

COUNTY COUNCIL RESOLUTION TO ESTABLISH THE INFRASTRUCTURE FUNDING WORKGROUP



Description

A resolution, sponsored by the County Council's Government Operations & Fiscal Policy (GO) Committee, to establish an infrastructure funding workgroup.



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SUMMARY

- During the Planning Board’s deliberations on the Growth and Infrastructure Policy, the Planning Board included a recommendation to “convene a working group across county government and with external stakeholders to explore additional financing and funding mechanisms to better meet infrastructure needs.”
- During work sessions on Bill 16-24, Development Impact Tax – Amendments, the County Council’s GO Committee agreed with the Planning Board’s recommendation and recommended the formation of a workgroup to assess the County’s infrastructure needs and recommend funding mechanisms.
- The attached draft resolution describes the goals and objectives of the workgroup, composition, and deadlines.
- A public hearing is scheduled for February 25, 2025, and work sessions will be scheduled at a later date.

INFORMATION

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MCPB

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OVERVIEW

BACKGROUND

During the Planning Board’s deliberations on the 2024 – 2028 Growth and Infrastructure Policy, the Planning Board recognized ongoing issues with the existing impact tax system in the county. Namely, the Planning Board noted the downward pressure they exert on needed new development in the county while also not resulting in enough money to adequately cover enough of the infrastructure needed in the county.

In the Planning Board Draft of the 2024 – 2028 of the Growth and Infrastructure Policy, the Planning Board included a recommendation to “convene a working group across county government and with external stakeholders to explore additional financing and funding mechanisms to better meet infrastructure needs.”

During work sessions on Bill 16-24, Development Impact Tax – Amendments, the County Council’s Government Operations & Fiscal Policy (GO) Committee agreed with the Planning Board’s recommendation and recommended the formation of a workgroup to assess the County’s infrastructure needs and recommend funding mechanisms.

OVERVIEW

On February 11, 2025, the County Council introduced a resolution to establish the Infrastructure Funding Workgroup (Attachment A).

The resolution sets an overall goal for the workgroup to recommend strategies to fund infrastructure and growth-related needs in the County.

The resolution creates two objectives for completing this work: 1) determining and assessing the County’s various infrastructure needs, and 2) researching a variety of funding mechanisms to fund that infrastructure.

For membership in the workgroup, the resolution lists several County departments and agencies, Montgomery County Public Schools (MCPS), and the State Highway Administration (SHA). The resolution does not include stakeholders outside of government; however, it does require the workgroup to meet with both developers and community members and provide opportunities for public feedback.

The resolution requires the workgroup to submit a final report to the Council by June 30, 2026. This will allow time for the Council to review the report and incorporate it into the 2028-2032 Growth and Infrastructure Policy (GIP) if needed. The resolution also requires the workgroup to update the GO Committee on its progress and findings by March 2026 and no sooner than December 2025. A public

hearing is scheduled for February 25, 2025. A GO Committee work session will be scheduled at a future date.

ANALYSIS

Montgomery Planning Staff reviewed an earlier draft outline of the Infrastructure Funding Workgroup resolution. Planning Staff's comments focused on the following elements:

1. Broadening the definition of infrastructure to include additional infrastructure like climate resilience, utility undergrounding, water, sewer, and telecommunications.
2. Avoidance of the term “adequate public facilities,” which is defined as part of the Growth and Infrastructure Policy and excludes critical infrastructure like bus rapid transit and infrastructure maintenance.
3. A focus on considering new funding sources beyond developer paid impact taxes.
4. Including overarching lenses to be applied to the working group's efforts, including racial equity and social justice, economic competitiveness, environmental resilience, safety, and infrastructure maintenance.

Planning Staff appreciated the ability to comment on the draft outline of the resolution, and our comments were largely integrated. However, one comment is outstanding that Planning staff feels is important to include. We appreciate that the resolution includes language that states that “the workgroup will determine and assess the County’s *various infrastructure needs*, with an emphasis on schools and transportation infrastructure, to include net new infrastructure, repairs, and upgrading existing infrastructure to levels that meet anticipated future demand.” However, Planning Staff believes the resolution needs to explicitly identify the “various infrastructure needs” that the Council intends to be explored by the workgroup. If these needs are not identified, they may not receive the focus they deserve from the workgroup. Planning staff recommends including a focus on climate resilience, utility undergrounding, water, sewer, and telecommunications – topics that are frequently raised by stakeholders and throughout the development review process. Relatedly, membership in the workgroup should include representatives from relevant public agencies.

The draft resolution also includes language that “the Council will appoint a Chair and Vice-Chair or Facilitator.” Planning Staff strongly recommend hiring an outside facilitator with experience in transportation infrastructure funding and financing to assist the workgroup in developing recommendations.

RECOMMENDATION

Planning Staff recommends that the Planning Board send a letter to the County Council in support of the draft resolution to establish the Infrastructure Funding Workgroup. The letter should include a comment asking the GO Committee to modify the resolution to explicitly identify the infrastructure needs that the workgroup will explore. In addition to schools and transportation, these infrastructure

needs could include climate resilience, utility undergrounding, water, sewer, and telecommunications. Additionally, representatives from the relevant public agencies should be invited to participate in the workgroup.

Planning Staff also proposes that the letter include a recommendation to hire an outside facilitator with experience in transportation infrastructure funding and financing to assist the workgroup in developing recommendations.

ATTACHMENTS

Attachment A: Infrastructure Funding Workgroup Resolution