Attachment C

How would the Smart Growth Criteria work in practice? Consider a hypothetical project in an area with partial PAMR mitigation (such as the Twinbrook Sector Plan area) with a 35% requirement (for FY 10). The affordable housing and PAMR requirements would be assessed as follows. First, the application must meet the following criteria:

- Within ½ mile of the Metrorail station (or other transit route with 15 minute frequency transit service during peak periods)
- Using at least 75% of the allowable density
- Minimum 50% residential use
- Meet specified energy efficiency requirements

Suppose the application had the following parameters:

- A 100,000 square foot site with a 3.0 FAR resulting in 300,000 square feet of building footprint,
- A 55% residential component, resulting in 165,000 square feet of residential space,
- A commercial component split between office (25% of the total building space) and retail (20% of the total building space)
- An average gross DU size of 1,000 square feet, resulting in 165 residential dwelling units, of which 12.5% (20 units) must be affordable and 10% (16 units) must be workforce.

This application:

- Would generate 379 peak hour trips,
- With 35% mitigation, 133 peak hour trips would require PAMR mitigation,
- At $11,000 a trip, the PAMR mitigation would have an expected value of $1,463,000

Under the Smart Growth Criteria, the applicant could be relieved of PAMR mitigation requirements if 50% of the PAMR savings, or $731,500, were applied toward providing additional affordable housing.

If the applicant could be expected to take a $50,000 loss on each affordable housing unit (the difference between the cost to build and the sales cost). The $731,500 would cover approximately 15 units at $50,000 each. Therefore, to meet the smart growth criteria, the number of affordable units would need to be increased from 21 units to 36 units (while retaining the 165-unit total).

The combination of PAMR and development impact taxes provides a financial incentive when considered on a per-square foot basis. This application would pay:

- $937,000 in transportation impact taxes and
- $532,000 in school impact taxes, for a total of
- $1,469,000 in development impact taxes, plus
- $731,500 in PAMR requirements redirected toward affordable housing, resulting in a total of

- $2,220,500 in tax/PAMR payments, or about $7.30 per square foot.

Without the Smart Growth Criteria, a similarly sized development of 300,000 GSF without a residential component:

- Would generate 690 peak hour vehicle trips
- With 35% mitigation, 242 peak hour trips would require PAMR mitigation,
- At $11,000 a trip, the PAMR mitigation would have an expected value of $2,662,000

The application without Smart Growth Criteria would pay:

- $1,386,000 in transportation impact taxes and
- $0 in school impact taxes, for a total of
- $1,386,000 in development impact taxes, plus
- $2,662,000 in PAMR requirements, resulting in a total of
- $4,048,000 in tax/PAMR payments, or about $13.49 per square foot.

2009-2011 Growth Policy
Case Study Examples of Smart Growth Criteria Effects

Case Study #1. Metro Station Policy Area (Such as Twinbrook) With 35% PAMR Mitigation Requirement

	Lot Area (Square Feet)	Floor Area Ratio		Proposed Development				PAMR Trips Mitigated		PAMR Cost	
		Allowed	Proposed	Office	Retail	Residential	TOTALS	Percent	Total	Per Trip	Total
Sample Proposal Without Smart Growth Criteria											
Percent FAR by Use	100000	3.00	1.50	55%	45%	0%	100%				
Average Size of Dwelling Unit (SF)						1000					
Square Footage by Type				82500	67500	0	**150000**				
Number of Dwelling Units						0					
Peak Hour Trips Generated (retail at 75% pass-by)				139	209	0	**348**	35%	122	$ 11,000	$ 1,342,000
Net Trip Generation Rate - Trips per 1000 Square Feet							**2.32**				
PAMR Exemption								0%			$ -
Net PAMR Cost											**$ 1,342,000**
Alternative Review Proposal #1 - Mixed Use Transit Proximity											
Percent FAR by Use	100000	3.00	3.00	25%	20%	55%	100%				
Average Size of Dwelling Unit (SF)						1000					
Lot and Building											
Square Footage by Type				75000	60000	165000	**300000**				
Number of Dwelling Units						165					
Number of Dwelling Units Subject to Impact Tax						144					
Peak Hour Trips Generated (retail at 75% pass-by)				115	185	79	**379**	35%	133	$ 11,000	$ 1,463,000
Net Trip Generation Rate - Trips per 1000 Square Feet							**1.26**				
PAMR Payment Waived								100%			$ 1,463,000
Net PAMR Cost to Applicant											**$ -**
Housing Mitigation Requirement											
Assumed Value of MPDU / WFDU						$ 50,000					
Half the Value of PAMR Mitigation						$ 731,500					
Number of Units Needed						15					
Total Units Subject to Impact Tax						129					
Alternative Review Proposal #2 - Proximity to Basic Services											
Percent FAR by Use	100000	3.00	3.00	25%	20%	55%	100%				
Average Size of Dwelling Unit (SF)						1000					
Lot and Building											
Square Footage by Type				75000	60000	165000	**300000**				
Number of Dwelling Units						165					
Number of Dwelling Units Subject to Impact Tax						144					
Peak Hour Trips Generated (retail at 75% pass-by)				128	185	79	**392**	35%	137	$ 11,000	$ 1,507,000
Net Trip Generation Rate - Trips per 1000 Square Feet							**1.31**				
PAMR Payment Waived								50%			$ 753,500
Net PAMR Cost to Applicant											**$ 753,500**
Housing Mitigation Requirement											
Assumed Value of MPDU / WFDU						$ 50,000					
Half the Value of PAMR Mitigation						$ 376,750					
Number of Units Needed						8					
Total Units Subject to Impact Tax						136					
Comparison: Increased FAR Without Residential											
Percent FAR by Use	100000	3.00	3.00	55%	45%	0%	100%				
Average Size of Dwelling Unit (SF)						1000					
Square Footage by Type				165000	135000	0	**300000**				
Number of Dwelling Units						0					
Peak Hour Trips Generated (retail at 75% pass-by)				273	417	0	**690**	35%	242	$ 11,000	$ 2,662,000
Net Trip Generation Rate - Trips per 1000 Square Feet							**2.30**				
PAMR Exemption								0%			$ -
Net PAMR Cost											**$ 2,662,000**

