developers to undertake studies related to making changes to transit corridors and routes is pointless since such changes will be made by looking at a region, which would include multiple projects. For all these reasons, the county should undertake the necessary studies and decide what changes to make.

I don't think the pro-rata share approach makes enough change. It will result in different costs in different parts of the county and that difference could be substantial. Thus development is more likely to proceed in low cost areas and not in high cost areas. Development is needed in all areas. I also think the state and county should be paying for major infrastructure, like grade separated interchanges, which could cost $100M or more.

Rather, I recommend a standard uniform fee be established based upon project size and type of proposed development that would apply county-wide. The fee would cover costs that are currently driven by LATR, TPAR and transportation impact taxes. The county should use these fees to pay for new transportation infrastructure. That means the county would need to undertake traffic studies much like what is underway for the White Oak area. I think those studies should normally be undertaken after approval of projects by the Planning Board, and then only when sufficient development has been approved to make the study worthwhile. The studies could be undertaken after the master plan where the master plan is largely addressing a major project that is fairly known in scope, like the Life Science Village in White Oak. Needless to say, I am talking about addressing traffic off the site; the developer would still need to address on-site traffic and those road improvements necessary to access major roads. Since the county will need to undertake more studies and build more infrastructure, the process MCDOT uses would need to be changed so that the infrastructure is provided in a timely manner.

I also support rules that would require developers and/or property owners to fund and implement a program to encourage employees to undertake actions that would achieve a high non-auto driver mode share. This would be applicable along BRT corridors where design studies are underway. I am assuming that local Ride-On circulator buses will be implemented along the BRT corridors.

Thank you for considering my ideas. I look forward to the discussion on July 9.

Sincerely,

Daniel L. Wilhelm