THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
Planning Department, Montgomery County, Maryland
8787 Georgia Avenue Silver Spring, Maryland 20910

MCPB Date: 10/19/2017
Agenda Item # 3

MEMORANDUM

DATE: October 16, 2017

TO: Montgomery County Planning Board

VIA: Gwen Wright, Director, Montgomery County Planning Department
Rose Krasnow, Deputy Director, Montgomery County Planning Department

FROM: Karen Warnick, Division Chief, Management Services KAW
Anjali Sood, Budget Manager, Management Services AS

SUBJECT: Planning Department FY19 Operating Budget Planning Discussion

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Staff Recommendation

Approval to prepare the FY19 Planning Department's operating budget at the Base Budget plus New Initiatives level.

Background

At its September 14 meeting, the Planning Board received a presentation from the Commission's Department of Human Resources and Management (DHRM) on the FY19 budget process including key trends and the budget outlook, strategy, and timeline.

DHRM reported that the assessable base for Montgomery County grew by 17% from FY13-FY18, gradually reversing the declining trends that were encountered in FY11-FY13. The Montgomery County Office of Management and Budget estimates that the assessable base will grow by 4% in FY19.

The Planning Board provided general guidance for developing the FY19 Budget with the recognition that the Planning Department has both mandated requirements and essential needs/new initiatives to meet our expanding and evolving work program. The Board asked that we include any critical essential needs/new initiatives in our budget request, while being cognizant of the County's fiscal challenges and the likely impact that these challenges will have on our eventual budget.

Budget Preparation

To prepare for the October 19th Planning Board meeting, Planning staff worked diligently over the past several months identifying new master plans and projects to be started in FY19 and elements of our current work program that are inadequately funded. We looked at emerging trends to determine the needs of the future.

Master Plans

In terms of master plans, our recommended FY19 work program follows closely with the work program that was approved for FY18. Several of the plans that we are working on in this fiscal year will carry over into FY19 – these include:

- MARC Rail Communities Plan – SMA
- Veirs Mill Road Corridor Plan (Wheaton to Rockville) – Council review/action and SMA
- Bicycle Master Plan – Council review/action
- Master Plan of Highways & Transitways Updates –Council review/action
- Montgomery Hills and Forest Glen – Planning Board and Council review/action
- Germantown Plan for Town Sector Zone – Planning Board review

Master plans that were included in the FY18 budget that are being revised include:

- Remove Gaithersburg East Master Plan from the work program.
- Change the scope of the Aspen Hill and Vicinity Plan to be an Aspen Hill Vision Zero Pedestrian Study and Zoning Analysis of Commercial Centers (this would not be a master plan, but results of the study could lead to future master plan work in the area.)

New master plans that are being proposed for the first time in this budget discussion include:

- Shady Grove Sector Plan – Minor Master Plan Amendment
- Ashton Minor Master Plan Amendment
- General Plan Update

Major Projects

The Planning Department's recommended FY19 work program carries forward a number of projects that are being initiated in the current fiscal year and that will continue into FY19. These include:

- Roadway Functional Classification System – Planning Board review
- Traffic Generation from Mixed Use Development Projects
- Integrated Multi-Modal GIS Network – Planning Board review and Council Briefing

New major projects that are being proposed for the first time in this budget discussion include:

- Purple Line Impacts to Small Businesses
- Implementation of Traffic Generation from Mixed Use Development Study
- Creative Sector Needs Assessment
- Pedestrian Connectivity Mapping
- Open Space Benefits and Values Assessment
- White Flint II Implementation
- Policy Area & Local Area Transportation Test Update

Detailed information on these new master plan and major project efforts is included in Attachment 1.

A draft of the FY19 Proposed Master Plan and Major Projects Schedule is included as Attachment 2.

New County Legislation – Land Use Information – Burial Sites

Bill 24-17, Land Use Information – Burial Sites, would require the Planning Board to establish and maintain an inventory of burial sites in the County. Subdivision Regulation 17-01 would require burial sites identified in the inventory to be respected in the subdivision approval process.

If this bill is passed, the Planning Department anticipates that the work program necessary to implement the requirements of this legislation will be ongoing and will require one full-time position.

Information regarding the on-going personnel costs and one-time costs for the new position to meet the requirements of this legislation are provided in the chart below and more detailed information is included in Attachment 1.

On-Going Costs	Salary and benefits – 1 Full Time Position/Work Year	$117,907
One-Time Costs	4Wheel Drive SUV for field work - $30,000 Computer/start up furniture and supplies - $6,000	$36,000
Total First Year Costs		$153,907

If passage of the bill requires the Planning Department to address the mandate this year (FY18), then we would ask the County Council for an FY18 supplemental appropriation. The personal costs for the remainder of FY18 as well as the one-time costs will be included in the supplemental appropriation. The Planning Department will still need the full-time position and salary/benefits to be included in the FY19 proposed budget.

Base Budget

Known Operating Commitments

Information regarding the known operating commitments, mandated, contractual, and inflationary increases for the operations of the Planning Department are provided in the chart below.

Detailed information on each of these known operating commitments is included in Attachment 3.

Salaries & Benefits *	$134,618
CPI increase for contracts and supplies (1.0%)	$32,000
Adjustments in Risk Management	($28,800)
Debt Service for Internal Service Fund Capital Equipment	$45,600
Major Known Commitments	$88,750
Adjustments in Departmental Chargebacks to CIO and Commission Wide IT	$2,895
Chargeback to Development Review – Special Revenue Account (see below)	($93,700)
Total of Major Known Operating Commitments	**$181,363**

* Salary & Benefits total does not include compensation marker, OPEB PayGo and OPEB prefunding. They are in the Administration Fund's non-departmental account.

