



MEMORANDUM

July 2, 2009

TO: Montgomery County Planning Board

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

SUBJECT: 2009-2011 Growth Policy Worksession #1

Purpose: To provide the Planning Board with a summary of public comment on the 2009-2011 Growth Policy and to discuss staff recommendations and alternatives as well as future Growth Policy studies.

Below is a summary of the public hearing testimony on the Growth Policy. To guide the Board's discussion, staff has posed questions and answers to recurrent issues or concerns raised in the public testimony. Following this information, a summary of the staff recommendations and where appropriate, alternatives to these recommendations is presented. Three attachments are also provided as supporting material for this worksession. These Attachments include: A) a summary of the staff recommendations, B) a draft of the 2009-2011 Growth Policy Resolution, and C) hypothetical examples of the Smart Growth Criteria in use.

Staff proposes to brief the Board on the public testimony and questions/answers and then ask the Board for straw votes on each of the staff recommendations. A second Growth Policy worksession is scheduled for July 16 to address any items requiring further discussion and complete the Board's vote. The Planning Board's Growth Policy is due to the County Council on August 1.

Summary of Public Hearing Testimony:

A public hearing on the 2009-2011 Growth Policy was held on June 22, 2009. Twenty-two Montgomery County residents testified before the Planning Board. The public record was held open for a week following the hearing; an additional twenty-four residents provided written comments. Of the twenty-four written responses, twenty-three were provided by residents of Kensington or Garrett Park. Of these twenty-three, twelve wrote in response to the following question posed by the Chairman, "Should we let growth occur only where there is adequate infrastructure?" There was agreement amongst the respondents that growth should only occur where there is infrastructure to support it. Nine other written submissions were directly related to the White Flint sector plan; seven of these expressed unease over the level of growth proposed in the White Flint plan. One resident wrote in opposition to the use

of the Growth Policy public hearing for expression of White Flint specific issues, stating that this misuse was unfair to residents participating in the White Flint process who did not testify.

Of the twenty-two residents who spoke before the Board, almost half voiced concern with the White Flint sector plan; a few residents expressed concern over school crowding that could result from the increased density proposed in the plan, while a majority of those who spoke stated their opposition to a separate implementation authority proposed to manage transportation infrastructure. With respect to schools in general, the concerns were split. Several residents spoke out against an increase in the School Facility Payment threshold, while an equal number expressed dismay over the moratorium threshold, suggesting that it is set too low. With respect to the Smart Growth Criteria, several residents were critical of the PAMR offset, citing concern over a possible reduction in mitigation while a couple individuals associated with the building industry expressed concern over the practical ability of development to make use of this alternative. Lastly, the Board heard testimony from the development community that PAMR should be replaced with a payment-in-lieu fee for trip mitigation.

Schools:

1. Should the threshold for moratorium on residential subdivisions be 120%?

The Planning Board and the Montgomery County School Board recommended a 110 percent School Facility Payment threshold during the 2007-2009 Growth Policy deliberations. Both Boards also proposed a 135 percent capacity ceiling. The Growth Policy Resolution adopted by the County Council set the threshold for moratorium at 120 percent. Staff does not recommend changing the threshold for moratorium at this time.

Prior to the 2007-2009 Growth Policy school capacity was based on “Growth Policy capacity”. “Growth Policy capacity” set the number of students per grade per classroom at a specific level (22 students for all-day kindergarten, 25 students for grades 1-6, and 22.5 students per classroom at the secondary level). School cluster capacity was then calculated based on these particular capacity figures – regardless of how many students were programmed for each classroom (such as 17 per classroom for grades 1 and 2 where class-size reduction programs for reading are in place). In the 2007-2009 Growth Policy, the measurement of school capacity changed to “program capacity”. “Program capacity” is the number of students per grade per classroom as determined by Montgomery County Public School (MCPS) programming specifications. Switching from “Growth Policy capacity” to “program capacity” created a tighter test on school adequacy as “Growth Policy capacity” is, over-all, greater than “program capacity”.

In moving to a stricter test on capacity, the Planning Board and the School Board recommended increasing the threshold at which a school facility payment is required as well as increasing the threshold for moratorium. Basically, the recommendation was to equate the capacity level at which a school facility payment would be required or a moratorium triggered under the prior (growth policy) capacity level to an equivalent threshold at the new capacity level. Thus, the recommendation for the school facility payment threshold moved

from 100 percent of “growth policy capacity” to 110 percent of “program capacity” and the moratorium threshold increased from 110 percent of “growth policy capacity” to 135 percent of “program capacity”.

