Section 3: Testing the Adequacy of Transportation Facilities

3.0 Recommendations

The staff of the Montgomery County Department of Park and Planning recommend that three options for testing the adequacy of transportation facilities be considered. Since each of these is a significant departure from the current practice, and because public comment is integral to the development of an acceptable process, staff would like to reserve our final recommendation until after the May 15 public forum.

Staff will select our preferred alternative in the packet for the first Planning Board worksession on this report.

In addition to the three major options for Policy Area Transportation Review, staff's recommendations include:

- If staging ceilings are retained, there should periodically be a comprehensive review of how the ceilings are allocated to correct imbalances. However, staff believes that some imbalances serve a legitimate policy purpose, so we would not recommend the single staging ceiling alternative.
- Staff is content with the "average congestion index" as a means for measuring a policy area's congestion level, but we review a potential alternative, "percent congested vehicle miles of travel," which yields significantly different results.
- The period for measuring traffic congestion should continue to be the weekday morning and evening peak periods and not some other time period; e.g., mid-day or weekends.
- The current freeway test should be retained if Policy Area Transportation Review is retained.
- The Alternative Review Procedure for Metro Station Policy Areas continues to have merit, but the need for it may change if Policy Area Transportation Review changes significantly. If it is retained, staff has two recommended changes to the procedures language, clarifying the 50 percent trip reduction requirement and changing language requiring the Planning Board to prepare a Comprehensive Local Area Transportation Review in every policy area where the procedure is used.
- The relationship between transportation tests at zoning and at subdivision should be clarified. Staff will propose language to achieve this clarification.
- Current policy area boundaries are appropriate for the current system and for the proposed "new group system." Other Policy Area Transportation Review options may necessitate policy area consolidation or elimination.

3.1 Background: Dissatisfaction with the Current Test

Although this study is a "top-to-bottom" review of the Annual Growth Policy, some aspects of the AGP have received more attention than others. These include the major transportation test, Policy Area Transportation Review, and the school test. Questions about the current method of conducting Policy Area Transportation Review was the primary reason that the County Council directed the Planning Board to conduct this top-to-bottom review.

Policy Area Transportation Review (PATR) is the process in the AGP for setting "staging ceilings," which is the maximum amount of development that can be supported by the transportation network. Staging ceilings are set for all 29 AGP policy areas, and they are set for both non-residential development (expressed as "jobs") and housing.

The staging ceiling calculation is dependent upon a complex travel demand model that simulates auto travel on the County's transportation network based on existing and approved land uses. The model takes into account not only traffic generated by land uses within the County but also regional traffic that uses County roadways.

In order to calculate how much development is acceptable, the AGP needs to know the standard for acceptable auto congestion in each policy area. That is, what is the maximum level of congestion that can be tolerated before a moratorium on new development should be imposed?

The AGP reflects a County policy to concentrate development where transit service is highest and to limit development where transit service is lowest. In part, the rationale is that higher levels of congestion are tolerable when there are high-quality alternatives to automobile travel. In order to allow concentrations of development in certain areas, even where transit service is excellent, the AGP must allow higher levels of congestion in those areas than it allows elsewhere. For as long as there has been an AGP, there has been some procedure for determining a policy area's auto congestion standard based upon the level of transit service in the area.

To briefly recap, the AGP determines the level of transit service in an area, and uses that to determine an acceptable standard for auto congestion in that area, then uses a transportation model to figure out how much development can be approved without exceeding the auto congestion standard.

Beginning with the *FY 1994 Annual Growth Policy*, the AGP has been using an equation to determine how much auto congestion should be permitted based upon transit service and usage. In staff's previous report (summer 2002), *Assessing the Effectiveness of Montgomery County's Adequate Public Facilities Ordinance*, we reviewed this "total transportation level of service" equation and its components. The two main inputs are transit usage, the source for which is the Census or Census Update Survey, and a transit service measure called the Regional Transit Accessibility (RTA) Index. The RTA index is a comprehensive measure of how well jobs and housing units are connected by transit.

For the *2001-2003 AGP Policy Element*, which was reviewed by the Planning Board and County Council during 2001, staff was initially directed to update many of the inputs used to set staging ceilings. These include using a revalidated transportation model (revalidated using updated traffic counts), and the two components of the TTLOS: transit usage and the RTA index.

The County Council was not satisfied with the staging ceilings that resulted from the updated statistics, and the Planning Board agreed. A particular source of dissatisfaction was the Regional Transit Accessibility index, which yielded some results that appeared to be contrary to common experience. On the whole, it was agreed that the method for relating auto congestion standards to transit level of service needed to be replaced.

Prior to the use of the transportation level of service equation, the AGP used a "group system" to translate transit service into auto congestion standards. The group system was scrapped because it was felt it was not sufficiently sensitive to improvements in the transit network.

For this AGP Policy Element, staff promised to provide the following alternatives for the testing of the adequacy of transportation facilities at the policy area level:

- A version of Policy Area Transportation Review that returns to the "group system" method for translating transit levels of service into auto congestion standards, this time with the objective of a system that is more sensitive to changes in transit service levels,
- A version of Policy Area Transportation Review that uses a method of determining the development capacity of the transportation network that is a clear departure from the current method,
- A fee-based version of Policy Area Transportation Review that would allow developers to be approved upon payment of a fee or tax; and
- An alternative that suspends the use of Policy Area Transportation Review in favor of an enhanced version of Local Area Transportation Review; a.k.a. "Super LATR."

Staff was also asked to provide recommendations on several other issues related to the testing of the adequacy of transportation facilities including:

- The issue of allocating development capacity to housing and jobs in a policy area, including how to address instances when a policy area has available capacity for one type of development and not the other.
- Evaluating an alternative to the present method of measuring congestion in a policy area, which is the average congestion on the major roadway links, weighted by the vehicle miles of travel on those links.

- Justify the present practice of using the peak period as the timeframe for measuring congestion and not some other timeframe, such as weekends, and the present method for determining the adequacy of the freeway network.
- During the April 28 and 29, 2003 discussions of zoning text amendment 03-06, the Council expressed interest in revisiting the Alternative Review Procedure for Metro Station Policy Areas, and the relationship between the test at zoning of transportation adequacy and the test at subdivision. The Planning Board, in its review of that zoning text amendment, deferred to this Policy Element staff's recommendation to apply ZTA 03-06 to all of the AGP's Alternative Review Procedures.
- Consider ending the current situation where findings of adequate public facilities for residential subdivisions approved prior to 1989 never expire.