Notes:
Site assumed to be 750 feet from Metrorail station for Exemption Proposal 1
Base case assumeds MPDU percentage is 12.5%

2009-2011 Growth Policy
Case Study Examples of Smart Growth Criteria Effects

Case Study #1. Metro Station Policy Area (Such as Twinbrook) With 35% PAMR Mitigation Requirement

	Sample Proposal Without Smart Growth Criteria	Alternative Review Proposal #1 - Mixed Use Transit Proximity	Alternative Review Proposal #2 - Proximity to Basic Services	Comparison: Increased FAR Without Residential
IMPACT TAX COSTS				
Transportation Impact Tax Office				
GSF	82500	75000	75000	165000
Rate	$ 4.85	$ 4.85	$ 4.85	$ 4.85
Extension	$ 400,125	$ 363,750	$ 363,750	$ 800,250
Transportation Impact Tax Retail				
GSF	67500	60000	60000	135000
Rate	$ 4.34	$ 4.34	$ 4.34	$ 4.34
Extension	$ 292,950	$ 260,400	$ 260,400	$ 585,900
Transportation Impact Tax - High Rise Residential				
DU (subject to impact taxes)	0	129	136	0
Rate	$ 2,420.00	$ 2,420.00	$ 2,420.00	$ 2,420.00
Extension	$ -	$ 312,180	$ 329,120	$ -
School Impact Tax - High Rise Residential				
DU (subject to impact taxes)	0	129	136	0
Rate	$ 4,127.00	$ 4,127.00	$ 4,127.00	$ 4,127.00
Extension	$ -	$ 532,383	$ 561,272	$ -
TOTAL IMPACT TAX	$ 693,075	$ 1,468,713	$ 1,514,542	$ 1,386,150
PAMR COSTS				
Applied toward MPDUs	$ -	$ 731,500	$ 376,750	$ -
Applied toward transportation projects	$ 1,342,000	$ -	$ 753,500	$ 2,662,000
TOTAL PAMR COST	$ 1,342,000	$ 731,500	$ 1,130,250	$ 2,662,000
TOTAL PAMR COST PLUS IMPACT TAX	$ 2,035,075	$ 2,200,213	$ 2,644,792	$ 4,048,150
Total Development GSF	150000	300000	300000	300000
TOTAL PAMR COST PLUS IMPACT TAX / GSF	$ 13.57	$ 7.33	$ 8.82	$ 13.49

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Case Study Examples of Smart Growth Criteria Effects

Case Study #2. Suburban Area (Such as Germantown East) With 100% PAMR Mitigation Requirement