The County Council supported the switch from “Growth Policy” capacity to “program capacity” but did not agree with the school facility payment threshold or the threshold for moratorium. The Council’s concern with the moratorium threshold was that at its equivalent level under “Growth Policy” capacity, the test was rarely failed. The Council had one member who voted to accept the moratorium threshold at 135 percent, but had another member that advocated a threshold of 115 percent. The eventual compromise landed the threshold at 120 percent. Staff does not have any a priori reason to recommend a change in the threshold for moratorium at this time, but recognizes that the choice of such a parameter is as much “art” as “science”.

Some of the testimony supplied for the public hearing indicated a desire for the Planning Board to consider returning to “Growth Policy” capacity as a measure of adequacy. Staff does not believe that this would be a better measure than the “program capacity” currently in use. If, in fact, the Board would consider such a change, staff would recommend a re-evaluation of the previous thresholds – the 100 percent for application of the school facility payment and 110 percent for moratorium. One thing to note, a return to “Growth Policy” capacity and adoption of the previous thresholds would still place the Bethesda-Chevy Chase cluster in moratorium due to a projected utilization rate of approximately 129 percent under “Growth Policy” capacity.

2. Should the threshold for application of the School Facility Payment be 110%?

A primary concern in the public testimony involving the school recommendation is that easing the threshold for application of the school facility payment will increase overcrowding and reduce revenue for facility needs. Staff concurs that raising the threshold at which a school facility payment is required would reduce revenue to the County. Yet, staff believes that the 110 percent threshold is a better representation of the threshold at which the Montgomery County Public School (MCPS) system recognizes a capacity issue within a cluster and begins the process of evaluation for remediation.

Given periodic shifts in enrollment trends within clusters, either through new development, changes in neighborhood demographics or changes in the birthrate, it is fairly common to have utilization rates between 5 and 10 percent over or under capacity. Facility planning occurs in response to individual school capacity; the level at which an individual school requires additional infrastructure is an approximately 6 classroom deficit. For the average high school (1,600 student capacity) this would be equivalent to approximately 150 students over capacity; a utilization rate of 109.4 percent. Staff recommends that the test for the adequacy of public school facilities be revised so that the threshold that triggers a School Facilities Payment is 110 percent of MCPS program capacity.

Staff does not recommend any changes to School Facility Payment rate. For FY2010, the costs per unit type are shown in Table 1:

Table 1. School Facility Payment Rates for FY 2010

Cost per unit by housing type	Elementary	Middle	High
Single-family detached	\$6,245	\$3,659	\$3,734
Single-family attached	\$4,118	\$3,100	\$3,050
Multi-family garden apt.	\$2,986	\$1,423	\$2,081
High-rise; low-rise w/structured parking	\$820	\$991	\$941

3. Should grandfathering of completed applications be considered?

Another concern voiced during the public testimony involves the administration of the annual school test. The most recent school test placed three school clusters into moratorium for residential subdivision approvals. Within these clusters development applications have been submitted and reviewed over the past few months to a year. A school queue was instituted as a result the last Growth Policy; it was meant to monitor school clusters as development applications are completed in order to gauge how quickly any one cluster is approaching either a School Facility Payment or a moratorium. The school queue did not predict the moratorium placed on the B-CC and Seneca Valley clusters.

One significant reason for this is that new development contributes only a small portion to the enrollment changes occurring in most school clusters. In the B-CC cluster, most of the over-crowding has been attributed to the unexpected rise in kindergarten enrollment. This is due, in part to the recent shift to all-day kindergarten, changes in the neighborhood demographics and partly due to an increase in households choosing public education over private.

The APFO directs the Planning Board to approve preliminary plans of subdivision only after finding that public facilities will be adequate to serve the subdivision. For applicants that have completed their application and have engaged in discussions with Planning staff about requirements to proceed to Board approval, the imposition of a moratorium near the end of this process is extremely frustrating and costly.

One alternative would be to grandfather all applications completed within a 6, 9 or 12 month period preceding the moratorium. For B-CC, four completed applications have been submitted between July 1, 2008 and July 1, 2009. Two of these projects have been approved by the Planning Board. The other two projects cannot move forward until the cluster moves out of moratorium.

4. Should trading APF capacity within a School Cluster be allowed?

In the Staff Draft, the concept of trading transportation APF approvals for projects was introduced to both streamline the provision of transportation capacity and, over time, reduce the unused backlog of pipeline capacity that requires new development entering the queue to reflect the growth of the approved development already in the queue ahead of them.