Development Review Special Revenue Fund

Special Revenue Funds account for the proceeds from specific revenue sources restricted for a designated purpose. The Development Review Special Revenue Account (DR-SRA) was created to collect fees generated from the submission of development applications. Staff time spent on reviewing development applications is charged back from the Administration Fund to the special revenue fund.

Chargeback to DR-SRA (Major Known Commitment)	($93,700)
Increase in Transfer from Admin Fund to DR-SRA (New Initiative)	$200,000
Total Changes – Development Review Special Revenue Account	**$106,300**

The Planning Department is requesting to increase the chargeback to the DR-SRA by $93,700 (3%) to cover the FY18 compensation increases. The chargeback was not increased during the FY18 budget process due to the uncertainty of the requested compensation increases being approved.

Per Commission policy, approved by the Planning Board, the minimum fund balance reserve must be 15% of expenditures, which is approximately $500,000. Historically, the Planning Department has conservatively projected revenues due to the volatility of revenues collected and the fact that $500,000 reserves was not sufficient to cover the average losses. This year, the Planning Department proposed to keep a larger fund balance and to be more realistic in our revenue projections. The Planning Department proposes to keep at least a $1.2M fund balance to balance against the volatility in the fund.

The Planning Department is requesting to increase the transfer from the Administration Fund by $200,000 in FY19, increasing the overall transfer to $500,000 to maintain a reserve balance of $1.2M. In addition, the Planning Department proposes to increase the proposed revenue for FY19 to $2,500,000 up from $1,991,300 in FY18.

Detailed information on the Development Review Special Revenue Account is included in Attachment 4.

New Initiatives

The Director and Deputy Director reviewed each division's potential new initiatives and narrowed them down to those which addressed the top priorities of the Department. Many of these initiatives are in direct support of the proposed work program, including new master and sector plans, and are essential to complete the work program.

Each year, the Planning Department uses consultant contracts to assist staff in accomplishing the work program. Contracts are used for short term technical assistance or training, or for their breadth of knowledge regarding subject areas in ever more complex planning areas.

Of the Planning Department's $20M annual operating budget, historically we have allocated about $800,000 per year for one-time initiatives, the majority of which are for consultant studies.

For FY19, the cost of these one-time new initiatives is $886,000. This is $126,000 more than the funds included for one-time new initiatives in the FY18 Adopted Budget.

The Planning Department works closely with the CAS Purchasing Division in hiring consultants by making the most efficient and effective use of our on-call contracts, the continuation of contracts already in place, or contracts for studies similar to ones already completed such that we only need to modify the scope work for the RFP.

FY19 proposed plans and projects that require consulting or other non-personnel funding include:

1. Start up costs for new Archaeologist for Burial Site Program (vehicle for field work/start up supplies) – ($36,000) – one-time
2. Aspen Hill Vision Zero Pedestrian Study and Zoning Analysis of Commercial Centers ($75,000) – one-time
3. Shady Grove Sector Plan- Minor Master Plan Amendment ($25,000) - one-time
4. Ashton Minor Master Plan Amendment ($25,000) - one-time
5. University of Maryland's National Center for Smart Growth assistance on General Plan Update ($100,000); Bicycle Master Plan ($75,000); Pedestrian Connectivity Mapping ($75,000); Purple Line Impacts to Small Businesses ($50,000) (Total = $300,000) – one-time
6. Implementation of Traffic Generation from Mixed-Use Development Projects Study ($75,000)–one-time
7. Creative Sector Needs Assessment - Study ($75,000) – one-time
8. Pedestrian Connectivity Mapping - ($50,000) – one-time
9. Open Space Benefits and Values Assessment ($50,000) – one-time
10. White Flint II Implementation Financial Consultant ($50,000) – one-time
11. Policy Area & Local Area Transportation Test Update – ($125,000) - one-time every four years

<u>Office of the Chief Information Officer (CIO) Request</u>
The Office of the Chief Information Officer has proposed new requests for FY19, in addition to their base budget increase requests. The IT Council met and voted on these new budget requests and did not support the majority of the requests.

The CIO and County-Wide IT (CW-IT) initiatives include:

	MC Planning's Portion	Total CIO/CWIT Request Commission Wide
CIO	$48,121	$369,313
CW-IT	$87,900	$1,595,000
Total	$136,021	$1,964,313

See the CAS budget memo for details regarding the CIO and CW-IT request.

<u>Summary</u>

The Planning Department is seeking approval to prepare the FY19 Planning Department's operating budget at the Base Budget plus New Initiatives level.

The Preliminary FY19 Operating Budget Request chart showing the dollar and percent increase is shown on the next page.

The following attachments provide additional information on the increases to the base budget including known operating commitments and give a snapshot of the proposed new initiatives.

Attachment 1 - FY19 Proposed New Plans and New Initiatives
Attachment 2 - FY19 Proposed Master Plan and Major Projects Schedule
Attachment 3 - FY19 Proposed Changes to the Base Budget plus Major Known Commitments
Attachment 4 - FY19 Development Review Special Revenue Account