3.2 A New "Group" System

Until the FY 1994 AGP, the Annual Growth Policy used a "group" system to determine the maximum permissible auto congestion levels in a policy area. The old group system is shown on Map 3.2.1 and Table 3.2.1. There were six groups, from Group I (rural areas) to Group VI (Silver Spring CBD). A policy area was assigned to a group based on "Auto Dependent Systems," such as park and ride lots; Bus-Based Systems (local and regional/commuter bus service), and "Fixed Guideway Systems," which include commuter rail and Metro. All of the policy areas in the same group were assigned the same auto congestion standard.

The main criticism of the group system was that it took an enormous increase in transit service for a policy area to change groups, and changing groups was the only way a policy area's staging ceilings could change as a result of transit improvements. For example, even the opening of a Metro station was not enough for the Kensington/Wheaton policy area to move up a group.

Staff's job in this AGP Policy Element was to develop a group system that would be more sensitive to transit availability. Staff decided that a main problem with the old group system was that all policy areas in the same group were assigned the same auto congestion standard. If each group contained a *range* of auto congestion standards, instead of one single standard, then a policy area could receive "credit" for reasonably-sized transit improvements. In other words, an investment in the transit system in a policy area could increase the area's ceilings because the policy area moved up within its group, rather than moving from one group to another.

3.2.1 Framework for the New Group System

Staff's framework for a new group system is shown in the chart on Table 3.2.2. In the new system, there are five groups instead of six, with Group 1 areas composed of rural policy areas (for which staging ceilings are not set) and Group 5 areas composed of policy areas containing more than one Metro station within or at its border. As before,

Group 1 areas have the most stringent auto congestion standards[1] and Group 6 areas the least stringent.

Among the characteristics of the new group system:

- Unlike the current equation, the group system allows (and requires) some judgment. It is not entirely numbers-driven. Staff's intent was to provide a framework that is sufficiently rigorous to guide policy decisions, but not so restrictive that policymakers would have to throw out the system if "the numbers" pointed to an undesirable outcome.
- A policy area's assignment to a group is based upon the level of rail and bus service in the area. Policy areas with more than one Metro station are in a higher group than policy areas with one Metro station; policy areas with no Metro stations rank lower still. A commuter rail station may balance out lower levels of bus frequency and coverage.
- Where a policy area ranks within the group is based upon the presence of "transit enhancement factors." These are facilities or services which increase or reflect the ease with which residents can use transit in the area. Descriptions of transit enhancement factors are shown on Table 3.2.3. They include number of park-and-ride spaces, the density of bus stops, the completeness of the sidewalk network, and the availability of circulation shuttles, or shuttles feeding Metro stations. How each policy area scores in the various transit enhancement factor categories is shown on Table 3.2.4.
- Because the transportation model does not set separate staging ceilings for Metro Station Policy Areas, they are included as part of their "parent" policy area.
- LATR standards also vary by policy area based upon availability of transit. Staff believed it would be a good idea to include LATR standards in the new group system. This means that all policy areas in the same group would have the same LATR standard. This required staff to condense the number of LATR standards from seven to six. A consequence of this approach is that a few policy areas will have more stringent LATR standards (Potomac and Olney) while several will have somewhat less stringent LATR standards.

3.2.2 Current Levels of Congestion by Policy Area

Although concerns about the AGP methodology were a major issue during the 2001-2003 AGP Policy Element discussion, a big complicating factor was that the revalidated model showed that congestion in Montgomery County was worse than the previous version of the model had indicated. This meant that moratoriums would have to be imposed or congestion standards weakened. Neither option was acceptable,

[1] Currently the volume-to-capacity ratio on major local roads, weighted by vehicle-miles of travel on those links. This weighting means that PATR does not average in "empty" roads; congestion on each road link is weighted by how much that roadway is used.

particularly when the Council had doubts about other aspects of the AGP. The decision was made to keep the then-current ceilings until a new system would be employed.

The transportation model, which is now validated to 1998's current conditions, continues to show that congestion levels in some policy areas are worse than their standard. A few of these policy areas are currently not in moratorium.

Table 3.2.5 shows policy areas, and their current congestion standard, ranked by their current congestion levels. By current, staff means the same assumptions that drive the draft FY04 AGP: a transportation network that includes all transportation improvements expected to be countable as of July 15, 2003, and a land use that includes all existing development plus all approved but unbuilt development (a.k.a., "base plus pipeline.") This means that the congestion levels shown are not the same as "existing conditions;" rather, they are the congestion conditions which would arise if all of the approved development in the County were to be built with the current and funded transportation network.

The table shows that several policy areas are currently more congested than their current standard, and in a few cases more congested than the draft FY04 AGP would suggest. Derwood and Germantown East are the two policy areas that are shown in the FY04 AGP Ceiling Element as having capacity for new approvals, but which are shown in this table as more congested than their standard. In Derwood's case, it has a very small pipeline of approved development, but it is surrounded – both in the chart and on the map, by three congested policy areas (Montgomery Village/Airpark, Rockville, and Gaithersburg), two of which have large pipelines of approved development.

3.2.3 Four Possible Sets of Congestion Standards for the New Group System

To help policymakers decide if the new group system is an appropriate tool for setting congestion standards in policy areas, staff developed four different sets of standards, and shows what policy areas would be in moratorium as a result of applying those standards. The standards sets move from the most stringent to the least.

Standard Set 1 is shown on Table 3.2.6. The third column from the left shows the range of congestion standards assigned to the group. In the case of Group 2, the congestion standard range is 0.52 to 0.549. Members of that group are Cloverly, Damascus, Potomac, and Olney. (Potomac is shown in a strikethrough font because the AGP states that the Potomac's staging ceilings should be set at the zoned holding capacity, irrespective of the findings of the transportation model). The next column shows their current congestion standard (in Cloverly's case, it is 0.57). The next column shows the "base plus pipeline" congestion levels from Table 3.2.5. The next column shows the proposed congestion standard – in Cloverly's case 0.54. Cloverly was assigned a moderately high congestion standard for this group because it scored well, relative to other members of its group, on transit enhancement factors. The final column describes the level of transit service in the group.

Current congestion standards range from 0.56 (the most stringent) to 0.93 (the least stringent). Standard Set 1, which is the most stringent set of standards staff tests, ranges from a low of 0.52 to a high of .80. It should be noted that the policy area with the least stringent standard now – Silver Spring/Takoma Park, has a congestion standard of 0.93 but the area registers a congestion level of just 0.733 even when all approved development in the County is built out. Silver Spring/Takoma Park will not approach a 0.93 level of congestion even when the 2030 forecast is built out. So staff reduced the maximum congestion standard from 0.93 to 0.80 for testing purposes.