	Lot Area (Square Feet)	Floor Area Ratio		Proposed Development				PAMR Trips Mitigated		PAMR Cost	
		Allowed	Proposed	Office	Retail	Residential	TOTALS	Percent	Total	Per Trip	Total
						Base					
Sample Proposal Without Smart Growth Criteria											
Percent FAR by Use	100000	1.00	0.50	90%	10%	0%	100%				
Average Size of Dwelling Unit (SF)						1200					
Square Footage by Type				45000	5000	0	**50000**				
Number of Dwelling Units						0					
Peak Hour Trips Generated (retail at 75% pass-by)				85	15	0	**100**	100%	100	$ 11,000	$ 1,100,000
Net Trip Generation Rate - Trips per 1000 Square Feet							**2.00**				
PAMR Exemption								0%			$ -
Net PAMR Cost											**$ 1,100,000**
Alternative Review Proposal #1 - Mixed Use Transit Proximity											
Percent FAR by Use	100000	1.00	0.85	45%	5%	50%	100%				
Average Size of Dwelling Unit (SF)						1200					
Lot and Building											
Square Footage by Type				38250	4250	42500	**85000**				
Number of Dwelling Units						35					
Number of Dwelling Units Subject to Impact Tax						31					
Peak Hour Trips Generated (retail at 75% pass-by)				75	26	17	**118**	100%	118	$ 11,000	$ 1,298,000
Net Trip Generation Rate - Trips per 1000 Square Feet							**1.39**				
PAMR Payment Waived								100%			$ 1,298,000
Net PAMR Cost to Applicant											**$ -**
Housing Mitigation Requirement											
Assumed Value of MPDU / WFDU						$ 30,000					
Half the Value of PAMR Mitigation						$ 649,000					
Number of Units Needed						22					
Total Units Subject to Impact Tax						9					
Alternative Review Proposal #2 - Proximity to Basic Services											
Percent FAR by Use	100000	1.00	0.85	45%	5%	50%	100%				
Average Size of Dwelling Unit (SF)						1200					
Lot and Building											
Square Footage by Type				38250	4250	42500	**85000**				
Number of Dwelling Units						35					
Number of Dwelling Units Subject to Impact Tax						31					
Peak Hour Trips Generated (retail at 75% pass-by)				75	26	17	**118**	100%	118	$ 11,000	$ 1,298,000
Net Trip Generation Rate - Trips per 1000 Square Feet							**1.39**				
PAMR Payment Waived								50%			$ 649,000
Net PAMR Cost to Applicant											**$ 649,000**
Housing Mitigation Requirement											
Assumed Value of MPDU / WFDU						$ 30,000					
Half the Value of PAMR Mitigation						$ 324,500					
Number of Units Needed						11					
Total Units Subject to Impact Tax						20					
Comparison: Increased FAR Without Residential											
Percent FAR by Use	100000	1.00	0.85	90%	10%	0%	100%				
Average Size of Dwelling Unit (SF)						1000					
Square Footage by Type				76500	8500	0	**85000**				
Number of Dwelling Units						0					
Peak Hour Trips Generated (retail at 75% pass-by)				130	26	0	**156**	100%	156	$ 11,000	$ 1,716,000
Net Trip Generation Rate - Trips per 1000 Square Feet							**1.84**				
PAMR Exemption								0%			$ -
Net PAMR Cost											**$ 1,716,000**

Notes:
Site assumed to be adjacent to Ride-On Route 55 stop for Exemption Proposal #1
Base case assumeds MPDU percentage is 12.5%

2009-2011 Growth Policy
Case Study Examples of Smart Growth Criteria Effects

Case Study #2. Suburban Area (Such as Germantown East) With 100% PAMR Mitigation Requirement

	Sample Proposal Without Smart Growth Criteria	Alternative Review Proposal #1 - Mixed Use Transit Proximity	Alternative Review Proposal #2 - Proximity to Basic Services	Comparison: Increased FAR Without Residential
IMPACT TAX COSTS				
Transportation Impact Tax Office				
GSF	45000	38250	38250	76500
Rate	$ 9.69	$ 9.69	$ 9.69	$ 9.69
Extension	$ 436,050	$ 370,643	$ 370,643	$ 741,285
Transportation Impact Tax Retail				
GSF	5000	4250	4250	8500
Rate	$ 8.67	$ 8.67	$ 8.67	$ 8.67
Extension	$ 43,350	$ 36,848	$ 36,848	$ 73,695
Transportation Impact Tax - Multifamily (Garden)				
DU (subject to impact taxes)	0	9	20	0
Rate	$ 6,776.00	$ 6,776.00	$ 6,776.00	$ 6,776.00
Extension	$ -	$ 60,984	$ 135,520	$ -
School Impact Tax - Multifamily (Non High Rise)				
DU (subject to impact taxes)	0	9	20	0
Rate	$ 9,734.00	$ 9,734.00	$ 9,734.00	$ 9,734.00
Extension	$ -	$ 87,606	$ 194,680	$ -
TOTAL IMPACT TAX	$ 479,400	$ 556,080	$ 737,690	$ 814,980
PAMR COSTS				
Applied toward MPDUs	$ -	$ 649,000	$ 324,500	$ -
Applied toward transportation projects	$ 1,100,000	$ -	$ 649,000	$ 1,716,000
TOTAL PAMR COST	$ 1,100,000	$ 649,000	$ 973,500	$ 1,716,000
TOTAL PAMR COST PLUS IMPACT TAX	$ 1,579,400	$ 1,205,080	$ 1,711,190	$ 2,530,980
Total Development GSF	50000	85000	85000	85000
TOTAL PAMR COST PLUS IMPACT TAX / GSF	$ 31.59	$ 14.18	$ 20.13	$ 29.78