MONTGOMERY COUNTY PLANNING DEPARTMENT
PRELIMINARY FY19 OPERATING BUDGET REQUEST

			% Change
FY18 Adopted Budget		**$20,359,147**	
FY18 BASE BUDGET CHANGES			
Salaries & Benefits *		$134,618	
CPI Increase for Contracts and Supplies		$32,000	
Risk Management		($28,800)	
Debt Service for Internal Service Fund Capital Equipment		$45,600	
Major Known Commitments		$88,750	
Adjustments in Departmental Chargebacks to CIO and Commission Wide IT		$2,895	
Increase in Chargebacks to Development Review Special Revenue Fund		($93,700)	
Subtotal - Base Budget Changes		**$181,363**	**0.9%**
Less: FY18 One-time Expenses		**($760,000)**	**(3.7%)**
Add: Departmental Proposed One-time Initiatives			
New County Legislation - Bill 24-17 Land Use Information - Burial Sites - Vehicle/Supplies	$36,000		
Aspen Hill Vision Zero Pedestrian Study and Zoning Analysis of Commercial Centers	$75,000		
Shady Grove Sector Plan - Minor Master Plan Amendment	$25,000		
Ashton Minor Master Plan Amendment	$25,000		
University of Maryland's National Center for Smart Growth Assistance with General Plan Update ($100,000); Bicycle Master Plan Implementation ($75,000); Pedestrian Connectivity Mapping ($75,000); Purple Line Impacts ($50,000)	$300,000		
Implementation of Traffic Generation from Mixed-Use Development Projects Study	$75,000		
Creative Sector Needs Assessment Study	$75,000		
Pedestrian Connectivity Mapping	$50,000		
Open Space Benefits and Values Assessment	$50,000		
White Flint II Implementation Financial Consultant	$50,000		
Policy Area & Local Area Transportation Test Update	$125,000		
Subtotal – Departmental Proposed One-Time Changes		**$886,000**	**4.4%**
Add: Departmental Proposed On-going Changes			
New County Legislation – Bill 24-17 Land Use Information – Burial Sites – New Position	$117,907		
Increase in Transfer to Development Review Special Revenue Fund	$200,000		
Subtotal – Proposed On-going Changes		**$317,907**	**1.6%**
Add: Proposed Chief Information Officer and County-Wide IT Initiatives		**$136,021**	**0.7%**
Net Change from FY18 Adopted to FY19 Proposed Budget		**$761,291**	**3.7%**
*** FY19 Proposed Budget Plus New Initiatives**		**$20,120,438**	**3.7%**

Note:

*Total does not include compensation marker, OPEB PayGo and OPEB prefunding. They are in the Admin Fund's non-departmental account.

FY19 Proposed New Plans and New Initiatives

There are a number of new initiatives that are being proposed which focus on ways to both reimagine and reinvigorate our master planning activities, as well as ways to address significant planning issues and concerns that face Montgomery County. Some may be completed with in-house staff while others require consulting funding. If a plan or study requires consulting funding, it is noted next to the plan/project name.

- <u>Gaithersburg East Plan – Delete from Work Program</u>

  The Gaithersburg East Plan is a remainder of the multiple subdivisions of the original Shady Grove Plan. The Shady Grove Plan was previously separated into Shady Grove West and East. The West side of I-270 became the 2010 Great Seneca Science Corridor Plan and the East side of I-270 included much of the Smart Growth Initiative area near the Shady Grove Metro and was addressed in the 2006 Shady Grove Sector Plan. The East side also included Montgomery Village and Gaithersburg East, which were split into separate plan areas. The plan for Montgomery Village was completed in 2016.

  The remaining area comprising Gaithersburg East includes only a few large properties: the Webb Tract – now the Multi-Agency Service Park – and the Montgomery County Airpark. Neither of these properties is likely to change or redevelop in the foreseeable future.

  Staff recommends removing this plan from the work program as there are other more pressing planning needs. However, staff is recommending a Minor Master Plan Amendment for the Shady Grove Sector Plan, which is described below.

- <u>Aspen Hill Vision Zero Pedestrian Study and Zoning Analysis ($75,000)</u>

  The 1994 Aspen Hill Master Plan covered a large geographic area, as was typical of master plans in the 1990s. In 2015, the Planning Department completed the Aspen Hill Minor Master Plan Amendment, which encompassed 14 acres and focused on the former Vitro office building, located on the northwest corner of Connecticut Avenue and Aspen Hill Road. In 2017, the Department initiated the Veirs Mill Corridor Master Plan, which traverses several master plan areas, including a small portion of the Aspen Hill Master Plan as well as the 1990 Master Plan for Kensington-Wheaton.

  Because much of the Aspen Hill area is comprised of stable single family neighborhoods that are not going to experience significant change, there are only limited issues to be addressed in a comprehensive update of the plan – and some of the key issues have already been addressed in the 2015 amendment and the current Veirs Mill planning effort.

  Rather than diving into a comprehensive amendment to the Aspen Hill Master Plan, staff is proposing to study some key issues in the area during FY19. During the planning process for the 2015 Aspen Hill Minor Master Plan Amendment, some community members expressed interest in an update to the larger Aspen Hill vicinity master plan. Their particular concerns focused on pedestrian safety at major intersections – prompting us to look at a Vision Zero Pedestrian Study. In addition, there is a need to look strategically at zoning categories that were assigned as part of the 2014 zoning rewrite to determine if adjustments should be considered.

  The FY19 study may result in future master plan updates in Aspen Hill, but would allow these updates to be more focused.

- Shady Grove Sector Plan – Minor Master Plan ($25,000)

  The 2006 Shady Grove Sector Plan put forth a bold vision to transform an industrial area into a new mixed-use community, with a focus on residential, to make the best use of the area's proximity to the Shady Grove Metro Station. To implement this vision, the light industrial uses in the County Service Park had to be relocated. The County created the Smart Growth Initiative program and funded numerous CIP projects to find new sites and build new facilities for the Ride-On bus maintenance facility, MCPS food service facility, the Department of Liquor Control warehouse, and the M-NCPPC Parks Department Training and Maintenance Center. Many of these uses have been relocated to the new Multi-Agency Service Park on Snouffer School Road. A new site has not yet been identified for the MCPS school bus depot.

  The Sector Plan has staging requirements that limit the amount of development that can occur until specific triggers have been met. The Stage 1 triggers, which included adopting the Plan's recommended zoning (through a SMA) and establishing a TMD, have been met. Development in Stage 1 is limited to 2,540 dwelling units and 1,570 jobs. The remaining development capacity in Stage 1 is 174 dwelling units and 940 jobs. In order to begin Stage 2, funding of significant transportation infrastructure is required as well as an evaluation of the need for a new elementary school. The Sector Plan requires that the Planning Board make a determination that Stage 2 can proceed, once the triggers have been met, and the Planning Board has analyzed the aggregate performance of the Traffic Mitigation Agreements (TMAgs) and evaluated congestion levels at the Plan area's major intersections.

