MONTGOMERY COUNTY DEPARTMENT OF PARK AND PLANNING

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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> **MCPB** Item #5 10/07/04

DATE:

October 1, 2004

TO:

Montgomery County Planning Board,

VIA:

Carlton Gilbert, Zoning Supervisor

Development Review

FROM:

Greg Russ, Zoning Coordinator

Development Review

Joel Gallihue, Zoning Analyst

Development Review

PURPOSE:

Amend the Zoning Ordinance to establish a site plan review process for hospitals and permit existing hospitals by right with any expansion occurring in accordance with the site plan review

procedures

TEXT AMENDMENT:

Not Applicable until introduced

REVIEW BASIS:

Advisory to the County Council sitting as the District

Council, Chapter 59 of the Zoning Ordinance

INTRODUCED BY: INTRODUCED DATE:

PLANNING BOARD REVIEW:

October 7, 2004

PUBLIC HEARING:

Not scheduled until introduced

STAFF RECOMMENDATION:

TRANSMIT TO COUNTY COUNCIL FOR

INTRODUCTION

BACKGROUND/ISSUES

For a number of years, issues have arisen relating to the expansion of existing hospitals. Under the current process, existing hospitals must seek approval of special exception modifications from the Board of Appeals (BOA). The Planning Board makes recommendations to the Board of Appeals on Special Exceptions and staff prepares recommendations for such cases. Hospital expansion proposals have frequently engendered friction between the institutions and the neighborhoods where they are located. The most recent proposal to bring these challenges to light has been Washington Adventist Hospital. Hospital expansion is likely to remain a challenge in Montgomery

County because much of the County's health care infrastructure is located in mature onefamily detached neighborhoods.

Health Care Crisis

Hospital representatives have indicated to staff that two related issues drive their need to expand. The first issue is that Maryland requires hospitals to admit and treat all persons, regardless of their ability to pay. To balance the cost of uncompensated care, hospitals must remain attractive to insured clients and to do this they must attract and keep good doctors. The second issue is that increased costs, improved technology and insurance coverage have led to a growth in outpatient services, making the proximity of on-campus medical offices a primary locational factor for medical practices. Doctors need their offices to be near the hospital to enable them to see more outpatients while being close to in-patients and the resources of the hospital. The County's existing hospitals are trying to respond to the current industry trends with the infrastructure needed for each to be competitive. The current need is for on-campus medical office space; future trends may require other infrastructure in response to other issues.

Regulatory Problem

Under the current special exception process, existing hospitals must prove the validity of the use every time they seek to modify their facility. Some hospital representatives have expressed desire for a more efficient review process for existing hospitals. They have asked why existing hospitals have to validate their use repeatedly when health care is a vital public interest. Staff has found this question to be compelling for existing hospitals where regulatory review could be limited to the design and impact of the proposed improvements.

The attached staff report to the Planning Board (Attachment 2) dated July 16, 2004 (Planning Board date of July 22, 2004) examined four different alternatives to evaluate any potential change to the current review process for existing hospitals. Alternative 4 was the approach recommended by staff and is the subject of this text amendment.

PROCESS

The proposed text amendment language has received limited review by outside entities at this point. The proposed text amendment process will afford several opportunities for public comment beginning with the Planning Board hearing scheduled for October 7, 2004. Should the Planning Board transmit a "recommendation for introduction" to the County Council at that time, the text amendment would next be introduced and scheduled for public hearing by County Council. Once introduced by County Council, a second hearing by the Planning Board would be scheduled. The Council then holds a public hearing and conducts worksessions where comments from public testimony are addressed.

ANALYSIS

As mentioned above, Attachment 2 examines four alternatives to evaluating any potential change to the current review process for existing hospitals. The four alternatives included:

Alternative 1 – Maintain Current Process;

Alternative 2 – Modified Special Exception Process for Existing Hospitals;

Alternative 3 - Rezone existing hospitals to zones that permit them by right; and

Alternative 4 - Modify existing zones to allow hospitals by right but with site plan review for expansion or modifications.

Below we will discuss the proposed text amendment for staff's preferred alternative, Alternative 4.

	RE-	RE- 2C	RE- 1	R- 200	R- 150	R- 90	R- 60	R- 40	R-4 plex	RMH 200
(d) Services.										
* * * Hospitals.	<u>P*/</u>	<u>P*/</u>								
* * *	SE**	SE**								

This option calls for a ZTA to make existing hospitals--which have already been determined to be appropriate in the single family neighborhoods--permitted uses rather than special exceptions. The first proposed footnote would require any structural expansion of an existing hospital to be approved through the site plan review procedures of Section 59-D-3 and any conditions associated with the special exception to be superceded by the conditions of site plan approval. Also, a new section (Section 59-C-1.38.1) is proposed that requires the applicable specific requirements for hospital special exceptions (Section 59-G-2.31) to continue to be adhered to for the existing hospitals should they be allowed by right.

