



July 11, 2003

Memorandum

To: The Montgomery County Planning Board

From: Karl Moritz, Research Manager, 301-495-1312

Re: Annual Growth Policy Worksession Number 5

Purpose and Schedule

The purpose of this worksession is to prepare for your final worksession on July 31. Staff will be reviewing with you the major decisions that you will be making, exploring the main alternative approaches, and seeking your guidance on how the Planning Board wishes to proceed.

Because staff has some long-scheduled leave during the week of July 21-25, we are planning to complete the Board's packet for the July 31st worksession by July 18, 2003. This will give the Planning Board an additional week to review the material.

Issues to be Addressed

Based on the Planning Board's discussions at previous worksessions and on points raised at the public hearing last night, staff has prepared the following outline of issues to be addressed. We would like to review these with the Board and get your comments – and tentative positions, if appropriate – to complete our work on the packet for the 31st.

1. Setting the Countywide growth cap

Apart from the concerns expressed about capping growth at all, the main issue here appears to be: how to devise a system for setting the growth cap that balances the need for a rational, objective methodology with the desire to avoid complicated formulae and allow room for judgment.

Staff will have a recommendation for you in your packet for the July 31st worksession. Staff is looking at incorporating the "capacity metering" methodology as a major piece of the growth cap review. That is, one of the major pieces of information that

would be used to set the growth cap would be the pace of infrastructure investment, as measured by the percent of master planned infrastructure that has been programmed. We also believe the Planning Board is envisioning a “report card” that would include measurements such as:

1. *School Crowding Indicators:* AGP capacity, program capacity, enrollment forecasts, student generation rates by housing type.
2. *Transportation Indicators:* VMT, miles of roads built, mode share trends, etc.
3. *Development trends and forecasts:* location and type of development
4. *Market indicators:* economic indicators affecting pace of growth: vacancy rates, rents, sales prices, interest rates
5. *Demographic trends* that impact transportation and schools.

2. *Differing Growth Cap for Jobs and Housing*

Staff’s understanding is that the Planning Board is interested in setting growth caps for both jobs and housing, and that the rates might not be the same. Staff is working preparing a methodology, or perhaps simply a *rationale*, for determining the difference in the jobs and housing growth caps.

3. *Geographies for Allocating Growth Caps*

A principle for establishing geographical boundaries for allocating capacity is to be aware that all areas within the same geography will be competing for the limited amount of development approval that is made available. A second principle is that all areas within the same geography should be similar with regard to “transportation efficiency.”

Attached are the maps of alternative geographies that we have submitted to you previously. We will be preparing a recommendation on this issue to present to you for your reaction and comment on the 17th.

4. *Rationales for Allocating Growth Caps to the Various Geographies*

The Planning Board has indicated that they would like to have “lots of justification” to support allocations to the geographic subareas. Staff is working to develop those justifications. In part, they will be the same rationales used to establish the geographical boundaries – transportation efficiency, master plan expectations – but staff also understands that the Board is interested in including transportation and school issues. Specifically, the Chairman pointed out the importance of determining if there is school capacity available to serve the development steered toward Metro Station areas. This analysis would include: forecasts of student generation from the housing types planned to be built near Metro, assessing the potential for school capacity improvements that would serve Metro station development, and tracking progress made in making these improvements.

Another issue related to allocating growth caps to the various geographies is whether there should be a minimum allocation to each area.

5. *Period of Review and Allocation*

The Planning Board's concept thus far has been that the growth rates would be reviewed every two years, with growth allocations occurring every year. Staff will prepare a detailed recommendation which will also include a suggested schedule of review and allocation that fits well into schedule for reviewing the CIP.

6. *When Allocations Are Used Up*

Once the capacity allocated to an area is "used up" by approvals, what happens next? The options are: approvals stop until the next allocation is made, developers can proceed if they make needed improvements, or developers move ahead under a pay-wait-and-go system.

Staff believes developers should continue to be permitted to provide transportation infrastructure needed by their project, and we are evaluating the criteria that would be used to determine what improvements would be necessary. Staff is also evaluating the idea of pay-wait-and-go; currently we are wrestling with the issue: what happens if a developer pays and waits, but his development project is not one the Planning Board can approve (for non-APF reasons).