  The September 2017 Biennial Master Plan Monitoring Report notes that there are currently two TMAgs, but the projects that they are associated with are only partially completed, therefore the aggregate performance of the TMAgs has not been conducted. The major transportation infrastructure improvements required to open Stage 2 have not been funded. The Planning Department proposes initiation of a study to analyze the timing and potential achievement of the Stage 2 triggers given that there is limited residential capacity remaining in Stage 1. The Department will work closely with the Shady Grove Implementation Advisory Committee and County agencies to develop a specific scope of work for the study.

- Ashton Minor Master Plan Amendment ($25,000)

  Ashton's business district, around the intersection of New Hampshire Avenue and MD 108, is subject to the Sandy Spring/Ashton Rural Village Overlay Zone, which was designed to foster preservation of rural village character under the county's previous zoning ordinance, which generally did not provide for mixing of land uses and allowed activities and densities that were not in keeping with village character.

  The 2015 Sandy Spring Rural Village Plan, among other recommendations, removed the Overlay Zone from parts of Sandy Spring, after its analysis determined that the Commercial-Residential Town Zone, with its ability to set commercial densities, residential densities and building heights that closely responded to community context and character, could manage uses, densities and heights at levels appropriate to a rural village. Because the Rural Village Plan's geographic boundaries had been set at the beginning of the Plan, there was no opportunity to review the Overlay Zone's use in Ashton.

  This proposed minor master plan amendment would evaluate the appropriateness of the Overlay Zone in Ashton and look in detail at the zones placed on Ashton as part of the county's comprehensive revision of its zoning code in 2014

- General Plan Update

  The proposal to update the General Plan is a major work effort and is not proposed lightly. "A General Plan for the Maryland-Washington Regional District in Montgomery and Prince George's Counties", also called the 1964 General Plan or the Wedges and Corridors Plan, is widely recognized as one of the country's most significant long-range planning documents of the past 50 years.

Montgomery County has stayed true to the concept of wedges and corridors, but a lot has changed since the General Plan was adopted. In 1960, the County's population was 340,928 people who lived in 97,141 housing units. Current population projections estimate that will County will have a population of 1.17 million by 2040. In 1964, the major land use challenge was the development of greenfields. Today's development is mostly infill and the conversion of large, single use developments into denser, mixed-use, walkable communities.

The General Plan, which was last updated in 1993, has stood the test of time, influencing the County's growth and planning policies of the past 53 years and underpinning all of the County's planning initiatives and master plans. The Goals of the General Plan -- efficient use of land, open spaces and opportunities for outdoor recreation, protection of environmental resources, an efficient transportation system, and a variety of living environments, among others -- are as valid today as they were in 1964, but need to be revisited in light of the technological, social, environmental and economic changes that have occurred since the Plan's adoption.

Recent innovations in cyberspace (cell phones, cloud computing, social media) and other anticipated technological innovations (e.g. driver-less cars, robotic delivery systems for everything from packages to healthcare) are disrupting the old land use model and assumptions about how to plan for growth and provide the infrastructure needed to serve residents and workers in the next 40-50 years. The County has already seen a steady decline in its office market over the past 10 years, and it has been challenging to meet the affordable housing need of a growing population. A new era of digital innovations will change the way we live, work, travel and communicate, creating a need to rethink how we can keep the County in the forefront of planning and development, maintain its competitive edge, and preserve the quality of life that the County is known for.

Other jurisdictions in the region have updated their general plans to keep them current:

- Washington DC is currently updating its General Plan, which was last updated in 2011, and before that in 2006. It is required to be revisited every 4-5 years
- The State of Maryland adopted its comprehensive plan—State Development Plan-- in 2008 and is currently planning to update it
- Prince George's County updated its General Plan (Plan 2035 Prince George's) in 2014
- PlanHoward2030, Howard County's General Plan was updated in 2012, and further amended in May 2017

An update of the General Plan would look to the next 40-50 years and incorporate the latest thinking and best practices to address a variety of issues: changing travel patterns and modes of transportation, the need to take advantage of new technologies in our schools and other institutions, the changing nature of employment and retail, as well as climate change, sustainability, social equity and how we retrofit existing neighborhoods and build new communities.

A major element of the General Plan Update effort will be an inclusive outreach program to gather input at the local, county and regional level. A comprehensive list of stakeholders will include local civic and homeowners' associations, umbrella and countywide civic groups, business groups, religious institutions, ethnic and social activist groups, development entities, parents' associations, and all others who are concerned about the future of the county.

Staff will hold monthly meetings in different locations around the county so interested stakeholders can provide feedback on issues of interest. A Technical Advisory Committee composed of staff from State and County agencies with expertise in transportation, environment, economic, housing and infrastructure issues will also be established, and Staff will organize interviews and panel discussions with experts on topics relevant to the General Plan update. Staff will use social media and other venues (dedicated web site, press releases, Facebook, twitter, blog posts, surveys) to reach all stakeholders and not rely solely on traditional outreach methods.

This is a project that will take two years or more. The initial proposed schedule is for 27 months of work by the Planning Department and Planning Board to transmit an update plan to the County Council.

3 Months -	Initial outreach, scoping, defining/framing the issues, pre-requisite data collection, ending with a scoping document for approval by the Board
9 Months -	Analyses and preliminary recommendations—analyses of land use, economic, environmental, transportation, housing, infrastructure, and community facilities elements of the plan. Any special studies that need to be done, ending with Planning Board review of the preliminary recommendations
6 Months -	Finalize recommendations, publish Working Draft
9 Months -	Planning Board public hearing and work sessions, finalize Planning Board Draft, transmit to County Council.