Staff recommends extending the trading concept to trading school APF approvals as well. There are two general issues to be addressed:

- The geographic areas between which APF validity could be traded, and
- The administrative methods to exchange the validity

Geographic Areas

Staff recommends that APF validity should be transferable only within a school cluster. So, for instance, a site in the B-CC cluster with a valid APF approval but no plans to construct within the APF validity period could trade that APF capacity to another site within the B-CC cluster.

The transfer of APF would be based on an equivalent number of students generated by both sending and receiving sites. For example if the sending location has been tested and obtained an APF approval for a development that generates 10 elementary students, 8 middle school students and 7 high school students, the new location or receiving location within the cluster will receive approval for the number of dwelling units at the receiving site that generate the same number of students or a lower number of students. If the planned project receiving the APF approvals generates the same or fewer students at each school level then the transfer can proceed.

Administrative Mechanisms

The recommended APF transfer process would require both sending and receiving sites to concur on a joint set of preliminary plan applications to simultaneously “expire” the APF approval from the sending site and grant the equivalent APF approval for the receiving site. A validity period of the transferred APF may be extended as part of the transfer, but not more than 5 years including whatever validity remains from the test for the sending area. The applicants would need to agree on the fair market value of the transfer without any intervention from the public sector.

Transportation:

The primary concerns in the public testimony are that the proposed changes to Policy Area Mobility Review (PAMR) would:

- result in greater levels of traffic congestion and not improve transit system performance,
- provide fewer mitigation resources that would result in lower levels of trip mitigation associated with new development.

Staff concurs that the recommendation to adopt a “symmetrical LOS” policy would change the County’s policy to allow more congestion in the distant future, but only when and where

transit services have improved dramatically. Staff believes that this approach best utilizes scarce transportation resources by recognizing that in urban areas, maximum system throughput occurs at densities (LOS E) that reflect delay to individual users. In the interim, however, the effect would only be on the definition of PAMR mitigation for areas with partial mitigation.

Staff does not concur that the changes proposed in the Growth Policy would provide fewer mitigation resources in total. Rather, the reduction in the likelihood of any applicant requiring PAMR mitigation would be more than offset by the proposed increase in mitigation cost for those applicants who must mitigate trips. Planning Board support for the \$11,000 per vehicle trip mitigation will help ensure that total transportation system resources are increased, rather than decreased, by the staff proposals. Both the traffic congestion and mitigation resource aspects of this tradeoff are discussed further in the following paragraphs.

5. Should we allow additional congestion in our most urban areas?

The definition of transportation system adequacy continues to be an area where there is a lack of consensus regarding customer expectations. There is, notably, already an established County Council policy on the matter of acceptable conditions in the current Growth Policy, although it differs from the position of Department staff.

The primary focus of the disagreement has to do with expectations for auto travel speeds in areas with high levels of transit service. The discussion of different expectations has been reviewed several times with both Planning Board and County Council members:

- The definitions of the PAMR process are incorporated in Sections TP2 and TP3 of the Growth Policy resolution, included as Attachment X to this report
- A comparison of the current Growth Policy LOS standards and the proposed “symmetrical” LOS standards are described on pages 2 through 7 of the Growth Policy Appendix M.

The focal point of the disagreement relates to the level of transportation service appropriate when the relative transit mobility reaches LOS B or better. For FY 2010, no policy area has LOS B transit service.

Staff has inserted the LOS letter grades on the PAMR chart, as requested by the Planning Board members, to help provide clarity regarding the derivation and definition of the “stairsteps” on the chart. The chart on page 33 of the 6.15.09 Draft has a typographical error in that the Relative Transit Mobility grades need to be changed from A through E (as one reads from left to right) to the correct values from F to B (as transit mobility improves as one moves to the right along the horizontal axis).

The use of the letter grades improves clarity but requires continuing education regarding the fact that grades based on customer service are do not have the same values as grades based on transportation system efficiency. An “E” is a bad grade in the classroom. An “E” is also a sign that individual travelers experience some delay and discomfort in a transportation facility. However, an “E” is also a sign that the system is operating at peak capacity for

person-throughput, which in urban areas is usually the most efficient use of scarce resources such as right-of-way and capital and operating costs. From a transportation planner's perspective "E" can stand for "efficient".

The difference between letter grades and system performance was evident in the County Council review of the BRAC intersection projects on June 30. Several Council members expressed concern that the state was designing intersection solutions that would operate at Level of Service E rather than at Level of Service F, a seemingly minor improvement. The value of the projects was more accurately conveyed by the information that at MD 355 and Cedar Lane, the delay experienced by each traveler during rush hour would be cut by more than half, from more than two minutes to less than one minute.