Footnote 2 states that any new hospital must be established by Board of Appeals approval of a special exception. Any modification or enlargement of the hospital after it is established by the Board of Appeals must be approved pursuant to the site plan review procedures of Section 59-D-3. These requirements are also so emphasized in the proposed Section 59-C-1.38.1.

Site Plan Review

An enhanced site plan review process is proposed to address compatibility and traffic impacts.

59-D-3.4.1 Action by Planning Board for Existing Hospitals.

- (a) A public hearing must be held by the Planning Board on each site plan application for hospitals. The Planning Board must approve, approve subject to modifications, or disapprove the site plan not later than 45 days after receipt of the site plan, but such action and notification is not required before the approval of a preliminary plan of subdivision involving the same property. The Planning Board then must notify the applicant in writing of its action. In reaching its decision the Planning Board must determine whether:
 - (1) the site plan meets all of the requirements of the zone in which it is located;
 - (2) the site plan must substantially conform to the applicable master plan, sector plan, or urban renewal plan, including maps and text, unless the Planning Board finds that events have occurred to render the relevant master plan, sector plan, or urban renewal plan no longer appropriate;
 - (3) <u>the site plan will be served by adequate public services and</u> facilities as defined under Chapter 50-35(k);
 - (4) the location, design, scale and bulk of any proposed new structures, and the location, design and scale of landscaping and recreational facilities, are in harmony with the general character of existing and proposed adjacent development;
 - (5) green area and open spaces shall be appropriately designed and located to provide a setting for the hospital campus that is compatible with existing and proposed adjacent development;
 - (6) <u>the location, design, scale and bulk of landscaping provide</u> <u>adequate screening for existing and proposed adjacent</u> <u>development;</u>
 - (7) <u>the pedestrian and vehicular circulation systems, and parking</u> <u>facilities, are adequate, safe, and efficient:</u>
 - (8) the site plan meets all applicable requirements of Chapter 22A regarding forest conservation and Chapter 19 regarding water resource protection.
- (b) Effect of Planning Board Decision on Special Exception Conditions.

The Planning Board must adopt as site plan conditions all special exception conditions of approval. Site plan approval for an existing hospital extinguishes the underlying special exception approval. All special exception conditions of approval shall be incorporated into the site plan conditions of approval, and remain in effect as site plan conditions, unless modified by the Planning Board.

The proposed site plan process would require the Planning Board to make enhanced findings modeled after, but more streamlined than, the special exception standards general standards. Findings such as consistency with applicable master plans and adequate public facilities are retained. Such findings ensure that hospitals cannot expand their campuses beyond where approved master plans show the use to be appropriate, unless the Planning Board finds that events have occurred to render the relevant master plan, sector plan, or urban renewal plan no longer appropriate.

Existing site plan compatibility findings are enhanced by providing that the use will be in harmony with the general character of the neighborhood, and additionally allow review of building bulk, scale and design.

Section "b" above states that once an existing hospital use undergoes a site plan review and approval process, all special exception conditions of approval must be adopted as site plan conditions of approval, and the underlying special exception approval is extinguished. This is because a use cannot simultaneously exist as a special exception use, and as one permitted in a zone "by right." Therefore, once the Board of Appeals has determined that a hospital is compatible in a specific residential zone at a specific location, this legislation allows for the conversion of the special exception use to one that exists by right. One practical consequence of this conversion is that enforcement of the conditions of approval will shift from DPS to the Commission.

Under Section 59-D-3.1 staff is recommending that hospitals provide a long-term expansion plan as part of the submission requirements for a site plan.

RECOMMENDATION

Staff recommends transmittal of the proposed Zoning Text Amendment to County Council for introduction. Modifying existing zones to allow existing hospitals to expand by-right with site plan control and special findings appears to be the better solution for the short term.

Under staff's recommended approach, existing hospitals would be considered appropriate uses in one family residential zones and therefore would not need to prove the validity of the use each time a modification is proposed. Instead, staff recommends that modifications to existing hospitals be addressed through a strengthened site plan review process to ensure that design, compatibility and traffic impacts are fully addressed by the Planning Board—the agency best equipped to perform such reviews.

Staff's intent for existing hospitals is not to affect existing special exception approvals that have not yet been implemented by the applicant, but instead to require any additional improvements to be reviewed through the site plan process.

Appendices

- 1. Proposed Zoning Text Amendment
- 2. Staff Memorandum to the Planning Board dated July 16, 2004