To assist staff in completing the General Plan Update, we propose using consulting funding through the University of Maryland's National Center for Smart Growth Contract. See below for more information.

- <u>Continue the University of Maryland's National Center for Smart Growth Contract ($300,000)</u>

In 2008, the Planning Department initiated a partnership with the University of Maryland that was designed to be a win-win for both parties. Through a contract with the University's National Center for Smart Growth, the Planning Department was able to hire a number of planning students or recent graduates to help us on a variety of projects as assigned. We believe that a continued partnership with the University is in everyone's interest.

In FY18, these contractual staff are helping with research for a future General Plan Update, continued work on the Bikeways Plan Update, and assistance with the Makeover Montgomery 4 conference.

In order to ensure that this partnership will continue moving forward, we are requesting $300,000 which will cover the costs of four contractual staff from the University of Maryland.

In FY19, the 4 proposed initiatives using the National Center for Smart Growth contract are:

1. General Plan Update Assistance ($100,000) – See description in section above.

2. Bicycle Master Plan Implementation ($75,000) – This will provide a staffperson from the National Center for Smart Growth to work on completion of the Bicycle Master Plan, final revisions to the analysis, and implementation of major recommendations.

3. Pedestrian Connectivity Mapping ($75,000) - This will provide a staffperson from the National Center for Smart Growth to work on implementing pedestrian connectivity criteria. These criteria will help to create connectivity mapping tools and data to understand the gaps in the pedestrian network and identify where improvements to the network are most critical.

4. Purple Line Impacts to Small Businesses ($50,000) - What happens to the small businesses during the construction of the purple line? This economic study will create documentation of the ownership and rental businesses that currently operate as well as economic limitations that could be an outcome during the 5-year construction timeline. The study will evaluate the short term and long-term impacts for potential loss of business as a result of construction as well as new business opportunities due to the infrastructure changes being introduced. Relocation and parking strategies for how business currently use on-street parking (restaurants vs. a dry cleaner or nail salon), and what alternatives there are should be explored as part of the study. The study will also evaluate the potential benefit to the businesses in areas where increased density and development may occur

once the purple line opens. New businesses will definitely have an impact on potential rents and operations.

The primary areas of study should include Bonifant Street in Silver Spring between Fenton Street and Dixon Avenue as well as the section of Longbranch on Piney Branch at Arliss and Flower Avenues. There will be close coordination with the business owners, the Silver Spring Regional Services Center, CASA, and the Purple Line advocacy groups.

- Implementation of Traffic Generation from Mixed Use Development (MXD) Projects Study ($75,000)

  This goal of this study would be to develop a more accurate and robust method of estimating the traffic generation from mixed-use development projects. The latest MXD research shows that traffic studies overestimate impacts of mixed-use development by 35%. The new MXD+ 2.0 analysis tool corrects those errors. This study would apply the MXD+ tool to five or six different sector plan areas as a first step to potential adaptation and validation of the tool countywide.

- Creative Sector Needs Assessment Study ($75,000)

  The creative sector is an important, and often undervalued, component of the economy and an asset in making the county an attractive and high-quality place to live. Numerous studies and articles have pointed to creative sector jobs as important to economic competitiveness. From Richard Florida's "creative class" to recent articles about creative sector jobs being safe from automation, the sector remains critical to overall economic health. Creative uses have long been a driver of revitalization in urban neighborhoods. As we think about the new suburbanism, access to arts and culture is still important in creating dynamic places.

  The goals of this study would be two-fold. First, it would help define and estimate the size of the creative sector in Montgomery County. How many jobs, what are average salaries, what are space needs? This project would build on the work in the Employment Trends Study to provide an in-depth look at one specific sector. It would also review and build previous work by other organizations, including economic impact studies completed by the Montgomery County Arts and Humanities Council and the Maryland State Arts Council. Part of the exercise would be developing a definition of the creative sector. It would likely be broad and include everything from administration jobs at the Strathmore to video production jobs at Discovery to Bachata dance instructors. Second, it would help assess how our creative sector supports the economy and quality of life in the county. Do we have creative and cultural facilities comparable to our peers? How does our sector differentiate itself from the creative sector in DC and other jurisdictions? What kind of space needs does this sector have? We know developing space for creative uses can be challenging as they often require lower rents.

  This study would help us better understand the creative sector in Montgomery County and its needs. It could lay the groundwork for future planning exercises to create planning and land use strategies for supporting and enhancing the role of this important sector in our economy. The cost is driven by the complexity of defining the sector, the significant interviews/outreach and benchmarking research required.

- Pedestrian Connectivity Mapping ($50,000)

  In a similar way that the bicycle stress map was created to understand bicycle connectivity, this project will create context sensitive criteria to evaluate the pedestrian network throughout the county.

  The consulting assistance from the University of Maryland Smart Growth contract will provide a staffperson to develop the pedestrian connectivity criteria that will allow us to create the connectivity mapping tools and data. However, a limited amount of consulting dollars are also necessary to assist with the technology needed to create the mapping tool.

- <u>Open Space Benefits and Values Assessment Study ($50,000)</u>

  The true value of the ecological, economic, and social benefits provided by open spaces like parks, natural areas, and green urban areas is often not well understood and therefore overlooked in land-use decision making. As an agency, our ability to understand and characterize the value of the open space we are charged with planning for and protecting is vitally important. If adequate open space is not planned for and provided, future opportunities are much more restricted and expensive, negatively impacting land acquisition and management options, and often necessitating costly retrofits.

  Various methodologies exist to evaluate the environmental, economic, and social benefits of parkland and urban open space, but it is not clear which strategies are best to assess these values and benefits within the context of Montgomery County, MD.