6. Should the net effect of PAMR changes result in a reduction of transportation system resources?

As described in Appendix M, the "symmetrical LOS" proposal would reduce PAMR mitigation requirements for a fairly large geographic area of the County, but these areas (most notably the Georgia Avenue Corridor) are not where the future growth of the County lies. Staff has prepared a cursory examination of the "lost mitigation" due to the symmetrical LOS proposal by comparing the amount of job growth from 2010 through 2030 by policy area. Under the current Growth Policy PAMR mitigation, the average PAMR mitigation percentage, weighted by 2010-2030 job growth, is 36%. Under the "symmetrical LOS" proposal, the average PAMR mitigation percentage weighted by the same job growth is 28% percent. In other words, under the staff proposal, we might expect to lose about a quarter (the ratio difference between 28% and 36%) of trips requiring mitigation due to the "relaxed" congestion standards.

The sum total of the changes to PAMR are expected to actually increase, rather than decrease the total amount of mitigation, because three different proposals have offsetting effects on the amount of expected mitigation:

- The proposal to adopt **symmetrical LOS standards** would substantially reduce the number of proposals for which mitigation is required. In FY 10, the effect of reduced mitigation is greatest in the Georgia Avenue corridor, where substantial growth is not expected.
- The proposal to base mitigation on **\$11,000 per vehicle trip** in mitigation would substantially increase the average amount of mitigation per trip for those applications requiring mitigation, including in the I-270 corridor, where substantial growth is expected.
- The proposal to consider PAMR offsets for **Smart Growth criteria** would encourage development with lower trip generation characteristics

7. Should PAMR be strengthened to ensure mitigation proposals provide value?

The current PAMR requirements, building upon the previously adopted LATR Guidelines, have resulted in a variety of mitigation techniques. The LATR/PAMR Guidelines are

designed to encourage flexibility in mitigation approaches so that they can be tailored to the needs of each applicant. Ironically, the same flexibility that allows applicants to propose creative approaches to their mitigation is sometimes a burden in gaining regulatory review agency approval of the same creative approaches.

The \$11,000 value per vehicle trip value is based on a summer 2008 review of a range of capital project costs and benefits as well as sample payment-in-lieu-of-construction practices in other jurisdictions, summarized in Exhibit 1. This report (part of Growth Policy study “F4”) was discussed with the Planning Board on July 21, 2008 and is available at:

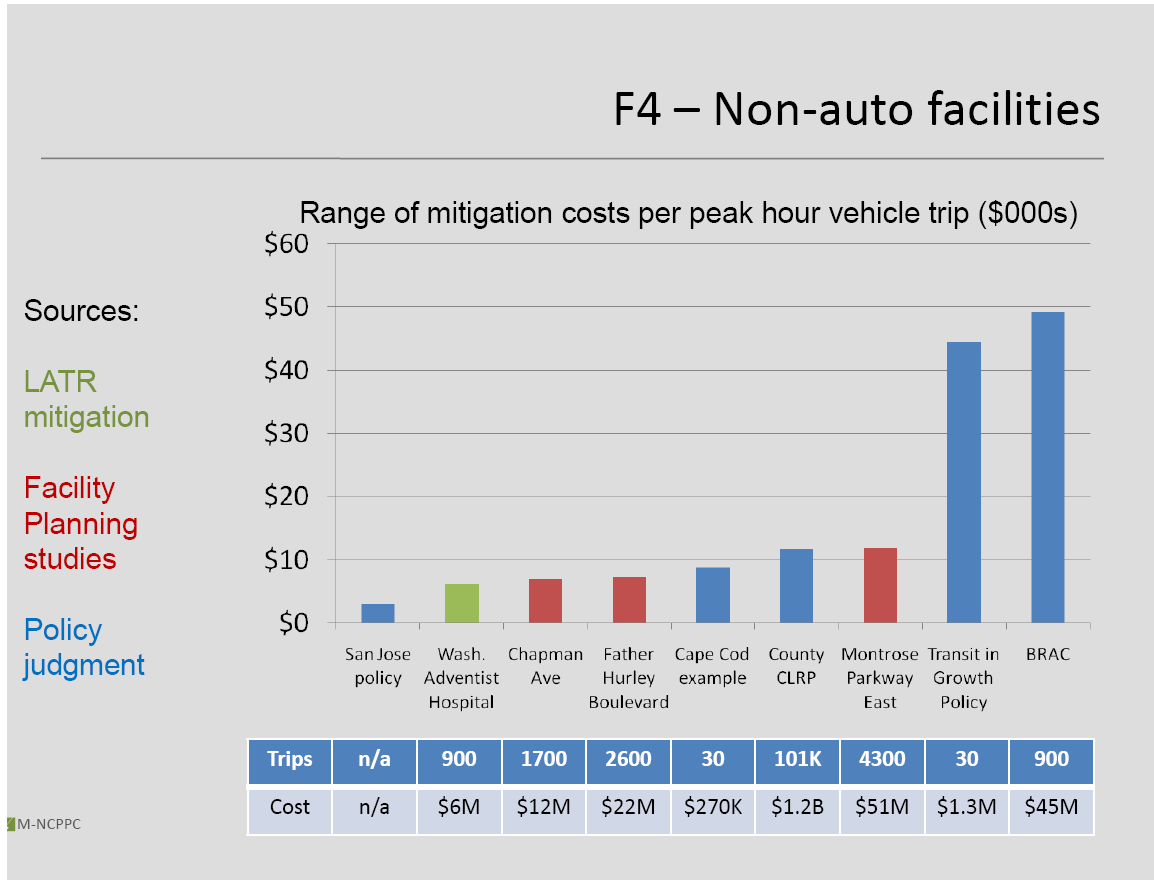
http://www.montgomeryplanningboard.org/agenda/2008/documents/20080721_growth_studies_all.pdf

