

MCPB
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THE MARYLAND-NATIONAL CAPITAL PARK & PLANNING COMMISSION

February 6, 2004

Memorandum

To: Montgomery County Planning Board

From: Karl Moritz, Research & Technology Center, 301-495-1312
Joe Davis, Chief of Development Review, 301-495-4591

Re: Proposed "Strategic Plan for Economic Development" for Montgomery County

Summary

The County Council's Planning, Housing and Economic Development (PHED) Committee reviewed the County Executive's proposed "Strategic Plan for Economic Development" at their February 2, 2004 meeting. At the meeting, Councilmembers requested that the Planning Board review the document prior to the Council's action (tentatively scheduled for March 9, 2004). The draft plan is attached.

David Edgerley, Director of the Department of Economic Development, and DR. Mahlon Stazheim, Chair of the Department of Economics and the University of Maryland, are scheduled to present the Strategic Plan to the Planning Board and to answer your questions.

This staff memo highlights some points in the Strategic Plan that may be of interest to the Planning Board. Park and Planning staff have also propose some comments that the Planning Board may wish to transmit to the County Council. Some of these comments address points in the Strategic Plan itself; others address questions raised by the PHED Committee.

Summary of Park & Planning Staff Comments

Montgomery County Department of Park and Planning staff reviewed the draft Strategic Plan for Economic Development, and, overall, staff endorses the Plan. We believe that it appropriately emphasizes that economic vitality depends on healthy and diverse neighborhoods, high-quality public services, and "environmental, cultural, and recreational amenities that enrich citizens' lives." The Plan emphasizes attracting

knowledge-based job sectors, which is consistent with the Montgomery County labor force and will provide the best long-term benefits for the economy.

In general, the draft Plan is consistent with County policies and plans under the purview of the Montgomery County Planning Board. However, there are a few issues that staff wishes to raise.

At the meeting with the PHED Committee on February 2, 2004, Chairman Berlage requested that language be added to the Plan to reflect the County's "smart growth" objectives. The Plan could note that County policies and plans support economic vitality through the designation of higher density, mixed use activity centers, well-served by transportation options that include roadways, high-quality transit (Metrorail and bus), and pedestrian facilities. The PHED Committee agreed that a statement to this effect should be added to the Plan before it goes to the full Council for adoption.

At the PHED Committee, Commissioner Bryant noted the importance of incubator space as a successful strategic tool to achieving the County's economic development objectives. Park and Planning staff agree with Commissioner Bryant's suggestion that Park and Planning work with DED to identify ways that the land use planning and regulatory process can facilitate the provision of needed incubator space.

The Plan sets an annual growth rate target of 1.4 percent for housing and 2 percent for jobs. Although the job and housing growth rates are balanced, the rate is faster than that called for by the Montgomery County Planning Board during the 2003-2005 AGP Policy Element. Staff continues to believe that the slower rate of growth recommended by the Planning Board (one percent) is sufficient to maintain economic vitality and is advisable given the challenges the County faces providing transportation, school and other facilities needed to support that pace of growth.

When the Plan identifies targets for job growth and the pace of commercial development, the Plan suggests that the development review process is a major barrier to achieving the target. Although additional progress can always be made, staff would not agree that the review process is a barrier to the pace of commercial development. Most proposed development projects are reviewed in a timely manner, and the County has a very large pipeline of approved commercial development – over 100,000 jobs worth of potential development that can move to construction with little additional regulatory review.

At the end of this memo, staff responds in greater detail to this issue, which was also discussed at the PHED Committee meeting.

Land Use/Planning-Related Aspects of the Strategic Plan

This memo highlights targets, goals, missions, and related comments touching upon M-NCPPC activities and concerns from the "Strategic Plan for Economic Development" and listed them below. Where appropriate, staff has included comments

when we thought additional clarification would be helpful. The page of the Plan from which each statement is taken is also listed. Lastly, in a few instances, Plan statements were shortened or paraphrased.