  A targeted assessment of the true value of open space and natural areas which may include examination of proximity and property value effects, nature-based tourism, environmental benefits, and social and health benefits is needed for Montgomery County.

  The results of such an assessment will inform open space policies, improve decision making, and advance management strategies. Greater understanding of these values and benefits supports the work of the agency in many ways—from how, when, and where land is acquired and preserved, to how open space is planned for and protected, especially in urban areas where land is in shorter supply and comes at a premium.

  A separate project in the Department of Parks, a Projects for the Partnership for Action Learning and Sustainability (PALS) Collaboration between Department of Parks and The University of Maryland, is scheduled for completion in calendar year 2017. One task order under the PALS initiative will employ college students for one semester to evaluate economic benefits of parks. The work under the proposed FY19 project will be coordinated with the Department of Parks as a more in-depth and detailed follow-up to the PALS project. Appropriate information and data resulting from the PALS project will be used in the FY19 project.

  Funding is requested to hire a consultant to use the most appropriate and current tools and methods to assess the open space values and benefits that are most important to Montgomery County, building on the results of the Department of Parks 2017 PALS project. In addition to providing a big picture view regarding the true values of open space in Montgomery County, the study will also assess context-specific open space values and benefits—with a focus on urban areas, and provide the tools staff need to assess projects into the future. This assessment will be important in supporting the policies, programs, and actions that are needed to plan and implement both new open space and maintain integrity and health of these spaces over time.

- <u>White Flint II Implementation Financial Consultant ($50,000)</u>

  The draft White Flint II Sector Plan recommends a taxing district mechanism for a portion of the plan area to implement the transportation infrastructure needed to support the future growth of Plan, similar to what was done for the 2010 White Flint Sector Plan. If the Council approves the draft White Flint II Sector Plan with this recommendation, it will require work by a financial consultant to analyze and create a suitable tax structure for the plan area.

- <u>Policy Area & Local Area Transportation Test Update - $125,000 (One-time expense every four years)</u>

  New one-time consulting funding needed to prepare the policy area and local area transportation tests update. This update is done every four years in support of the Subdivision Staging Policy. The next update to the Subdivision Staging Policy is required by Council Resolution to occur by November 15, 2020.

Other Projects

- New County Legislation – Land Use Information – Burial Sites - ($153,907)
  ($117,907) on-going funding and ($36,000) one-time funding

  Bill 24-17, Land Use Information – Burial Sites, would require the Planning Board to establish and maintain an inventory of burial sites in the County. Subdivision Regulation 17-01 would require burial sites identified in the inventory to be respected in the subdivision approval process.

  If this bill is passed, the Planning Department anticipates that the work program necessary to implement the requirements of this legislation will be ongoing and will require one full-time position. Establishment of the inventory to professional standards will be a time-consuming endeavor that will stretch over multiple work years. Information about each cemetery must be assessed, and in many cases, fieldwork will be necessary to gather additional information about a cemetery and record it to professional standards. In addition, enhanced mapping will be required for each cemetery. New cemeteries may be identified over time.

  The Planning Department also anticipates that a considerable amount of work effort will be required to implement the regulatory review mandated by the legislation. Staff will need to review development applications to verify the presence or absence of an identified cemetery, and in those cases where a cemetery exists, it will be necessary to develop a regulatory framework for protecting the cemetery consistent with the requirements of the legislation. A staff archaeologist will also need to review the reports produced by applicants to certify that the study and recommendations are consistent with archaeological best practices and the requirements of the legislation.

  For reference, Prince George's County has similar cemetery legislation and their Planning Department has a planner coordinator—archaeologist on staff to implement the associated work program.

  This program cannot be an unfunded mandate. The Planning Department currently does not have a position qualified to implement the technical requirements proposed in these bills. The Planning Department will need one full-time archaeologist at the Planner Coordinator level to fulfill the programmatic obligations associated with these bills.

  Existing Planning Department staff do not have the skills and expertise to implement the technical requirements in these bills. A new position will need to be created to fulfill the programmatic obligations associated with these bills and to administer this program. The work program requirements will include:

  1. Subdivision review: review all subdivision proposals, consistent with the requirements of the proposed legislation.

  2. Enhance and manage a Montgomery County Cemetery Inventory: review of the existing cemetery inventory to make such improvements as are necessary to satisfy the requirements established in Bill 24-17, including field-checking information, professionalizing the inventory by documenting sites to state-established standards (which would require the preparation of Maryland Inventory of Historic Property forms for each site), and making improvements to existing GIS information.

  3. Establish a process for adding newly identified cemeteries to the Inventory: develop a system to allow for additional cemeteries to be added to the Inventory, as is required by Bill 24-17.

  4. Conduct educational outreach activities in furtherance of Bill 24-17 and SRA 17-01: develop and implement a campaign to make the public aware of the requirements established by Bill 24-17 and SRA 17-01 to insure broad understanding of and compliance with the new laws.

  These duties require an advanced understanding of archaeological best practices and the ability to work independently on complex projects. Information regarding the on-going personnel costs and one-time costs for the new position to meet the requirements of this legislation are provided in the chart below.