In October 2008, the Planning Board revised the LATR/PAMR Guidelines to allow applicants to directly pursue payment to the County of an \$11,000 per vehicle trip mitigation fee for applications requiring mitigation of fewer than 30 peak hour vehicle trips. This was a response in part to cases such as the Wheaton Hills building permit (#470270) in which staff estimated approximately 55 hours in coordination was spent to implement two handicap ramps, an estimated total value of about \$1,500 of mitigation. The staff report for that Planning Board action is available at:

http://www.montgomeryplanningboard.org/agenda/2008/documents/20081002_pamr_mitigation_print.pdf

The current LATR and PAMR Guidelines indicate that the \$11,000 value should escalate automatically for any fiscal year during which a new value is not established. Given the current economic climate, staff recommends retaining the \$11,000 value established by the Planning Board unchanged for both FY 10 and FY 11.

Exhibit 1. Range of mitigation costs per peak hour vehicle trip



The County Executive is not supportive of this approach to proceed directly to payment-in-lieu at any level of mitigation. The fact that handicap ramps are overvalued in the current LATR/PAMR Guidelines is the latest manifestation of the “whimsical bus bench” critique the Planning Board heard in Growth Policy testimony during 2007.

However, other PAMR mitigation cases have resulted in substantial success, including two cases heard by the Planning Board in June 2009:

- The Montgomery General Hospital special exception case (CBA-2521-J) needed to mitigate 45 trips. To mitigate these trips, the applicant will build a transit center at an estimated cost of \$959,526; or about \$21,000 per trip.
- The Wendy’s Colesville preliminary plan amendment case (12002056A) needed to mitigate 20 trips. To mitigate these trips, the applicant will fully construct a portion of Vital Way, a master plan business street, at an estimated cost of \$200,000; or about \$10,000 per trip.

Also in June 2009, the Planning Board approved the Fishers Place at Twinbrook Metro preliminary plan (11999043C) amendment. The applicant needed to mitigate 127 LATR trips

and proposed a means to satisfy the requirements by installing transit kiosks and other non-auto amenities per the LATR/PAMR Guidelines that would have a value of \$261,000, or about \$2,050 per trip. Instead, the Planning Board conditioned the contribution of \$261,000 toward our CIP Project No. 048703, the Rock Creek Trail Pedestrian Bridge over Veirs Mill Road.

In another pending case, an applicant is working with WMATA to install additional real-time transit information signs in the Metrorail system. Given the differences between the transit information signs used by WMATA for Metrorail and those associated with a DOT bus shelter, the WMATA cost may work out to less than \$1,000 per vehicle trip, demonstrating that the Table 5 per-trip equivalencies are subject to a wide range of interpretation.

On average, staff estimates that PAMR mitigation may have averaged about \$3,000 per trip since the 2007 Growth Policy was adopted. Our sense is that there is a positive relationship between predictability, speed, and dollar values; some applicants will accept a higher dollar value associated with mitigation if it can be readily determined.

Staff estimates that the net effect of the three proposed (and offsetting) policy changes described above are likely to increase, rather than decrease, the value of total mitigation associated with PAMR, as:

- The average mitigation cost per trip might be expected to triple
- The number of trips requiring mitigation might be expected to be cut by about one-third
- The combined effect would be a doubling of resources for PAMR mitigation countywide.