Economic Development And Quality of Life: A Shared Destiny

- ✓ The County enjoys extraordinary economic success and an unmatched quality of life (circle 12).
- ✓ Montgomery County is the economic engine for the State of Maryland (circle 12).
- ✓ The key to the County's future is its diverse and talented population (circle 12).
- ✓ Focusing on the quality of jobs is important in targeting future development efforts (circle 13).
- ✓ The quality of life depends critically on improving transportation services. Investment in infrastructure has lagged behind demand increases (circle 13).
- ✓ The Inter-County Connector is the most important single project that makes the largest contribution to reducing future congestion (circle 13).
- ✓ Only by providing a wide array of neighborhoods with affordable housing options, the highest quality public services, and environmental, cultural and recreational amenities that enrich citizens' lives will the County be able to attract and retain the workforce and businesses that will be competitive in the future economy (circle 14).

M-NCPPC Staff Comment: Staff endorses the four "vision principles" on circles 14-15. We are especially pleased that the importance of quality of life to economic success is the subject of the first vision principle.

Housing Growth

- ✓ Support the County's housing policy. (circle 44)
- ✓ Provide for a variety and choice of housing, to serve citizens through all stages of life, in conformance with the County's General Plan. (circle 44)
- ✓ Support expansion of affordable housing (circle 44)
- ✓ Enact public policies and regulations that result in the completion of 45,000 new housing units in the next decade (circle 9, 26)
- ✓ M-NCPPC forecasts of population and housing for the period 2000-2010 have been adopted in this document. (circle 26)

M-NCPPC Staff Comment: As a point of clarification, the M-NCPPC prepares housing and population forecasts so that decision-makers are aware of the most likely pace of growth given market conditions and development constraints. We have not suggested that these growth rates are desirable. During the AGP review, the Planning Board recommended, and Planning staff continue to support, a position that slower rates of growth are advisable given the challenge of providing public facilities in a timely manner.

The Plan correctly points out that to achieve a 1.4% growth rate for housing, construction will have to be faster than during the whole of the 1990s. However, staff notes that in recent years the County has seen an increase in the pace of residential development. Staff expects 2003 to be the second in a row that completions top 5,000 units. The slowest home construction period was 1992-1998, when the County averaged 3,200 units per year. Since then completions have averaged 4,800 per year – slightly higher than the 4,500 units per year called for in the Plan.

Transportation Infrastructure

- ✓ Support the “Go Montgomery! Transportation Plan that includes building the Inter-County Connector (circle 8).
- ✓ Build the...I-495 and I-270 HOV/bus lanes, and accelerate the Montrose Parkway project (circle 34).
- ✓ Add 56 miles of additional roadway capacity, upgrade bridges and intersections, and expand infrastructure maintenance and traffic management systems. (circle 34).
- ✓ Enhance pedestrian and bicycle service and fund other hiker-biker safety improvements (circle 34).

M-NCPPC Staff Comment: This section focuses on traffic congestion. The Plan’s point of view is that traffic congestion is increasing, that Montgomery County has carefully planned transportation improvements, and now needs to “accelerate public investments in multi-modal transportation systems consistent with its long-range land-use plans.”

Employment & Commercial Growth

- ✓ Promote employment growth in the County of 2% annually over the next decade (circle 32).

M-NCPPC Staff Comment: A 2% job growth rate is approximately 1.5 jobs per household, assuming household growth of 1.4%. This is balanced but a more rapid pace than recommended by the Planning Board during the 2003-2005 AGP Policy Element discussion. Staff continues to believe

that a slower pace of job growth of one percent is sufficient to maintain economic vitality while affording a better chance for the County to provide the public services needed to support those jobs and the workers they employ.

- ✓ Promote long-term expansion of the County's commercial facilities by adding adequate new commercial space on an annual basis equal to the average amount produced over the prior three-year period, accomplishable by providing more timely decisions, more predictability and certainty in the land-use review and permitting processes (circle 8).

M-NCPPC Staff Comment: The average amount produced over the most recent three year period was 3.8 million square feet.

- ✓ Enhance existing efforts to better coordinate land-use reviews and requirements among the County government, Park and Planning, WSSC, and other governmental and quasi-governmental entities (circle 32).
- ✓ Champion the adoption of public policies and land-use legislation and regulations that are vital to the construction of more office, industrial, and retail facilities in the County (circle 32).
- ✓ Continue efforts to expedite permit review time and simplify the ability of a land or building owner to receive necessary approvals, including providing property owners with a definitive and faster time frame in which land-use reviews will take place (circle 32).