7. *Impact Tax/Recordation Tax Rates/Dedication*

Staff will have impact tax rate recommendations for the Planning Board as well as a recommendation on the recordation tax issue. Staff understands that the Board wants to see impact tax and a substantial portion of the recordation tax revenues dedicated to funding transportation and school improvements. Staff will also make recommendations on impact tax credits (including the ability of the Planning Board require developers to make improvements that would be creditable against the impact tax) and whether the tax would apply to pipeline projects.

8. *Relationship to CIP*

The Planning Board has explored the relationship of the AGP and CIP; staff believes the Board is now leaning toward strengthening the ways the AGP informs CIP decision-making. The AGP could identify needed transportation and school improvements, recommend expenditures of impact tax revenues, and otherwise serve as the forum for analyzing infrastructure needs to support desired growth.

9. *Special Treatment Under the Growth Caps/Impact Tax*

Staff will prepare recommendations for how the following land uses will be treated under the new growth policy: affordable housing, economic development projects, Metro station areas, and other land uses now given special treatment. Staff heard at the public hearing some concern about allowing some types of development to be approved

above the cap; an alternative would be to give preference *within* a cap to certain land uses. For example, if an area were allocated 1,000 housing units, 100 of those units could be reserved for affordable housing.

10. APF Time Limits

The Planning Board has expressed concern about the size and age of the pipeline, and staff will be making a recommendation on how to address the issue. Options include reducing the APF time limit on future approvals, revising the extension provisions, and allowing the transfer of APF approvals.

11. Counting Development

Staff understands that the Planning Board prefers to “count” development by jobs and housing units, rather than trips, and to not have residential and non-residential development competing for the same development capacity.

The new growth policy is an opportunity to revisit how government developments (such as government office and lab buildings) are counted. Staff will have a recommendation as to how to take these projects into account when setting growth caps and allocating capacity to subareas.

12. Recreation Facilities

Staff has attached a 1997 table from the PROS plan that shows recreation facility needs. We understand the table will be undated in September.

**Year 2010 PROS Plan Minimum Facilities and
Proposed CIP Projects**

PARK TYPE (Countywide & Local Use)	BALLFIELDS			TENNIS COURTS			PLAYGROUNDS			BASKETBALL CTS.		
	PROS Needs	Parks CIP	MCPS CIP	PROS Needs	Parks CIP	MCPS CIP	PROS Needs	Parks CIP	MCPS CIP	PROS Needs	Parks CIP	MCPS CIP
COUNTYWIDE PARKS	18	30	-	9	6	-	3	1	-	0	3	0
LOCAL USE PARKS												
SILVER SPRING												
PA 36 Silver Spring	6	0	0	0	0	0	0	0	0	6	0	0
PA 37 Takoma	7	0	0	0	0	0	0	0	0	5	0	0
PA 32 Kemp Mill-Portion Sou Of Beltway Only	0	0	0	0	0	0	0	0	0	0	0	0
Area 1 Total	13	0	0	0	0	0	0	0	0	11	0	0
BETHESDA												
PA 30 North Bethesda	4	0	0	0	0	0	1	0	0	0	0	0
PA 35 Bethesda	16	0	0	0	0	0	0	0	0	0	0	0
Area 2 Total	20	0	0	0	0	0	1	0	0	0	0	0
I-270 CORRIDOR												
PA 13 Clarksburg	7	0	0	1	0	0	6	0	0	3	0	0
PA 19 Germantown	20	3	8	6	2	7.2	18	2	0	15	2	9
PA 20 Gaithersburg	12	6	0	0	4	0.0	11	3	0	5	1	0
PA 26 Rockville	Not Applicable			Not Applicable			Not Applicable			Not Applicable		
Area 3 Total	39	9	8	7	6	7.2	35	5	0	23	3	9
POTOMAC												
PA 24 Darnestown	1	0	0	0	0	0	0	0	0	0	0	0
PA 25 Travilah	11	2	0	0	2	0	4	1	0	7	0	0
PA 29 Potomac	0	0	0	0	0	0	0	0	0	0	0	0
Area 4 Total	12	2	0	0	2	0	4	1	0	7	0	0
GEORGIA AVENUE												
PA 22 Rock Creek	0	0	0	0	0	0.0	2	0	0	0	0	0
PA 23 Olney-Southern Half	3	3	0	0	0	0	0	1	0	0	0	0
PA 27 Aspen Hill	2	0	0	0	0	0	5	0	0	1	0	0
PA 31 Kens./Wheaton	4	0	0	0	2	0	0	0	0	0	0	0
PA 32 Kemp Mill-Portion Nort Of Beltway Only	0	0	6	0	0	4.8	0	0	0	0	0	3
Area 5 Total	9	3	6	0	2	4.8	7	1	0	1	0	3
EASTERN												
MONTGOMERY COUNTY												
PA 28 Cloverly	0	0	2	0	0	4.8	0	0	0	0	0	3
PA 33 White Oak	2	0	0	0	0	0	0	0	0	0	0	0
PA 34 Fairland	3	3	0	0	1	0	3	4	0	6	1.5	0
Area 6 Total	5	3	2	0	1	4.8	3	4	0	6	1.5	3
RURAL												
Damascus												
PA's 10,11,14	3	0	0	2	0	0.0	5	0	0	0	0	0
Poolesville												
PA's 12,16,17,18	0	0	0	0	0	0.0	1	0	0	0	0	0
PA 23 Olney-Northern Half	0	0	0	0	0	0.0	0	0	0	0	0	0
Area 7 Total	3	0	0	2	0	0.0	6	0	0	0	0	0
LOCAL USE PARK TOTALS	101	17	16	9	11	16.8	56	11	0	48	4.5	15
TOTAL FOR ALL PARKS	119	47	16	18	17	16.8	59	12	0	48	7.5	15