8. Will the Smart Growth Criteria actually incentivize Smart Growth?

The assessment of offset PAMR impacts is complicated by the fact that the Smart Growth Criteria is designed to change both the FAR of the development and the mixed use component of it. Therefore, a project that diverts 50% of the PAMR mitigation resource toward affordable housing and gets credit for the other 50% is actually still reducing trips somewhat by virtue of a presumed shift from commercial to residential. The amount of the shift will always be unknown as the applicant is not required to submit a “non-Smart Growth” project as postulated in the examples presented in Appendix N.

The ability of the market to utilize the Smart Growth criteria is untested. Testimony from stakeholders suggested that very few applicants would use the PAMR offset process due to the cost of providing affordable housing, even with the PAMR offset, and the inability to mix residential and commercial uses on many sites. Staff does not recommend changes to make the Smart Growth criteria more attractive to the development community but rather recommends that we let the option be available for the next growth policy cycle and gauge its success two years from now. In the meantime, this offset process and other Alternative Review Procedures have been proposed to provide options to promote smart growth in smart growth locations.

Staff would consider the Smart Growth criteria a success if even 5% of the square footage approved in a given time period applied under this process. Staff does not expect that more than 10% of the square footage would be incentivized to use the process.

9. Should the PAMR payment-in-lieu provision apply to sites with more than 30 trips?

The development community is interested in the speed and predictability provided by the payment-in-lieu provision. The residential community is generally interested in seeing results of traffic mitigation on the ground in a timely manner. The Executive Branch representatives generally support having the development community implement projects, sharing both the residential community interest in results and the reduction of administrative overhead (the private sector can often construct improvements faster than the public sector can and the \$11,000 per trip does not include management costs). These interests are primarily why the “pay-and-go” approach to Growth Policy in 1999 was short-lived.

Staff recommends that the 30 peak hour vehicle trip boundary remains appropriate for moving directly to payment-in-lieu of construction; essentially a \$330,000 fee for 30 trips. Options would include:

- Moving directly to pay-and-go at \$11,000 per trip for all PAMR mitigation
- Establishing an escalated scale; mitigation at \$11,000 per trip if implemented by the development community or doubled (i.e., \$22,000 per trip) under a pay-and-go approach.

Review of Staff Recommendations:

Based on public testimony, staff has identified some potential alternatives that the Planning Board could consider on specific recommendations, including the pros and cons of different approaches. The staff recommendations include:

- The 11 recommendations for the 2009-2011 Growth Policy included in the June 15, 2009 draft.
- Two new recommendations developed to address school capacity concerns
- The recommendations for future studies to support the 2011-2013 Growth Policy described in Attachment A.

Staff proposes that the Board take a “straw vote” on each of the proposed recommendations.

Recommendation #1 - Proximity to Transit/Basic Service

The prevailing sentiment in public testimony tends to be split between investors and residents. Those in the residential community tend to be concerned that the proposal encourages more development and therefore more traffic, and reduces the amount of transportation mitigation. As previously stated, staff believes the sum total of the changes to

PAMR would be expected to roughly double the total amount of mitigation, because three different proposals have offsetting effects on the amount of expected mitigation:

- The proposal to adopt **symmetrical LOS standards** would substantially reduce the number of proposals for which mitigation is required. In FY 10, the effect of reduced mitigation is greatest in the Georgia Avenue corridor, where substantial growth is not expected.
- The proposal to base mitigation on **\$11,000 per vehicle trip** in mitigation would substantially increase the average amount of mitigation per trip for those applications requiring mitigation, including in the I-270 corridor, where substantial growth is expected.
- The proposal to consider PAMR offsets for **Smart Growth criteria** would encourage development with lower trip generation characteristics

Conversely, testimony from stakeholders suggested that very few applicants would use the PAMR offset process due to the cost of providing affordable housing and the inability to mix residential and commercial uses on many sites.

Options would include:

- Changing the PAMR offset percentages. For instance, rather than 50% of the PAMR mitigation resource being redirected toward affordable housing and the other 50% retained by the developer as an incentive, the Board might choose to have 50% of the PAMR mitigation resource be collected for transportation projects or payment-in-lieu, 25% of the PAMR funding be redirected toward affordable housing, and just 25% retained by the developer as an incentive.
- Another option might be to split the 50% PAMR mitigation resource redirecting 25% of it to transit funding and 25% of it to affordable housing; thus retaining the 50% developer incentive.

Staff recommends retaining the 2009-2011 Growth Policy draft recommendation.