M-NCPPC Staff Comment: Of course, staff will continue efforts to expedite review times, but we note that significant progress has already been made. The result is a faster, more predictable process both for the "average" applicant as well as for applicants who require an accelerated review process. The department of Economic Development has been a valuable partner by alerting us to development projects which require an expedited review, and by helping to identify the specific issues that will need to be addressed during the review process.

- ✓ Provide the needed space for more growth in technology via the creation of a network of science and technology office parks, including the East County Center and the Montgomery College/Germantown Campus Center (circle 36).
- ✓ Promote the development of the I-270 corridor in and beyond Montgomery County so as to widen the locational choices of critical technology companies. Improve transportation in the corridor so as to broaden housing choices for County workers (circle 36).
- ✓ Develop a program with the GSA to retain federal agencies in this County by addressing their commercial needs (circle 36).

- ✓ Continue to expand programs that revitalize our town centers (circle 44).
- ✓ Incorporate the goals of the County's Strategic Plan into County land-use policies (circle 32).
- ✓ Review permitting processes to assure consistency and avoid duplication. (circle 32).

Other Land-Use, Public Facility Development/Programming Issues

- ✓ Continue to increase the amount of preserved farmland through TDRs and easement purchase initiatives (circle 34).
- ✓ An added emphasis on cultural and artistic activities and community events will add richness to the community (circle 33).

The Development Approval Process and the Strategic Economic Development Plan

The Plan's "Strategic Goal #1" concerns the need for a progressive business climate that supports economic growth, new job creation and commercial development. The intent of this goal is to assure the addition of adequate commercial space each year sufficient to meet the average amount of space provided the previous three years. The emphasis is on providing timely decisions, more predictability and certainty in the development approval process. Over the last dozen years, there has been significant improvement in the development approval process through the actions of the Development Review Steering Committee (DRSC). The DRSC is composed of the Directors of the Department of Park and Planning, the Montgomery County Departments of Permitting Services, Public Works and Transportation and the General manager of WSSC. The County Council established the DRSC in 1992 upon recommendation of the County Executive and the Planning Board.

The DRSC made ten policy level recommendations to help streamline the development approval process (DAP). Over a ten year period, most of the recommendations were implemented by the review agencies involved in the review of regulatory plans and permit applications. The ten recommendations are as follows:

1. Unambiguous assignment of responsibilities including a lead agency when reviews must be shared. This is referred to as the "lead agency" responsibility.
2. Clear, current and consistent published development standards, guidelines and submission requirements.
3. Successive reviews that continue to narrow issues and sustain prior approvals.
4. Concurrent reviews where feasible to reduce process time.
5. Develop procedural changes to promote effectiveness and efficiency.

6. Establish reasonable expected review times, which provide certainty at each stage of the approval process.
7. Establish and effective system for resolving inter-governmental conflicts.
8. Develop an efficient means to assimilate, track and share DAP related information.
9. Maintain an ongoing effort and framework to maintain an effective system.
10. Move toward a more self-supporting funding mechanism, i.e. fees, so that investments in process improvements can be made and are supported by those who benefit.

The various departments and agencies involved in the DAP have worked hard to implement and to maintain the process improvements that resulted from the recommendations by the DRSC. Today, applications do move through the DAP faster than they did before and with less conflict. From time to time staffing problems develop as caseload increases or as key staff vacancies occur; but the review times improve as the problems are addressed.

Today, most applications are reviewed within prescribed review times. For example, preliminary plans of subdivisions are reviewed within 80 days of the submission of a complete plan or on the date assigned at the Development Review Committee about 80 percent of the time. For applications that have been identified as priority projects by the Department of Economic Development, reviews generally meet the review times established for the DAP. In the future, it may be appropriate to establish a "green tape" process for strategic economic projects to provide more certainty and predictability in plan and permit reviews, as intended by the Strategic Plan for Economic Development.