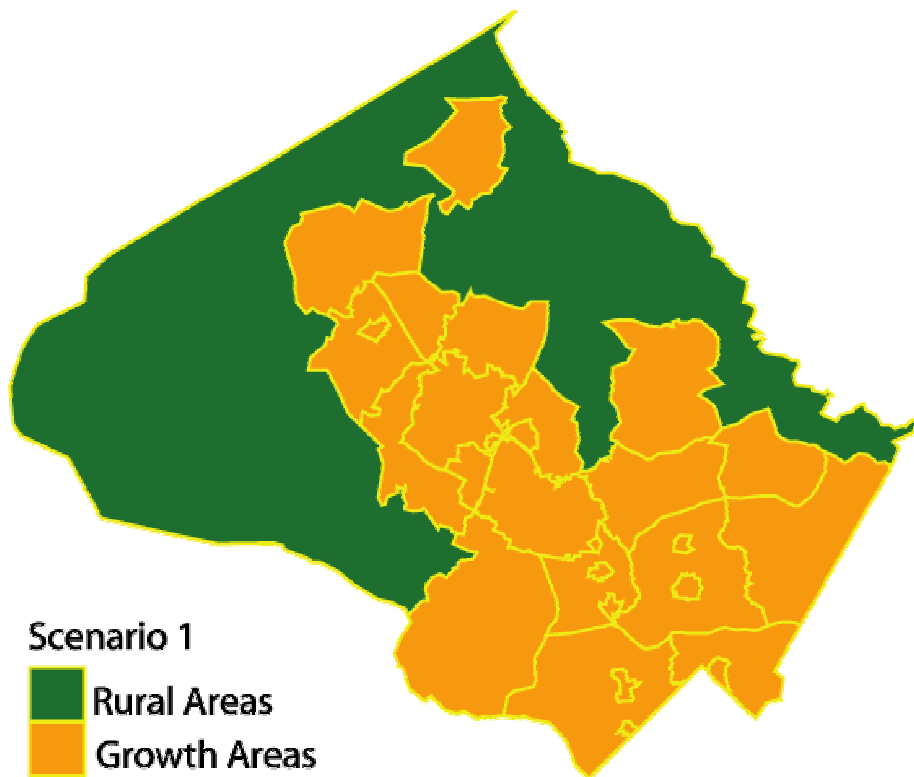
PROS Master Plan. Parks CIP = M-NCPPC Proposed FY 1999 - 2004 Capital Improvements Program (CIP), and MCPS CIP = Montgomery County Public Schools Proposed FY 1999 - 2004 CIP.