The results of Standard Set 1 are shown on Table 3.2.10. Applying this set of standards would result in capacity deficits in fourteen of the nineteen main policy areas. The policy areas that would not be in moratorium are: Bethesda-Chevy Chase, Germantown West, Kensington/Wheaton, Potomac, and Silver Spring/Takoma Park.

In the draft FY04 AGP, there are seven policy areas with capacity deficits.

Standard Set 2 (Table 3.2.7) is somewhat less stringent than Standard Set 1. It is also a narrower set of standards, because while the least stringent standard is 0.80 (same as Standard Set 1), the most stringent standard is a little higher: 0.54 instead of 0.52. The congestion standard ranges in other groups shrink as well. The results of Standard Set 2 are shown on Table 3.2.10. It would result in half (nine) of the County's policy areas being in deficit, including Aspen Hill, Clarksburg, Cloverly, Damascus, Derwood, Gaithersburg City, Germantown East, Montgomery Village/Airpark, Olney, and Rockville.

Standard Set 3 (Table 3.2.8) is even less stringent than standard Set 2. As before, staff kept the top congestion standard steady at 0.80, but the most stringent congestion standard is now 0.57 instead of 0.54. Again, all of the groups experience a smaller range of congestion standards than in previous standard sets.

The result of Standard Set 3 is that eight policy areas would be in deficit: Aspen Hill, Clarksburg, Derwood, Germantown East, Fairland/White Oak, Montgomery Village/Airpark, Olney, and Rockville. This result is closest to the current AGP's result. Standard Set 3 would put Derwood and Germantown East into deficit (currently they are not) and bring R&D Village out of deficit.

Standard Set 4 (Table 3.2.9) is the least stringent. It has increases at both the bottom and the top of the scale. The most stringent standard would be 0.56 and the most stringent standard would be 0.85. The results of this scenario are that just two policy areas would be in deficit: Gaithersburg City and Montgomery Village/Airpark.

3.2.4 Evaluating the New Group System

Staff recognizes that this material only summarizes the new group system as a method for setting staging ceilings. However, we felt that we were already providing a great deal of detail and additional information would make the evaluation process more

difficult rather than easier. If the new group system appears to be an attractive option, staff can provide additional analysis to help shape the system into one that best suits the county's needs.

3.3 PATR Alternative Method – "Capacity Metering System"

The previous section 3.2 discussed a change to the way the AGP determines congestion standards in policy areas, but the overall system is closely related to the current approach. Given a set of congestion standards, a transportation model is used to determine the maximum amount of development that the transportation network can support in each area.

The transportation model analysis is not the only approach the AGP can take. The use of the transportation model has its problems, not the least of which is its complexity. This complexity is a major barrier to public participation in the AGP discussions and makes public officials dependent on staff to a greater degree than is optimal.

The core of Policy Area Transportation Review is the determination of how much more development can be approved when a new transportation improvement is programmed. Staff has explored an alternative to the model-based method. This alternative method would:

- determine the amount of unbuilt, capacity-creating transportation infrastructure;
- determine the amount of unbuilt development; and
- assign each transportation infrastructure project a pro-rata share of the remaining unbuilt development, so that
- when a transportation infrastructure project is programmed, we would know in advance by how much a policy area's development capacity should be increased.

The system can also be used to allocate the costs of unbuilt transportation infrastructure to unbuilt development. In fact, the methodology is similar to that used to calculate the initial rates for the Germantown and eastern Montgomery County impact taxes.

Among the potential advantages to this "capacity metering" system is that it:

1) provides a closer connection to Master Plans and Sector Plans than the current AGP method. This method provides certainty that if the master planned infrastructure is built, the master planned land uses and density can be approved.
2) predetermines the amount of development that can be accommodated for any increase in infrastructure, very useful for capital programming.
3) does not rely upon travel forecasting. There is no "black box."

4) the process does not require any allocations between residential and non-residential development but can allow for such an allocation if desired.
5) can be applied at any geographic level.
6) can be used to allocate capacity to policy areas, as a basis for calculating a developer "buyout" fee, or it can do both at the same time.
7) it provides a potentially large fund that can be used to leverage state or federal funds for new improvements, or to build high priority local ones.

Among the disadvantages of this system are that:

1) there is an underlying assumption that roadway congestion conditions at the end-state of master plans are acceptable.
2) the method does not allow the Council to set roadway standards outside of the master plan process; master plans currently rely on the AGP to set congestion standards.
3) assumptions on land use and infrastructure cost are most speculative at the end state of master plan.
4) this process may create pressure to amend master plans more frequently to reflect new roadway or transit proposals, sometimes from developers, that will provide capacity to the system but that are not in the master plan.
5) The method's cost allocations doe not really account for the fact that trips from existing land uses benefit from planned improvements, as do trips not originating in the County (thorough traffic).
6) The County would bear the risk of cost overruns. Project costs tend to rise over time, and the total funds available for a potential project as collected from developers may not be sufficient when a final design is available and the full needs for transportation, environmental and community mitigation and other costs are known.

3.3.1 The Initial Calculations

The two main inputs to this system are the list of master-planned transportation infrastructure and estimates of the buildout of the master plan. The list of infrastructure is relatively easy to assemble; the amount of development allowable by a Master Plan is also discernable by making assumptions on the yields of various zones and estimating potentially redevelopable land. Section 2 of this report includes a list of master planned transportation infrastructure as well as our best current substitute for estimates of master plan buildout, the 2030 forecast. These form the basis for the analysis in this section.

On what basis will we allocate pro-rata shares of transportation infrastructure to new development? For this purpose, transportation improvements can be characterized in one of two ways: either by the amount of development capacity they would create (e.g., "jobs" and housing units), or by their cost. Either of these attributes is difficult to predict

with great accuracy well into the future, but of the two, staff believes characterizing infrastructure by cost is the best choice, because:

- the transportation model runs required to estimate development capacity require more assumptions, and therefore more potential error, than does the process of making transportation infrastructure cost estimates.
- transportation infrastructure cost estimates are understandable to the general public and are useful for other purposes.
- updating transportation cost estimates would be much simpler than attempting transportation model runs for the entire master plan of highways on a regular basis.

Once transportation cost estimates are made, the costs can be allocated on a pro-rata basis to the development the infrastructure is intended to support. In this way, the per-unit and per-square-foot cost of infrastructure can easily be calculated and used as the basis for calculating a developer's buyout fee.