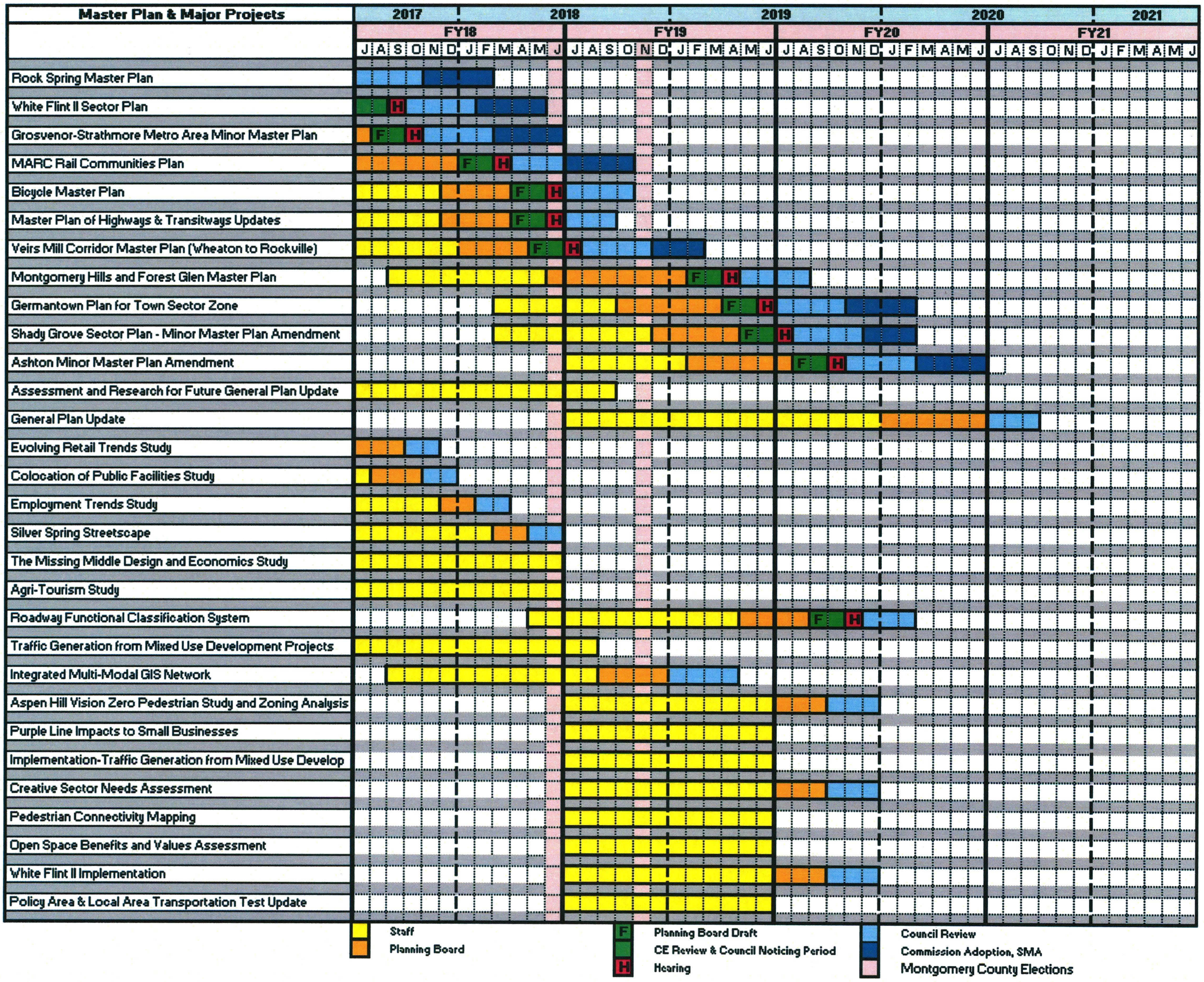
On-Going Costs	Salary and benefits – 1 Full Time Position	$117,907
One-Time Costs	4Wheel Drive SUV for field work - $30,000 Computer/start up furniture and supplies - $6,000	$36,000
Total First Year Costs		$153,907

Alternatively, if the full time position is not approved, the Planning Department would need the on-going assistance of a cultural resources management consultant at the rate of at least $100,000 per year, based on an hourly rate of $75-$125.

Although the work required by this legislation could be done by a cultural resources management consultant, our procurement requirements will make it challenging to get assistance in a timely way for issues that arise suddenly. Having a knowledgeable person on staff who can work with communities and property owners on a regular basis is preferable and is the model used by Prince George's County, who has had a similar program in place for many years.

ATTACHMENT 2

FY19 Proposed Master Plan and Major Projects Schedule
October 2017



FY19 Changes to the Base Budget plus Major Known Commitments

Base Budget

Known Operating Commitments

The preliminary known increases in the Planning Department for salaries, benefits, retirement, and other post-employment benefits (OPEB) were reviewed by DHRM at the September 14 meeting.

Information regarding the known operating commitments, mandated, contractual, and inflationary increases for the operations of the Planning Department are provided in the chart below.

Salaries & Benefits	$134,618
CPI increase for contracts and supplies (1.0%)	$32,000
Adjustments in Risk Management	($28,800)
Debt Service for Internal Service Fund Capital Equipment	$45,600
Major Known Commitments	$88,750
Adjustments in Departmental Chargebacks to CIO and Commission Wide IT	$2,895
Chargeback to Development Review – Special Revenue Account	($93,700)
Total of Major Known Operating Commitments	**$181,363**

Salary & Benefits - $134,618

Adjustment to personnel costs based on changes in current staffing including the preliminary retirement estimate. Does not include compensation marker, OPEB PayGo and OPEB prefunding as they are included in the Administration Fund's non-departmental account.

CPI Increase for Contracts and Supplies and Materials - $32,000

The Planning Department is requesting to increase the contracts and supplies budget by $32,000 or 1.0% over the FY18 Adopted Budget to keep up with inflation.

Adjustments for Risk Management – ($28,800)

The decreases in Risk Management are based on actual expenses on behalf of the Planning Department.

Debt Service for Internal Service Fund Capital Equipment - $45,600

The Planning Department purchases equipment through the internal service fund (ISF) which finances equipment costing more than $10,000 that has a life expectancy of greater than six years (the length of the financing term). For the Planning Department, ISF funding may cover computer and information technology system upgrades, large mechanical systems, and passenger vehicles when needed. The Planning Board approves these purchases by approving the debt service payment for the six years of financing.