Chart and the PROS Plan do not include outdoor recreational facilities provided by private developers.
Subtotals and totals may not add up because some areas have met or exceeded the minimum facilities needed.
See Community Based Planning Area map for locations of Areas 1 - 7 and small planning areas (PA) 10 -37.
Revised December 6, 1997.

Figure 7.2

Geography 1

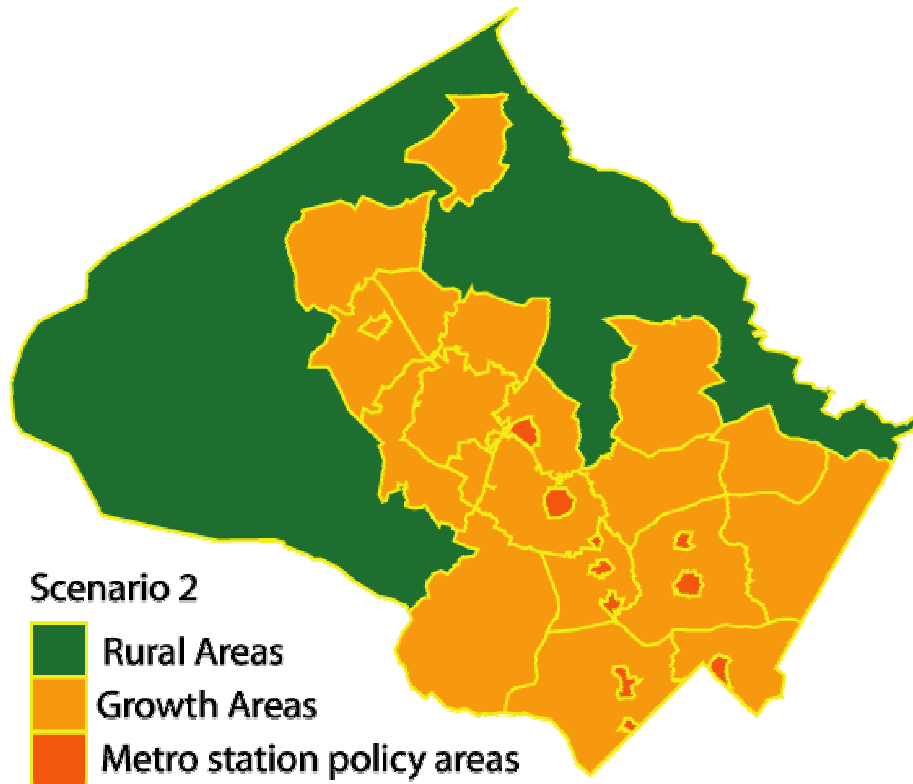
2 Subareas: “Growth Areas” and Rural Areas



Households							
Area	1990 Total Households	Avg. Annual Growth 1990-2003	2000 Total Households	Avg. Annual Growth 2003-2030	Avg. Annual Growth Rate	2030 Total Households	Residential Pipeline
Growth Areas	269,272	3,809	318,788	2,890	0.9%	396,805	30,208
Rural	12,728	309	16,745	239	1.4%	23,195	1,995
Montgomery County Total	282,000	4,118	335,533	3,128	0.9%	420,000	32,203
Jobs							
Area	1990 Total	Avg. Annual Growth 1990-2003	2003 Total Jobs	Avg. Annual Growth 2003-2030	Avg. Annual Growth Rate 2003-2030	2030 Total Jobs	Jobs Pipeline
Growth Areas	458,751	7,409	555,067	5,150	0.9%	694,106	114,583
Rural	7,219	209	9,933	36	0.4%	10,894	734
Montgomery County Total	465,970	7,618	565,000	5,185	0.9%	705,000	115,317

