

SILVER SPRING DOWNTOWN & ADJACENT COMMUNITIES PLAN IMPLEMENTATION

PUBLIC OPEN SPACE FEE-IN-LIEU CONTRIBUTION

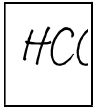
Description

Request approval of the Silver Spring Downtown and Adjacent Communities (SSDAC) Plan Public Open Space Fee-in-lieu Contribution formula and methodology. The SSDAC Plan recommends that “for any Optional Method development project required to provide public open space on a site not recommended for a new public space in the Sector Plan, that in lieu of on-site open space, applicants contribute to the creation of new and improvement of existing public parks recommended by the Sector Plan.” (Section 4.1.12)

COMPLETED: 10-19-2023

MCPB
Item No. 8
October 26, 2023

2425 Reddie Drive
Floor 12
Wheaton, MD 20902



Henry Coppola, Development Review Coordinator, Park Planning & Stewardship Division,
Henry.Coppola@MontgomeryParks.org



Darren Flusche, Chief, Park Planning & Stewardship Division, Darren.Flusche@MontgomeryParks.org



Miti Figueredo, Deputy Director of Administration, Miti.Figueredo@montgomeryparks.org,



Mike Riley, Director, Mike.Riley@MontgomeryParks.org

BACKGROUND

Background

The Silver Spring Downtown and Adjacent Communities (SSDAC) Plan was approved and adopted in June 2022 and made recommendations regarding on-site public open space in Section 4.1.12:

Adequate public open space is critical to meeting this Sector Plan’s goal of making Silver Spring a better place to live, work and play. While downtown Silver Spring has a reasonable amount of open space, many of these spaces are small “postage stamp” spaces that do not truly enhance the public realm. In order to ensure the right amount and quality of public open space, this Sector Plan recommends channeling resources to create new and improve existing public parks instead of creating on-site public open spaces that is [sic] too small, fail to enhance the public realm and prevent buildings from activating the street. For any Optional Method development project required to provide public open space on a site not recommended for a new public space in the Sector Plan, the Plan recommends that in lieu of on-site open space, applicants contribute to the creation of new and improvement of existing public parks recommended by the Sector Plan, preferably within the same district. These contributions will be determined during the Optional Method development review and approval process and will be based on the cost/sf of constructing an equivalent area of the recommended public space. Contributions to the Commission will be included in the Department of Parks Capital Improvement Program (CIP).

While the SSDAC Plan called for these public open space fee-in-lieu contributions and set the timing and basis of their determination (during the development review and approval process, based on the cost per square foot of constructing an equivalent area) it did not establish a formula or methodology for their determination.

Staff is proposing a methodology and formula that will be applied to all eligible projects within the SSDAC Sector Plan Area boundary (Plan Area) and will provide transparency and certainty for Applicants, the public, the Planning Board, and staff. To help further Thrive 2050’s affordable housing goals, a discount is proposed for the provision of affordable housing above otherwise required levels.

A new CIP PDF modeled on the Bethesda Park Impact Payment PDF 872002 and the Mid-County Park Benefit Payments PDF 872201 will be created to accept the contributions.

ANALYSIS AND METHODOLOGY

Analysis

A simple, easy to apply and understand final formula will provide the greatest transparency and certainty for stakeholders.

Commercial/Residential (CR) zoned Optional Method development projects are required to provide public open space as a percentage of the project site tract area and the number of right-of-way frontages (Section 59-4.6.4.B.1) with the percentage required ranging from 0% to 10%. Eligible projects are all “*Optional Method development project[s] required to provide public open space on a site not recommended for a new public space in the Sector Plan*” as identified in the SSDAC Sector Plan.

Per the SSDAC Sector Plan the contribution must be based on the cost per square foot of constructing an equivalent area of the otherwise required on-site public open space. The simplest and most transparent source for this cost per square foot are recent equivalent park construction projects.

Development projects generate varying public open space requirements based on density. Project density can be most simply measured and understood by using the Floor Area Ratio (FAR) of the project site.

It is a goal of the SSDAC Sector Plan and Thrive 2050 to provide affordable housing and this should be taken into account in determining the amount of the contribution.