Two assumptions are being made: that the land use and transportation contained in master plans are "balanced," and that the development capacity created by new infrastructure is roughly related to its cost. The first assumption is an objective of each master plan; the accuracy of the second assumption improves when several transportation projects are included in the calculation.

Impact tax calculations have used the relative trip generation rates of various types of land uses to develop a pro-rata share of future transportation costs for each type of new development. Geographically-specific pro-rata shares can be obtained by doing these same calculations for each policy area, or group of policy areas, in the County.

Table 3.3.1 shows forecast growth by land use type and master planned transportation infrastructure costs by policy area for Montgomery County. The total cost of this list is just over $1 billion. This list does not include regional facilities, including freeways, transit lines, and transit stations, which would add about $4.6 billion to the cost. Table 3.3.2 shows the result of allocating these costs to forecast development on a per-1,000-square-feet or per-unit basis. The example indicates that with more infrastructure to be built up-county, the cost per unit of development is also higher up-county. Staff would recommend using geographic subsets of the county such as policy areas or groups of policy areas, which reflect the reality of differing infrastructure needs. Table 3.3.3 shows the cost allocations by grouping policy areas into a few large geographic areas.

However, Countywide figures give a sense of the overall magnitude of the pro-rata share of the cost of transportation infrastructure. Even without the inclusion of regional facilities, the cost to build out is about $2,800 for each single-family house and about $1,900 for multifamily units. Each 1,000 square feet of office would be about $6,300 and each 1,000 square feet of retail space would be about $5,700. Including

regional facilities would increase the cost per unit of development by about a factor of five.

One can choose to view this as a calculation of how much development can be approved for each $1,000,000 investment in transportation infrastructure (about 158,000 square feet of office or just under 360 single family dwelling units).

3.3.2 Putting the Process to Work

This system can work in one of three ways: as a method of determining how much development capacity a new transportation improvement creates in a policy area, as a method for determine the amount of a developer's pay-and-go fee (staff will use the term: "transportation facilities payment"), or both.

3.3.2.1 As a Method for Determining the Development Capacity of a Transportation Improvement

When a master planned transportation improvement is added to the Capital Improvements Program, one would first determine the share of the policy area's transportation infrastructure that is represented by the programmed improvement. If the total cost of the policy area's planned transportation infrastructure is $100 million and the programmed facility costs $12 million, then the programmed facility would be considered to be 12 percent of the policy area's transportation infrastructure.

The next step in the process would be to determine how much development capacity is represented by the transportation improvement. The simplest answer is that it would be 12 percent of the unbuilt development. The allocation could be in the form of jobs and housing units, as it is today, and it could be allocated on a straight percentage basis or to reflect policy decisions by the County Council, also as it is today.

Another way of looking at it: when the County spends $10 million on a transportation improvement, the amount of development capacity is determined by that area's transportation facilities payment rate. Using the rates cited in the above example, $10 million might "buy" 3,600 housing units or 1,580,000 square feet of non-residential space, or some combination of the two.

3.3.2.2 As a Method for Determining a Developer's Transportation Facilities Payment

The County could move to a pure "pay-and-go" system using this approach as its basis. A developer in a policy area would always pay his pro-rata share of the cost of transportation infrastructure, and projects for which the transportation facilities payment would be made would pass Policy Area Transportation Review.

The County could retain "development capacity" calculation as a way of determining how far ahead or behind we are in providing transportation infrastructure to support new development.

3.3.2.3 As Both: As a Method for Determining the Development Capacity of a Transportation Improvement, and a Method for Determining a Developer's Transportation Facilities Payment

This option would continue to allocate "free" development capacity to policy areas, but would also allow developers to buy capacity when an area has no free capacity available. Developer payments would be used to make transportation capacity improvements.

3.3.3 Definitions and Concepts

Every element in this process requires definition. For the purpose of discussion, the following ideas have been developed:

- "Unbuilt/unprogrammed infrastructure:" The calculations herein have included all master planned identified transportation improvement except for regional interstate highways, interchanges on US29, transit on separate rights of way, and already-programmed facilities. The excluded projects could, of course, be included. There is also an opportunity to set the percentage of any or all cost that should not be the responsibility of new development.

  Staff suggests that there could be some regional (and therefore public) responsibility beyond the current commitment to the capital improvements program. Other infrastructure beyond transportation (such as schools) could be added to the infrastructure list, but in that case, Master Plans would not be as good a guide as MCPS's long term school plan for new capacity. Costs are estimated on a per unit basis and applied to each project. Where cost estimates have been made in the facility planning process, those costs are used.

- "Unbuilt Master Planned Development:" Staff used 2030 forecast of development as a proxy for Master Planned development. (The Master Plan buildout number for housing is the subject of a year-long study by the Research and Technology Center. In any event the vast bulk of development after 2030 will occur on already developed sites). This number can be refined to be total master plan build out minus development already approved, if that is found to be more desirable.

- "Pro-Rate Share of Infrastructure Costs;" The jobs and housing numbers were weighted by relative trip production and the land use's contribution to total development. That percentage represents that land use's share of capital costs.

- "Geography:" The unit-cost or pro-rata share method produces a different set of rates for each policy area. Those differences reflect the realities of infrastructure and zoning. It is certainly possible to calculate rates by combined policy areas or Countywide to achieve a less-variable rate structure.

- Housing/ Job Balance:" The existing AGP permits an explicit allocation of capacity to jobs and housing. This unit cost measure permits the implementation of several options:
    - *Option 1 – Split determined by market*. Whenever the County provides capacity by the addition of a new capital project, that capacity could be available to new applicants, regardless of land use, on a first come, first serve basis.
    - *Option 2 – "Subsidize" desired land use.* Whenever the County provides capacity by the addition of new capital, it can specify the land use it believes will best serve the area. It may be a land use for which there is market demand, or it may be that the Council wishes to preserve capacity for land uses for which there is less market demand at the current time. The capacity could be split between uses as well.
    - *Option 3 – Establish desired ratios.* Once a year, the Council could review subdivision approvals to determine if any areas are out of balance in terms of jobs and housing. The new allocation could then be directed away from the over-subscribed land use.

3.3.4 Where to Start?

If this process were to be adopted, what would the starting point be? If, for example, the County decides to use this system to allocate development capacity from new transportation improvements, then how much development capacity should the policy areas start out with? There are several options.