Geography 2

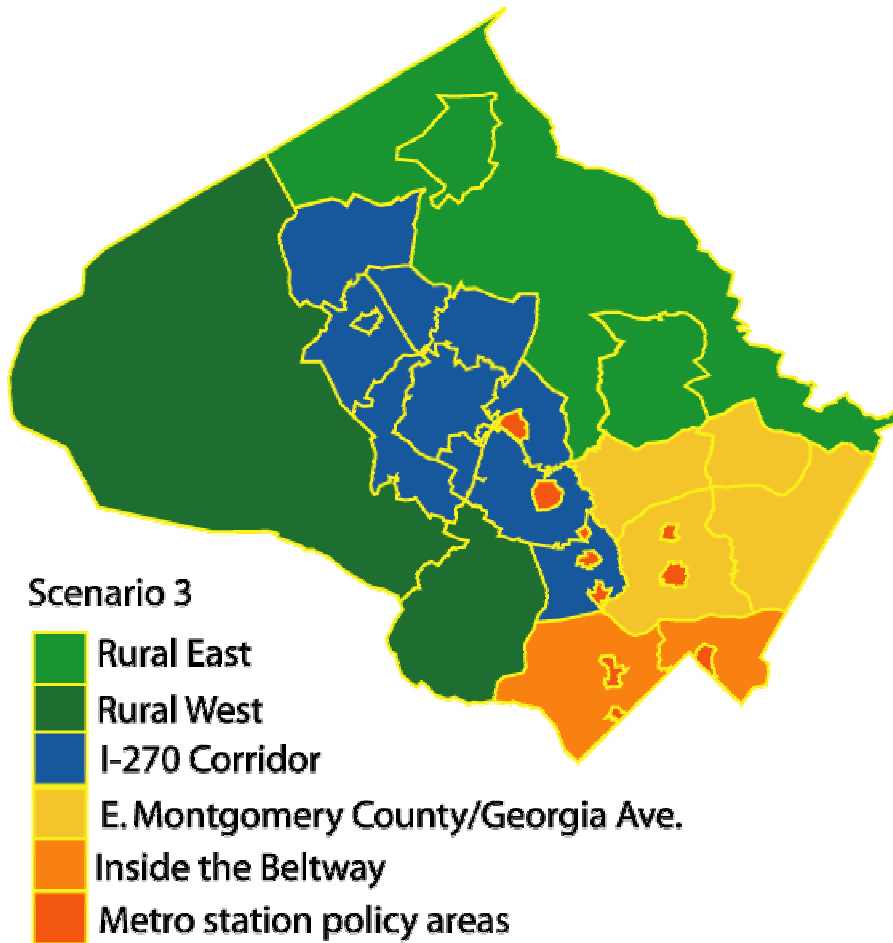
3 Subareas: Metro Station Areas, Growth Areas, and Rural Areas



HOUSEHOLDS							
Area	1990 Total Households	Avg. Annual Growth	2000 Total Households	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Households	Residential Pipeline
Metro Station Policy Areas	18,343	346	22,842	747	3.3%	43,015	5,076
Growth Areas	250,929	3,463	295,946	2,142	0.7%	353,790	25,132
Rural	12,728	309	16,745	239	1.4%	23,195	1,995
Montgomery County Total	282,000	4,118	335,533	3,128	0.9%	420,000	27,127
JOBS							
Area	1990 Total	Avg. Annual Growth	2003 Total Jobs	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Jobs	Jobs Pipeline
Metro Station Policy Areas	114,234	547	121,346	804	0.7%	143,063	12,265
Growth Areas	344,517	6,862	433,721	4,345	1.0%	551,043	102,318
Rural	7,219	209	9,933	36	0.4%	10,894	734
Montgomery County Total	465,970	7,618	565,000	5,185	0.9%	705,000	103,052