Recommendation #2 - Urban Area Boundaries

This recommendation would allow any of the Alternative Review Procedures for Metro Station Policy Areas to be applied in all of the County's urban areas as defined by Council resolution during review of the Road Code. The three Alternative Review Procedures include:

- The sole existing Alternative Review procedure allowing satisfaction of LATR and PAMR by paying additional transportation impact taxes and entering into a traffic mitigation agreement to reduce vehicle trips by 50%
- The proposed Smart Growth Criteria for PAMR (Recommendation #1)
- The proposed Site Specific Arterial Mobility for PAMR (Recommendation #6)

The urban area boundary definition would also apply to:

- Areas eligible as receiving areas for APF transferability (Recommendation 5)
- Use of lowered residential trip generation rates (Recommendation #7) and transportation impact taxes (Recommendation #9)

The primary concern regarding the urban areas is the variety of development types and densities, particularly in larger urban areas with substantial residential subdivisions such as Clarksburg and satellite communities otherwise located in the agricultural reserve such as Damascus.

Staff feels the urban area designation is appropriate in part because these are the areas that the County Council has directed the application of urban street design standards, so staff feels that tools that help direct smart growth (even in small doses) that will generate pedestrian activity to these areas is appropriate.

Staff does recognize that some of the analyses are not directly transferable to all the urban areas; Clarksburg and Damascus are clearly not included in the MWCOG definition of activity centers used to derive the residential trip generation and transportation impact tax recommendations.

Planning Board options could include:

- Limiting the application of the Alternative Review Procedures and trip generation changes to Metro Station Policy Areas
- Excluding Clarksburg and Damascus from the list of eligible urban areas

Staff recommends retaining the 2009-2011 Growth Policy draft recommendation.

Recommendation #3 - Balance Between Land Use and Transportation

The prevailing sentiment in the public testimony is that the staff proposal loosens the congestion standard, allowing too much development without sufficient mitigation.

Planning Board options would include:

- Leave the current standards “as is”. Staff expects that this is the sense of most County Council members – while the details of PAMR are not popular, the staff and the Board seem to be nearly alone in suggesting that PAMR be reconfigured to allow more congestion, even in areas where transit service is excellent. Staff believes the symmetrical LOS standards more appropriately reflect a desirable future for the most urban areas in Montgomery County, notably Bethesda, Silver Spring, and White Flint.
- Leave the current standards “as is” but remove the “partial mitigation” areas defined by the triangular differences between the “stairsteps” and the “diagonal line”. Staff notes that in 2007 both the “stairsteps” and the “diagonal line” were practical means

by which the balance between transit and arterial mobility could be defined and find the partial mitigation remains an appropriate balance. This would result in just four areas (those with 100% mitigation) requiring any PAMR mitigation for FY 10.

Staff recommends retaining the 2009-2011 Growth Policy draft recommendation.

Recommendation #4 – Non-Auto Facility Values

The primary concern in public testimony is that PAMR is not providing mitigation options that satisfactorily improve transportation conditions. Staff believes the adoption of the \$11,000 per trip equivalency addresses this concern and that retaining the current set of values in Table 5 of the LATR and PAMR Guidelines (excepting those for sidewalks and bike paths, which are appropriately scaled) would not address the “whimsical bus shelter” criticism.

Staff recommends retaining the 2009-2011 Growth Policy draft recommendation.

Recommendation #5 – APF Transferability

This may be the only staff recommendation which appears to have little opposition. Staff recommends no changes or options to the APF transferability proposal for transportation. A new staff proposal for APF transferability for schools is discussed as Recommendation #13.

Recommendation #6 – Site Specific Arterial Mobility

This proposal provides another Alternative Review Procedure for satisfying PAMR by providing arterial-specific mobility improvements on arterials adversely affected by traffic generated by a development proposal. The primary critique regarding arterial specific mobility (and PAMR in general) is the identification of the posted speed limit as a surrogate for free-flow speeds in cases where free-flow speeds are not readily known. The technical approach to this Alternative Review Procedure is described on pages 19 and 20 of Appendix M.

Staff recommends retaining the 2009-2011 Growth Policy draft recommendation.

Recommendation #7 – TOD Residential Trip Generation Rates

Recommendation #9 – Urban Area Residential Transportation Impact Tax Reduction

This proposal uses information from the MWCOG Household Travel Survey to identify a difference between urban and suburban areas for the trip generation rates used for LATR and PAMR and the transportation impact tax. Testimony regarding the appropriateness of the urban area definition is included in the discussion of Recommendation #2.

Staff recommends retaining the 2009-2011 Growth Policy draft recommendation.

Recommendation #8 – White Flint APF Approval Process
Recommendation #11 – Policy Area Boundary Changes

These two recommendations both reflect the Growth Policy process of adopting implementation recommendations in master plans, in this case pending plans for White Flint, Germantown, and Gaithersburg West.