Methodology

Base Rate

Twelve recent projects were identified as most representative of the types of parks and improvements recommended in the SSDAC Sector Plan. (*Figure 1*). As the only recent project to take place within the Plan Area, Gene Lynch Urban Park is likely the best individual comparison for the cost of constructing public open space in the Plan Area.

Figure 1

Project	Project Type	Estimated LOD (SF)	Fiscal Year Opened	Total Cost / Budget	Cost per SF
Gene Lynch Urban Park	New Park	10,890	2023	\$2,875,000.00	\$264.00
Edith Throckmorton NP	Park Renovation	8,276	2022	\$1,381,822.64	\$166.97
Sligo Dennis LP	Playground Renovation	6,000	2023	\$494,507.74	\$82.42
Olney Family NP	New Playground	4,500	2023	\$362,522.65	\$80.56
Caroline Freeland UP	Park Renovation	48,787	2024-25	\$3,200,000.00	\$65.59
Hillwood Manor NP	Playground Renovation & Sitework	11,169	2023	\$728,783.25	\$65.25
Glen Hills LP	Playground Renovation	6,364	2023	\$366,667.33	\$57.62
Edgewood NP	New Community Garden	4,990	2023	\$206,318.84	\$41.35
Sligo Kennebec	Playground Renovation (relocated)	13,235	2023	\$502,976.13	\$38.00
Columbia Local Park	Partial Park Renovation	75,187	2024	\$2,606,711.06	\$34.67
Silver Spring Intermediate NP	Partial Park Renovation	73,022	2023	\$2,163,912.34	\$29.63
Hillandale LP	Park Renovation	466,092	2024	\$7,800,000.00	\$16.73

Because the costs of park and open space improvements vary widely, the average cost per square foot of the twelve recent, representative Parks projects will be used to set the Base Rate for the contributions. The average cost per square foot for those projects is \$78.57 which is rounded to \$80 for simplicity and ease of use in the formula. **The recommended Base Rate is \$80 per square foot.**

Demand Impact Modification

Because development projects have different levels of impact on the demand for public open space based on density, a project’s Approved FAR will be applied to the Base Rate as a demand impact modifier to help ensure that each project is making a proportional contribution.

The zoned FAR of CR zoned parcels eligible for Optional Method development in the Plan Area range from 1 to 8, with roughly 1/3 of the parcels having a zoned FAR of 3 and roughly an additional 1/3 of the parcels having a

zoned FAR of 5. Therefore, the Base Rate of \$80 will be assigned to an FAR of 4 and then reduced as the FAR decreases or increased as the FAR increases by 25% per whole number of FAR (Figure 2). Conveniently, this allows for the Base Rate to be normalized to an FAR of 1 at \$20 (also calculable by dividing the Base Rate by four) so that the contribution can be understood as a rate of \$20 per square foot per Approved FAR, which will allow for the true Approved FAR to be utilized in the formula. The contribution formula will utilize this Normalized Base Rate of \$20.



Figure 2

Formula

The Formula can then be written as follows with three variable inputs:

Contribution =

Square Feet of Required Public Open Space x (Normalized Base Rate x Approved FAR)

The Square Feet of Required Public Open Space will be determined for each project during the development review process (Applicants can generally determine it prior to application), the Normalized Base Rate is obtained by dividing the Base Rate by four, and the Approved FAR is proposed by the Applicant and approved during the development review process. The Formula is simple to understand, easy to use, and provides transparency and certainty as to the contribution amount.

Affordable Housing Discount

To incentivize the creation of affordable housing in the SSDAC Plan Area a discount for the provision of affordable housing above required levels is recommended. Projects that provide 25% or more Moderately Priced Dwelling Units (MPDUs) will receive a discount rate equal to the rate of MPDUs provided – a project providing 25% MPDUs receives a 25% discount on their contribution, a project providing 50% MPDUs receives a 50% discount, and so forth. The discount formula can be written as:

$$\text{Contribution} \times ((100 - \text{MPDU } \%) / 100)$$

Examples

For 1,000 Square Feet of Required Public Open Space

- **Approved FAR 3:**
 - $1,000 \times (\$20 \times 3) = \$60,000$
- **Approved FAR 5:**
 - $1,000 \times (\$20 \times 5) = \$100,000$
- **Approved FAR 3 with 30% MPDUs**
 - $1,000 \times (\$20 \times 3) = \$100,000 \times ((100-30)/100) = \$70,000$

Base Rate Adjustment

The Base Rate can be adjusted using the same timing and methodology as the Downtown Silver Spring Overlay Zone Civic Improvement Fund contribution rate as set in Section 4.9.8.C.2.e.ii – by July 1 of each even numbered year the rate is adjusted by the annual average change in a published construction cost index over the two most recent years (a Zoning Text Amendment has been proposed that would change the adjustment from annual average to cumulative change over the prior two years, not to exceed a 20% increase).