For FY19, the Planning Department requests an ISF budget of $250,000 (total cost is $500,000 which will be split with the Department of Parks) for opening a new data center for the planned

Wheaton Headquarters move. This funding will supplement the funding that was approved in FY18. A portion of the FY18 funding for replacement of the IT (Information Technology) backbone infrastructure is now being redirected towards building this new data center. With this additional FY19 funding, a new data center will be co-located within the state-of-the-art Montgomery College Takoma Park Campus data center. Moving the current data center is complex, involves significant downtime, and does not fully address our goals. Expanding the migration timetable will enable greater flexibility and problem solving for the information technology staff. Building a new data center will ensure that we have continuity of operations and that downtime is eliminated when we relocate to Wheaton. The existing IT data center will continue to be operational after the move to Wheaton and will be converted to a disaster recovery center providing back-up for the new data center. The debt service payment on this funding for FY19-24 is $45,600 each year.

<u>Major Known Commitments - $88,750</u>

- GIS licensing upgrade - $43,750 (One-time expense)

  This request is to add additional ESRI (GIS) software licensing for users and for agency GIS web servers. For users, this request will add five additional shared-use licenses, bringing the desktop user pool from 51 to 56 total seats due to increasing staff GIS usage in both the Parks and Planning Departments. The GIS license pool serves over 200 distinct people in both the Parks and Planning departments. GIS use in both departments has increased over the past couple years and current users have encountered regular license shortages. Additional licenses will increase the capacity and reduce the shortage situation. The request also increases the allowable server CPU cores in use by our web GIS servers. Improved server hardware necessitates this server licensing increase. Total cost is $87,500 which is split 50/50 between Parks and Planning.

- Transportation Modeling Tool Software Update - $20,000 (One-time expense every two years)

  One-time funding in FY19 to update the software required to run the transportation modeling tool. Updates are needed every two years.

- Utilities Budget - $25,000

  The Energy Consultant for Montgomery Parks and Planning has proposed a $25,000 increase as a contingency for weather variations.

<u>Adjustments to Departmental Chargebacks to CIO and Commission Wide IT - $2,895</u>

The base budget in chargebacks to the CIO is proposed to increase by $4,895 and the chargeback to the Commission-Wide IT is proposed to decrease by ($2,000).

Development Review Special Revenue Account - Chargebacks and Transfers Out

Background - Special Revenue Funds account for the proceeds from specific revenue sources restricted for a designated purpose. The Development Review Special Revenue Account (DR-SRA) was created at the end of FY06 to collect fees generated from the submission of development applications. A certain portion of the costs associated with the review of plans may be recovered through fees. Treating this portion separately from the remainder of the Planning Department's budget served to reduce pressure on the Administration Fund. Costs have been defined broadly to reflect not only the time spent by reviewers in the analysis of development applications, but also additional support costs associated with administrative and tech team staff, public information staff, legal staff, and a certain portion of other support services, such as technology support and GIS. Revenues are defined as the fees received for record plats, preliminary plans, sketch plans, project plans, site plans, and administrative subdivision fees, subdivision regulation waiver fees, and staging allocation request fees.

It was originally anticipated that fees could be adjusted as necessary to recover the necessary costs. However, previous slowdowns in the economy led to a gap between costs incurred and fees received. Moreover, fees could not be raised to inordinately high levels to cover the gap. Therefore, transfers were made from the Administration Fund to cover the gap in years of low economic development. From FY08-FY13, the average annual transfer was $1.4M.

Looking forward to FY19 and beyond, the Planning Department has reviewed the performance of this fund for the last 10 years. Expenditures in this fund have been very consistent with each year's actuals posting within $200,000+/- of the 10-year average of $3.2M. However, revenues in this fund have be extremely volatile over the past 10 years ranging from $1.6M to $4.0M and averaging $2.5M per year. The average shortfall (expenditures exceeding revenue) has been $700K.

The fund performed well in FY12 and FY13, the only two years with revenues exceeding expenditures. This was primarily due to the fees collected for various large projects in CR zones as property owners moved quickly to either take advantage of changes to the zoning ordinance or to submit new applications to grandfather existing zoning requirements. This two-year performance built a significant fund balance resulting in the fund not requiring a transfer in FY14, FY15 or FY16. During these three years, the expenditures exceeded revenues by $1.5M, drawing down the fund balance.

In FY17 and FY18 respectively, a $500,000 and $300,000 transfer from the Administration Fund to the DR-SRA was included in the budget to cover potential shortfalls and, if need be, to smooth out the drawing down of the fund balance.

FY19 Request - Per Commission policy, approved by the Planning Board, the minimum fund balance reserve must be 15% of expenditures. This is approximately $500,000. Historically, the Planning Department has been very conservative in projecting revenues due to the volatility and the fact that $500,000 reserves was not sufficient to cover the average losses. In our analysis this year, the Planning Department determined that by keeping a larger fund balance, we can be more realistic in our revenue projections. The Planning Department proposes to keep at least a $1.2M fund balance to balance against the volatility in the fund.

As stated above, the average revenue collected in the past 10 years is $2.5M. The Planning Department proposes to increase the proposed revenue for FY19 to $2,500,000 up from $1,991,300 in FY18.

The Planning Department is proposing to increase the chargebacks from the Administration Fund to the DR-SRA by $93,700 increase (3%) to cover the FY18 compensation increases. The chargeback was not increased during the FY18 budget process due to the uncertainty of the proposed FY18 compensation increase being approved.

With these proposed revenues and expenditures in mind, the Planning Department is requesting an increase in the transfer from the Administration Fund by $200,000 in FY19, increasing the overall transfer to $500,000 to maintain a reserve balance of $1.2M.