The White Flint APF Approval Process will be related to Council action on the White Flint Sector Plan. Staff recommends updating the detailed recommendations to reflect the fact that the Planning Board no longer recommends the development of a specific new implementation authority as identified in the Public Hearing Draft Plan. Instead, the White Flint APF process will include a combination of public entities and financing mechanisms. This update is included in the draft Growth Policy Resolution included as Attachment B.

The Policy Area Boundary changes, comprehensively described in Appendix H, also reflect municipality boundary changes and a new transportation analysis zone structure following coordination with MWCOG.

Staff recommends retaining the 2009-2011 Growth Policy draft recommendation.

Recommendation #10 – School Facility Payment Threshold

Staff believes that the 110 percent threshold is a better representation of the threshold at which the Montgomery County Public School (MCPS) system recognizes a capacity issue within a cluster and begins the process of evaluation for remediation. The primary concern in the public testimony regarding this recommendation was that increasing this threshold would result in less revenue and more over-crowding. Staff concurs that a higher threshold will reduce revenue, yet collection of revenue for a perceived need, that may not materialize, and is not being programmed for should be reconsidered. Staff does not believe an increase in this threshold will have any impact on school crowding as only 20 percent of enrollment change is attributable to new development.

Planning Board option could be the retention of the School Facility Payment threshold adopted in the 2007-2009 Growth Policy of 105%.

Staff recommends retaining the 2009-2011 Growth Policy draft recommendation of 110 percent.

Recommendations 12, 13, and 14 below were developed in response to public testimony.

Recommendation #12 - Moratorium Threshold

In moving to a stricter test on capacity during the last Growth Policy, the Planning Board and the School Board recommended increasing the threshold at which a school facility payment is required as well as increasing the threshold for moratorium. Basically, the recommendation was to equate the capacity level at which a school facility payment would be required or a moratorium triggered under the prior (growth policy) capacity level to an equivalent threshold at the new capacity level. The recommendation for the school facility payment threshold was 110 percent of “program capacity” and the moratorium threshold was suggested at 135 percent of “program capacity”.

The County Council supported the switch from “Growth Policy” capacity to “program capacity” but did not agree with the school facility payment threshold or the threshold for moratorium. Ultimately, the Council set the School Facility Payment threshold at 105 percent and the moratorium threshold at 120 percent.

Planning Board options could include:

- Re-recommend the prior recommendation under the 2007-2009 Growth Policy setting the moratorium threshold at 135 percent.
- Recommend a moratorium threshold below the prior recommendation of 135 percent and above the current threshold of 120 percent.

Staff recommends retaining the 2009-2011 Growth Policy draft recommendation of 120 percent.

Recommendation #13 - Grandfathering of Completed Applications

The APFO directs the Planning Board to approve preliminary plans of subdivision only after finding that public facilities will be adequate to serve the subdivision. For applicants that have completed their application and have engaged in discussions with Planning staff about requirements to proceed to Board approval, the imposition of a moratorium near the end of this process is extremely frustrating and costly.

A school queue was instituted as a result the last Growth Policy; it was meant to monitor school clusters as development applications are completed in order to gauge how quickly any one cluster is approaching either a School Facility Payment or a moratorium. The school queue did not predict the moratorium placed on the B-CC and Seneca Valley clusters.

One significant reason for this is that new development contributes only a small portion to the enrollment changes occurring in most school clusters. In the B-CC cluster, most of the over-crowding has been attributed to the unexpected rise in kindergarten enrollment. This is due, in part to the recent shift to all-day kindergarten, changes in the neighborhood demographics and partly due to an increase in households choosing public education over private.

Planning Board option could be to grandfather all applications completed within a specified period of time preceding the moratorium.

Staff recommends grandfathering all completed applications designated as complete within the 12 month period preceding the moratorium.

Recommendation #14 - Trading APF capacity within a School Cluster

In the Staff Draft, the concept of trading transportation APF approvals for projects was introduced to both streamline the provision of transportation capacity and, over time, reduce the unused backlog of pipeline capacity that requires new development entering the queue to reflect the growth of the approved development already in the queue ahead of them.

There are two general issues to be addressed:

- The geographic areas between which APF validity could be traded, and
- The administrative methods to exchange the validity

Staff recommends that APF validity should be transferable only within a school cluster and only for an equivalent number of students by grade level.

The recommended APF transfer process would require both sending and receiving sites to concur on a joint set of preliminary plan applications to simultaneously “expire” the APF approval from the sending site and grant the equivalent APF approval for the receiving site. A validity period of the transferred APF may be extended as part of the transfer, but not more than 5 years including whatever validity remains from the test for the sending area. The applicants would need to agree on the fair market value of the transfer without any intervention from the public sector.

Staff recommends extending the trading concept to trading school APF approvals as well.