Condition of Approval Template

To provide transparency, certainty, and consistency this Condition of Approval template language has been drafted:

- *The Applicant must pay to the M-NCPPC a SSDAC Plan Public Open Space Fee-in-lieu Contribution of \$XXX in lieu of the otherwise required XXX square feet of public open space before the release of the first above-grade building permit. The Contribution may be reduced if 25% or more MPDUs are provided by a percentage equal to the percentage of MPDUs to be provided according to the executed MPDU Agreement between the Applicant and the MCDHCA.*

RECOMMENDATION

Recommendation

Approve the SSDAC Plan Public Open Space Fee-in-lieu Contribution formula and methodology.

- With the Formula:

$$\text{SSDAC Plan Public Open Space Fee-in-lieu Contribution} = \text{Square Feet of Required Public Open Space} \times (\text{Normalized Base Rate} \times \text{Approved FAR})$$

$$\text{Normalized Base Rate} = \text{Base Rate} / 4 = \$20$$

- With the Affordable Housing Discount:

For projects providing 25% or greater MPDUs

$$\text{Discounted Contribution} = \text{Contribution} \times ((100 - \text{MPDU } \%) / 100)$$

- With the Base Rate:

$$\text{Base Rate} = \$80$$

- With the Base Rate Adjustment to follow the same adjustment as the Downtown Silver Spring Overlay Zone Civic Improvement Fund contribution rate as set in Section 4.9.8.C.2.e.ii.
- With the Contribution to be paid prior to the release of the first above-grade building permit.











SSDAC Open Space FIL Contribution Briefing Memo Final (002)

Final Audit Report

2023-10-19

Created:	2023-10-19
By:	Sandra Samuel (Sandra.Samuel@montgomeryparks.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAiUcYgL_5Flsxa9OUs-SUB_18pVCvgmsA

"SSDAC Open Space FIL Contribution Briefing Memo Final (002)" History

-  Document created by Sandra Samuel (Sandra.Samuel@montgomeryparks.org)
2023-10-19 - 3:08:50 PM GMT- IP address: 155.190.22.1
-  Document emailed to Henry Coppola (henry.coppola@montgomeryparks.org) for signature
2023-10-19 - 3:09:58 PM GMT
-  Email viewed by Henry Coppola (henry.coppola@montgomeryparks.org)
2023-10-19 - 3:10:13 PM GMT- IP address: 155.190.22.2
-  Signer Henry Coppola (henry.coppola@montgomeryparks.org) entered name at signing as HCC
2023-10-19 - 3:10:51 PM GMT- IP address: 155.190.22.2
-  Document e-signed by HCC (henry.coppola@montgomeryparks.org)
Signature Date: 2023-10-19 - 3:10:53 PM GMT - Time Source: server- IP address: 155.190.22.2
-  Document emailed to Darren Flusche (darren.flusche@montgomeryparks.org) for signature
2023-10-19 - 3:10:55 PM GMT
-  Email viewed by Darren Flusche (darren.flusche@montgomeryparks.org)
2023-10-19 - 3:15:56 PM GMT- IP address: 104.28.79.148
-  Document e-signed by Darren Flusche (darren.flusche@montgomeryparks.org)
Signature Date: 2023-10-19 - 3:16:53 PM GMT - Time Source: server- IP address: 174.216.147.28
-  Document emailed to Miti Figueredo (miti.figueredo@montgomeryparks.org) for signature
2023-10-19 - 3:16:55 PM GMT
-  Email viewed by Miti Figueredo (miti.figueredo@montgomeryparks.org)
2023-10-19 - 3:18:03 PM GMT- IP address: 104.47.58.254