- *Option 1 – Transition:* The existing AGP process has some policy areas in moratorium and others with available ceiling capacity. The most seamless transition would be to take the current situation as a starting point. Where there is remaining ceiling, development may proceed. In other areas, there would be a deficit of capacity where developers would either have to wait for publicly-funded capacity to be made available, or, if a "pay-and-go" type option were adopted, could make the transportation facilities payment. As new transportation projects are added to the capital budget, development capacity would be added, beginning from this starting point.
- *Option 2 – Cold Turkey:* This new system can be a complete break from current procedures. It could apply to all new projects and all additions to the CIP or CTP. As approved subdivisions in the pipeline expire, they would become subject to this procedure. The term "ceiling" and "deficit" would be retired from the lexicon of the APFO. To the extent that additional capital is not added to the capital program, development could pay and go.
- *Option 3— Currently Worse or Better Than End-State Congestion Levels?* To determine whether a policy area should start out with some capacity for new approvals, or in a capacity deficit, each policy area's current congestion levels could be compared to the congestion levels expected at master plan buildout. Policy areas where current congestion is better than it will be at buildout are

"ahead of the game" and would have some free capacity for new approvals. Policy areas where current congestion is currently worse than it will be at buildout would be in deficit: new transportation improvements would have to be programmed before free capacity would be available.

3.3.5 Beyond the Broad Outlines

Staff has provided what we hope is sufficient detail for policymakers to determine if they have interest in pursuing this idea further. If so, possible next steps include a discussion of the calculation of the rates for the transportation facilities payment, the appropriate starting points for each policy area, and what kinds of exception provisions make sense in this context.

Section 3.4 Eliminate Policy Area Transportation Review/Strengthen Local Area Transportation Review

3.4.1 See You LATR?

Implementing an adequate public facilities ordinance through area-wide ceilings is not unique to Montgomery County, but it is uncommon. More typical approaches resemble Montgomery County's Local Area Transportation Review (LATR), where nearby intersections, and sometimes roadway links, are tested for adequacy. But Policy Area Transportation Review (PATR) has been part of the AGP from the beginning; in fact, it was LATR that was added to complement Policy Area Transportation Review.

The two tests were developed to work together and to balance each other's strengths and weaknesses: PATR's perspective is broad, allocating development capacity to policy areas while maintaining a constant level of service Countywide, while LATR's local focus is intended to make sure that small areas are not overwhelmed by pockets of congestion.

PATR's measure of congestion[2] is not only averaged over the roadways *within* the policy area, but PATR's calculation of staging ceilings must also take into account the effect of development approved in one policy area on roadway congestion in another policy area "downstream." PATR also takes into account forecast traffic on Montgomery County roadways from outside Montgomery County, while LATR does not.

Another major difference between PATR and LATR is the scale of the transportation improvement that may be required of a developer in order to pass the test. A consequence of PATR's averaging of a policy area's road congestion is that road improvements must be significant, such as adding lanes to a road for a considerable distance, to make a difference. There are instances of difficult or expensive LATR

[2] Currently the volume-to-capacity ratio on major local roads, weighted by vehicle-miles of travel on those links. This weighting means that PATR does not average in "empty" roads; congestion on each road link is weighted by how much that roadway is used.

improvements, but typically they are much less costly than the most inexpensive PATR improvement.

A final major difference is PATR is calculated once per year and the results are translated into a set of ceilings, while LATR is done at the time of subdivision and requires an individual traffic study. Although the analysis required to generate PATR's staging ceilings is complicated, the resulting ceilings are not difficult to understand: neither a developer nor a citizen need a consultant's study to understand, for example, that 2,000 housing units may be approved under Derwood's current ceilings. PATR is applied to development generating 5 or trips; LATR to development generating 50 or more trips.

Park and Planning staff have been asked to look at the possibility that PATR is no longer needed and that Montgomery County could replace the current two-tier system with a single test, a kind of "Super LATR" that would blend aspects of both of the current tests.

In this section staff reviews the most-likely features for a "Super LATR" and discusses how such a test might work in practice. We also talk about some of the possible consequences of suspending area-wide ceilings of any kind Countywide.

3.4.2 Features of a Super LATR ("Much LATR")

There are two main ways to strengthen LATR; that is, to give it some of the characteristics of PATR so that it might serve, at least in part, the function that the two-tier system now serves. These are:

- to test for the adequacy of roadway *links* in LATR, not just intersections, and
- to incorporate forecasts of through traffic into the LATR test.

3.4.2.1 Roadway Segments

The idea of testing for the adequacy of roadway segments or *links* in LATR is a response to the fact that currently, roadway link improvements are normally required of a developer only when a policy area is failing PATR (roadways adjacent to a parcel are often required to be built as necessary access improvements). Developer-funded improvements do not have to fix the policy area's congestion problem, but the improvements must add enough roadway capacity so that area-wide congestion is not made worse by the traffic generated by the proposed development.

A consequence of including roadway links in a LATR test is that proposed development projects will be closely associated with a specific set of nearby links. If a proposed development is located near a congested link, it is likely that the only remedy the developer can offer is to widen that specific congested link. It is possible though less likely that the developer would be able to improve a different link that would draw traffic from the congested link sufficiently to allow the development project to be approved.

This means that the transportation improvement options available to a developer are likely to be very few. If, for example, a proposed development project is to be located along Rockville Pike, and Rockville Pike links in proximity to the proposed project are more congested than the standard set for them, then it is likely that the only available option to the developer is to widen Rockville Pike.

"Trip mitigation" is an alternative to infrastructure where a developer agrees to remove from the roadways as many automobile trips as his project would generate. Currently a developer may remove trips from roadways through the policy area in which his project is located. In a Super LATR with a link test, staff assumes the developer would be required to mitigate trips on the congested links.

The Rockville Pike example above raises the issue of acceptable improvements. Although staff has suggested that the current PATR offers a range of alternative roadway improvements throughout a policy area that could be made to improve area-wide congestion levels, it is also true that developers are generally limited to making planned – that is, "acceptable" – transportation improvements. LATR is different: master plans are typically not so detailed that they include the parameters of every acceptable intersection widening or limits on the number of turn lanes. For that reason, it is generally true that if a LATR improvement is feasible, a developer is permitted to make it. A consequence of a Super LATR with a link test is that, sooner or later, a developer will propose a link widening that has not been planned. Under what circumstances could such a proposed widening be turned down?

The flip side of this question is: what if the site of a desired development project is located near a congested link of which a widening is neither planned nor desired? Under what conditions would the development be allowed to proceed anyway, and for how long could planned development be halted?

Staff believes that including a link test in Super LATR will create a series of mini-policy areas in moratorium – mini-areas surrounding congested links for which improvements are difficult, expensive, or unwanted. These areas would not be defined in advance; a developer would discover with his traffic study that his project affects a congested link. Staff believes that the process the developer would go through to identify possible solutions, including possible trip mitigation, is very similar to the process a developer goes through when a policy area is in moratorium under PATR.

Map 3.3 illustrates County roadway links that are more congested that the policy area standard.[3] Around each is the area of influence; that is, where a proposed development project might, depending on its size and other factors, need to have the road improved before his project could move ahead.

[3] The map's utility is primarily illustrative. It shows links that are more congested than the standard assuming a land use consisting of the existing base of development plus the pipeline of approved development, and the anticipated transportation network contained in the draft FY 04 AGP Ceiling Element.

One of the criticisms of the current method of calculating staging ceilings is that PATR averages congestion "away;" that is, a developer could make the most congested road in a policy area even more congested as long as the average congestion is not worse than the standard. A Super LATR with a link test would address that concern.

Some counties in Florida have adopted a system for testing transportation adequacy that is similar to LATR with a link test. "Projects of regional significance" are tested for their impact on links and intersections. Over time, Florida found itself in the situation where desired development was located near congested links that, for one reason or another, officials decided could not or should not be improved. As a result, they have had to develop policies to get around the system: allowing developers to use capacity on adjacent links, to factor in transit capacity, to designate districts where desired development does not have to undergo transportation tests. Over time, it has come to resemble Montgomery County's Policy Area Transportation Review in its complexity and reliance on exceptions.

3.4.2.2 Forecasts of Through Traffic

The second aspect of LATR that could be strengthened would be to use forecasts of through traffic in the analysis. Currently, PATR is the transportation test that includes forecasts of through traffic. This change would have LATR take more information into account, and would likely make LATR somewhat more difficult to pass and much more complicated to calculate. Some use of the forecasting model would be needed to determine expected through traffic growth. Even with this change, LATR would still not be strong enough on its own to replace the current two-tier system.

3.4.3 Consequences of Removing Staging Ceilings

Policy Area Transportation Review and staging ceilings have been in use in Montgomery County for a long time, and as a result are woven into the fabric of the planning and regulatory process. Although some master plans and sector plans have staging elements, for the most part plans that are in effect throughout the County depend, in varying degrees, on the AGP to stage development.

Germantown and Clarksburg are two areas where the AGP's PATR has played a major role in staging development and providing a basis for requiring developer-funded infrastructure. The magnitude of infrastructure provided by the private sector in order to meet PATR requirements is very large. The staff reports provided to the Planning Board and County Council in February contained a list of developer-funded infrastructure in these areas. Staff will include in this report's technical appendix an expended list of roadway, intersection, and other improvements that were provided by developers as a result of the AGP.

It is not clear how the suspension of staging ceilings would affect developer agreements currently in effect. Development district agreements may bind signatories so that they would not be able to seek approval under less strict AGP rules, but they may

not. However, if a transportation improvement is simply a condition of approval, staff does not believe it would be easy to prevent developers to return for re-approval without those conditions. This scenario occurred when "pay-and-go" went into effect – at least one major development project with significant transportation improvement requirements was able to exchange those requirements for a payment option under pay-and-go. In cases such as that one, the County did not gain a new approval but it lost a privately-funded transportation improvement.

A final note: it has been suggested that a rationale for suspending PATR is that Montgomery County is near buildout, that future growth is modest compared to existing development, and so that it is no longer necessary to "stage" what remains to be built. Section 2 ("Context") of this report discusses areas of the County where future growth is indeed modest and areas of the County where there is still substantial development left to occur.

3.5 Reallocating Jobs and Housing Within a Policy Area

In recent reviews of AGP Ceiling Elements, County Council staff has raised this issue of reallocating capacity among jobs and housing within a policy area. Council staff noted that there are policy areas with considerable capacity for one land use and a deficit for the other. Since both jobs and housing generate traffic, it may be hard to see how there can be a moratorium for one and not the other. Council staff suggested two possible solutions:

1) reallocate capacity among housing and jobs in a policy area so that deficits are reduced as much as possible, even if it means the area goes into moratorium for both jobs and housing, instead of one or the other; or
2) set a single staging ceiling, from which either jobs or housing units could be drawn by developers on a first-come, first served basis. The unit of measure for the single ceiling might be trips so that the land use type could be taken into account when capacity is allocated to development projects. Alternatively, the staging ceiling could be a unitless number for which the Council would adopt conversion factors: for example, the staging ceiling in Twinbrook might be 500, which might be equal to 400 jobs or 600 housing units (if 1 job is equal to 1.5 housing units in Twinbrook).

Park and Planning staff agree that, assuming staging ceilings (or their equivalent) are retained, periodic reallocations are a good idea. Policy area staging ceilings can become out-of-balance for a variety of reasons. In general, we agree that reallocating capacity to minimize deficits is better than having a policy area that has both a large deficit and a large amount of capacity. However, we continue to believe that there can be policy goals which are legitimately achieved through a temporary imbalance of capacity.

Park and Planning staff do not endorse the idea of a single staging ceiling because we do not agree that first-come, first-served always results in the best allocation of development capacity. The County Council may appropriately wish to reserve capacity for housing in a Metro Station Policy Area when the market for non-residential

construction is hot in order to help achieve the goal of an area that doesn't shut down at 6 pm. This was a very effective strategy in the Bethesda CBD during the time when office was in vogue and housing was not. In the case of the Fairland/White Oak policy area, the County Council allocated capacity to jobs and retained a housing deficit to reserve capacity for the large number of anticipated federal jobs that will not be subject to the staging ceilings.

Park and Planning staff also note that the focus of this issue is out-of-balance net remaining capacities – staging ceiling available for new approvals. But the net remaining capacities may be out-of-balance in favor of, for example, jobs because the existing base of development, or the pipeline of approved development, is out-of-balance in favor of housing. In this instance, the imbalance in net remaining capacity is needed to correct an imbalance in existing or approved development.

A policy area's net remaining capacity can also become out-of-balance through expirations of approved development – expirations have primarily been non-residential thus far because some residential development is exempt from expiration.

Park and Planning staff did support (as did the Planning Board and County Council) an AGP provision that allows an applicant with an already-approved non-residential subdivision to have his jobs converted to housing units in a Metro station policy area, because staff was comfortable that there would be no circumstances under which that would not be in the public interest.

Park and Planning staff also note that the County Council pre-approved the conversion of a limited number of housing units to jobs in the Bethesda CBD policy area. There may be other policy areas where conversion pre-approvals would be a desirable concept, but staff believes that can be addressed on a case by case basis.

A related issue is the periodic request by members of the development community that the Council convert some jobs to housing units, or vice versa, so that their development project can be accommodated. The volume of these requests is still relatively modest but becoming more frequent. Staff would prefer to see reallocations done on a comprehensive basis than driven by individual requests. However, we believe that having all policy area job-housing allocations up for grabs each year would be chaotic.

It is not possible to recommend specific capacity reallocations at this time, since none of the alternatives to the current method of setting staging ceilings will yield results that are similar to current ceilings. If a new method for setting staging ceilings is selected, staff will provide staging ceilings that take into account the deficit reduction objectives identified by Council staff.

3.6 Alternative to the "Average Congestion Index" as a Measure of Congestion

The current procedures for setting staging ceilings use the traffic on the roadway segments within a policy area and calculates the overall average congestion. One

alternative approach is to focus on just the most congested segments. This approach would highlight the portions that drivers find most problematic. To evaluate this approach, staff have prepared an analysis using one possible method, and feel the results are reflective of what would be found with the many other possible variations of this approach. This test is similar to one of the "measures of effectiveness" used during the Transportation Policy Report analysis.

In the table below the policy areas are arrayed based on the column "% congested lane miles". This column is calculated by using the "base plus pipeline" land use, identifying the lane miles of roadway with a volume to capacity ratio over 0.8, and dividing these congested lane miles by the total lane miles in the policy area. The second data column shown is the calculation of average speed in the policy area with this land use, and the far right is the currently calculated ACI (average congestion index).

Several observations about these results can be made which can be instructive in judging the value of this approach for setting staging ceilings. Overall, staff finds that this approach, while using the most congested roads, does not well reflect the variety of experiences found within the policy area. A very peaked network, with high congestion on a few roadways, and little travel on other parts, will do very well with this measure. North Bethesda, generally seen as more than normally congested, ranks as one of the best policy areas with this measure, probably due to the high peaking seen there. Similarly, a relatively small network with fewer roads can look quite bad here as seen with North Potomac, which ranks as one of the most congested under this measure.

Interestingly, although the perceived value of this measure is its focus on congested segments, average speed does not correlate well with this measure. Higher average speeds are found at the top, bottom and middle of the list. Other observations show the average speeds much more closely correlated to ACI, the current staging ceiling indicator.

The array of the policy areas does not reflect the transit services available within the areas as shown in the other section of this report on transit groups. Allowing for more congestion in areas with higher transit alternatives has been a strong and valid past policy of the AGP, and this approach would not fit well, or at all, with that philosophy.

To use this approach to set staging ceilings would require setting standards for each policy area, or groups of areas, and then seeing how much more development, if any, could be accommodated. The wide range of results does not suggest any easy way to set this standard.

One additional concern of staff is how all transportation forecasting models handle travel on larger roadways. Because they offer higher speeds and lower travel times, major roadways (and freeways) tend to be assigned trips by the model up to the point when they are less competitive in terms of travel times than lower-level roads. This means that even if capacity is added to a congested arterial, that segment will often tend to be forecast to remain congested over time, while other parallel roads become less so.

This reflects reality, is positive from the network perspective, and total travel speeds may rise. However, the outcome in terms of congested lane miles may not change much even with new capacity. With the current procedures, the reduction in other travel is reflected better.

Table 3.6
AGP Policy Areas Arrayed by Percent of Network Congested

POLICY AREA	**% Cong. Lane miles**	*Avg. Speed*	*ACI*
Potomac	2.7	23.1	0.61
North Bethesda	3.4	15.6	0.73
Germantown East	4.0	22.0	0.67
Germantown West	4.5	29.6	0.51
Beth/Chevy Chase	7.0	19.3	0.63
Gaithersburg City	10.5	21.4	0.67
Montgomery Village	11.6	14.7	0.73
Rockville City	13.7	20.3	0.69
Damascus	15.0	26.2	0.55
Sil.Spring/Takoma Pk	16.6	14.1	0.79
R & D Village	23.0	24.8	0.59
Aspen Hill	27.6	17.6	0.66
Cloverly	27.9	26.0	0.58
Derwood	29.3	19.9	0.70
Clarksburg	30.2	15.4	0.61
Olney	31.5	21.6	0.60
North Potomac	36.7	26.8	0.58
Kens/Wheaton	39.4	20.6	0.59
Fairland	40.2	26.8	0.60

Both the “average congestion index” and its alternative, “percent congested lane miles” would be used only in the “new group system” alternative for Policy Area Transportation Review. The “capacity metering system” is based on making continued progress toward the congestion levels in adopted master plans. The third option, which would eliminate staging ceilings, would not require a method to measure areawide congestion levels.

3.7 Alternatives to the Peak Period as the Time Period for Measuring Congestion

One question asked during the review of the AGP is whether time periods outside the normal morning and evening peaks should be analyzed. Staff recommends that the current procedures be maintained for the traffic impact studies prepared for the LATR.

The current procedures require an applicant preparing an LATR to count two three-hour periods (6:30 – 9:30 AM, and 4 to 7 PM), and use the most congested 60 minutes within each period (known as the peak hour) as the basis for their analysis. The peak periods were recently widened to account for the peak-spreading that is being seen at some locations, and that some County locations will have earlier or later peaks than others. In the LATR analysis, added to the peak hour of the roadway are trips generated from background traffic and the site, using the peak hour of each generator, regardless of when during the period that occurred. This provides a conservative analysis from the County perspective.

In considering using other time periods, as part of a recent previous report to the Board on LATR procedures, staff reviewed mid-day traffic data from six locations proximate to large retail centers, e.g. Rockville Pike (MD 355), Friendship Heights, Olney and Quince Orchard (see Table 3.7) where off-peak volumes would be expected to be highest. In all cases, weekday mid-day peak hour data was lower than the highest peak hour of the weekday morning or evening peak period, with differences ranging from 26 to 11%. At all locations in the staff review, the weekend peak hour was also lower than the peak hour of the weekday morning and evening peak periods. Further complicating potential mid-day and weekend analysis is that developing trip rates from different land uses would be a significant task as no local information is available and national data is sketchy on most uses. Therefore, staff does not recommend that weekday mid-day or weekend peak periods be included for analysis as part of LATR traffic studies.

TABLE 3.7
Comparison: Off-Peak vs. Peak Period Volume

Road	Location	Highest Peak Hour	Highest Off-Peak Hour	Percent
MD 355	South of MD 191	3831	2964	77
MD 190	West of District Line	2260	1665	74
MD 28	East of Quince Orchard Road	2080	1846	89
MD 97	South of MD 108	2791	2080	75
MD 355	North of Montrose Road	5322	4128	78
MD 355	North of MD 547	4443	3873	87

The measuring period is relevant to both Policy Area Transportation Review ("new group system" option only) and Local Area Transportation Review. Neither the "capacity metering system" or the third option, which would eliminate staging ceilings, would require a method to measure areawide congestion levels.

3.8 Testing the Adequacy of Freeways

Freeways in Montgomery County (I-270 and I-495, plus the Cabin John and Clara Barton Parkways in the County) have their own Policy Area, in that they are all considered together as a network with their own standard. Our current procedure is to include the freeways in the network, so volumes are assigned to them and their effects are seen in the traffic assignment, but to exclude the freeway segments in the calculation of the average congestion for the individual policy areas. This process evolved out of experience in previous AGP's when it became apparent that the high traffic volumes on the freeway segments were over-influencing the average congestion calculations for the policy areas they were adjacent to.

Freeways are different from other roads in the County for a variety of reasons:

- they are fully Maryland DOT controlled, so their congestion levels and operation is set by MDOT policies.
- Physical improvements to them are a function of the MDOT transportation capital budgets and so are less under the influence of Montgomery County, and are normally very expensive and lengthy to plan and implement.
- They are more influenced by through traffic than other roads, trips which are not easily influenced by County demand management or other policies. It is estimated that about 20 percent of traffic on I-270 is through, meaning the trip does not have a beginning or end in the County.

Some of these differences are true of any State road, but the freeways are the most extreme examples.

Our current approach is to calculate average congestion on all the freeway links in the County and compare this against the standard, which is a volume to capacity ratio of 0.9. This would represent a relatively congested but still well functioning freeway. The calculation is made using a weighting of each link by volume, so more congested, heavily used links influence the results more than lightly used, less congested ones.

Some criticism of the procedures have centered on the use of off-peak direction capacity to balance out peak direction, and that the standard is too high and will never fail. Staff have considered these at length both now and previously when they were brought up. We continue to support the current process for several reasons.

- Because of the variety of travel in the County, flows are becoming more balanced in all directions throughout the day. The fact that some flows are lighter, resulting in better conditions, is true on any road. Other policy area calculations account for traffic in all directions in the same weighted fashion.
- If the freeways were to exceed their standard, the nature of travel on them, coming from all parts of the County, could require a moratorium on development in a large part of the County. At the same time, improvements are lengthy to plan and carry out, so the moratorium could last for many years. As an example, the planning process for widening the northern section

of I-270, including the Corridor Cities Transitway, has been underway for about 5 years, and is only now approaching decisions on the selected alternatives. Actual construction may be an additional 5 or more years coming.

- The current procedures allow for considering the freeways, incorporating their congestion impacts in the adjacent areas in that when the freeways are congested more trips use the local roads. However, the normal Maryland DOT process for monitoring and planning large capital facilities is relied upon to identify key congested locations and take appropriate actions. The Council and Executive can influence this each year with their comments on the state Consolidated Transportation Plan.

Staff could not construct an alternative procedure that did not have major drawbacks, and therefore we continue to recommend the current freeway test be retained if Policy Area Transportation Review is retained and the "new group system" option selected. The other options do not tie development to freeway congestion levels.

3.10 Alternative Review Procedure for Metro Station Policy Areas

Park and Planning staff continue to support the concept of the Alternative Review Procedure for Metro Station Policy Areas. We believe that desired development near Metro stations will not be approved without a means to balance the nearby congestion these developments will create with the regional congestion benefits they will provide.

The continued utility of the particular provisions of the current Alternative Review Procedure for Metro Station Policy Areas depends upon the resolution of some of the large issues addressed in this report. If, for example, a broad buyout provision is adopted, the Alternative Review Procedure may no longer be needed. However, if the result of the AGP analysis is that the current Alternative Review Procedure for Metro Station Policy Areas is retained, staff recommends the following changes:

1) *Definition of the 50 percent reduction.* Some questions have been raised about the calculation of the base number of trips that the developer must use to calculate his 50 percent reduction. Staff's participation in the Council deliberations informs us that the intent was that the starting point is the number of trips a similar development located away from Metro would generate. The developer is permitted to use its location near Metro as one of the ways it will achieve its 50 percent trip reduction.
2) *Change the requirement of completion of a CLATR by the Planning Board to a submission of a LATR traffic study by the applicant.* The current provision requires the Planning Board to complete a Comprehensive Local Area Transportation Review (CLATR) study in each policy area where the Alternative review Procedure is used. The CLATR study requires the significant expenditure of staff resources which, we believe, can better be used in other ways. Staff suggests instead that the developer's requirement to submit a standard LATR

study (which we believe to be required anyway) will provide the Planning Board with sufficient information to recommend to the County Council the transportation improvements needed to support approved development in the policy area.

3.10 Transportation Tests at Zoning and Subdivision

In late April 2003 the Planning Board and County Council discussed a zoning text amendment that sought to clarify how transportation adequacy would be considered at the time of a local map amendment for a development project intending to use the Alternative Review Procedure for Metro Station Policy Areas. The Council adopted the text amendment but will revisit the issue this fall along with this AGP Policy Element.

Staff notes that we recommended adopting a zoning text amendment that would apply in every instance of the AGP's alternative review procedures, including the Special Ceiling Allocation for Affordable Housing. Staff also notes that we raised the broader issue of the relationship between the transportation analysis during rezoning cases and the transportation analysis at subdivision during the *2001-2003 AGP Policy Element*. Staff was given the direction to develop a specific proposal, which staff has been working on, although it is not yet completed.

Once staff has our broader recommendations completed, staff will bring them to the Planning Board for review and transmittal to the County Council in time for them to be reviewed along with the AGP Policy Element. Staff notes Council's direction that any changes to the AGP that affect or require changes to sections of the County Code should be brought to the Council's attention while they are considering the AGP. As we move forward with this policy review, staff will make sure that the relevant sections of the Code are scrutinized for needed changes.

3.11 Policy Area Boundaries

Staff has reviewed the current configuration of policy area boundaries in light of recent master plan efforts and concluded that at this time we would not recommend any changes. This is especially true if the "new group system" is adopted as the method of setting staging ceilings. If the second option, the "capacity metering system," is adopted, staff would recommend that current policy areas are a logical starting point but that some policy area consolidation is probably appropriate. The third option, which would eliminate Policy Area Transportation Review, would, of course, eliminate the need for policy areas as well.