Geography 3

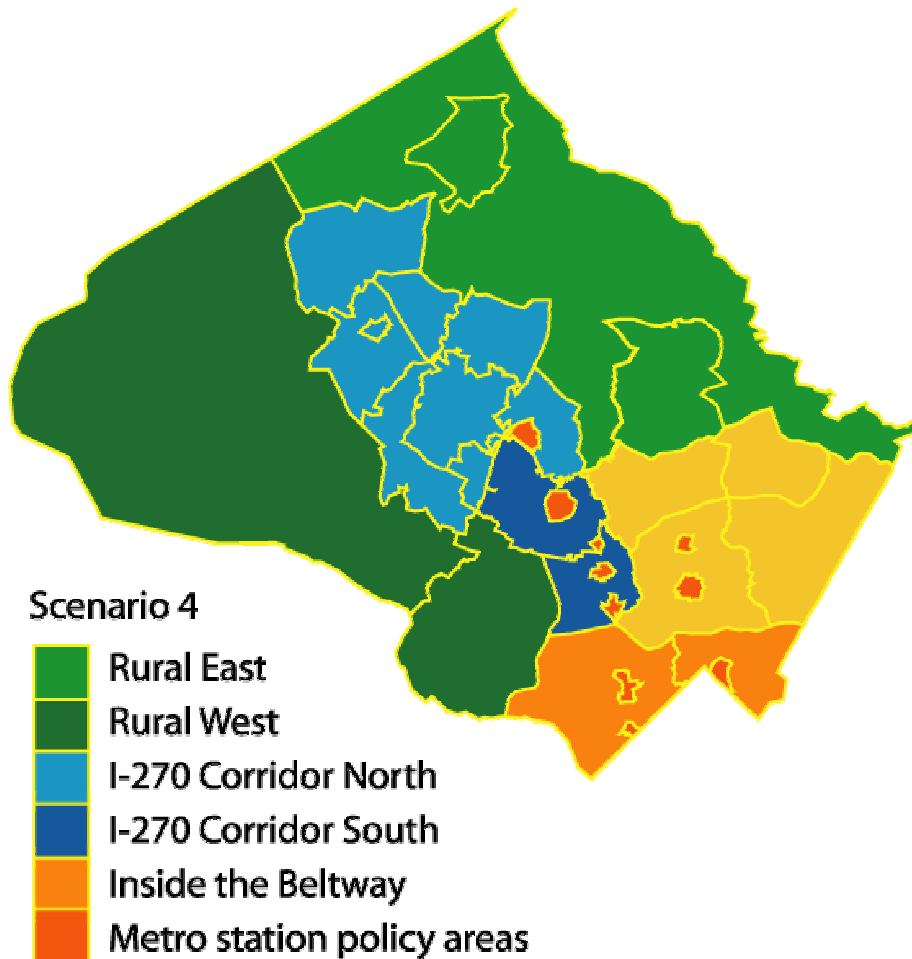
Modified TRPII Areas, with Metro Station Areas Broken Out



HOUSEHOLDS							
Areas	1990 Total Households	Avg. Annual Growth	2000 Total Households	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Households	Residential Pipeline
Metro Station Policy Areas	18,343	346	22,842	747	3.3%	43,015	5,076
Inside the Beltway	52,481	369	57,279	130	0.2%	60,796	657
E. Montgomery Co./Georgia Ave	81,306	557	88,541	272	0.3%	95,883	3,767
I-270 Corridor	91,324	2,132	119,043	1,564	1.3%	161,283	19,035
Rural West	12,728	309	16,745	239	1.4%	23,195	1,995
Rural East	17,664	378	22,579	203	0.9%	28,071	
Montgomery County Total	282,000	4,118	335,533	3,128	0.9%	420,000	32,203
JOBS							
Areas	1990 Total	Avg. Annual Growth	2003 Total Jobs	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Jobs	Jobs Pipeline
Metro Station Policy Areas	114,234	547	121,346	804	0.7%	143,063	12,265
Inside the Beltway	59,781	862	70,981	196	0.3%	76,273	1,377
E. Montgomery Co./Georgia Ave	53,401	488	59,745	388	0.6%	70,230	4,061
I-270 Corridor	212,644	5,245	280,825	3,722	1.3%	381,312	96,153
Rural West	7,219	209	9,933	36	0.4%	10,894	734
Rural East	11,596	193	14,099	30	0.2%	14,905	
Montgomery County Total	465,970	7,618	565,000	5,185	0.9%	705,000	115,317

Geography 4

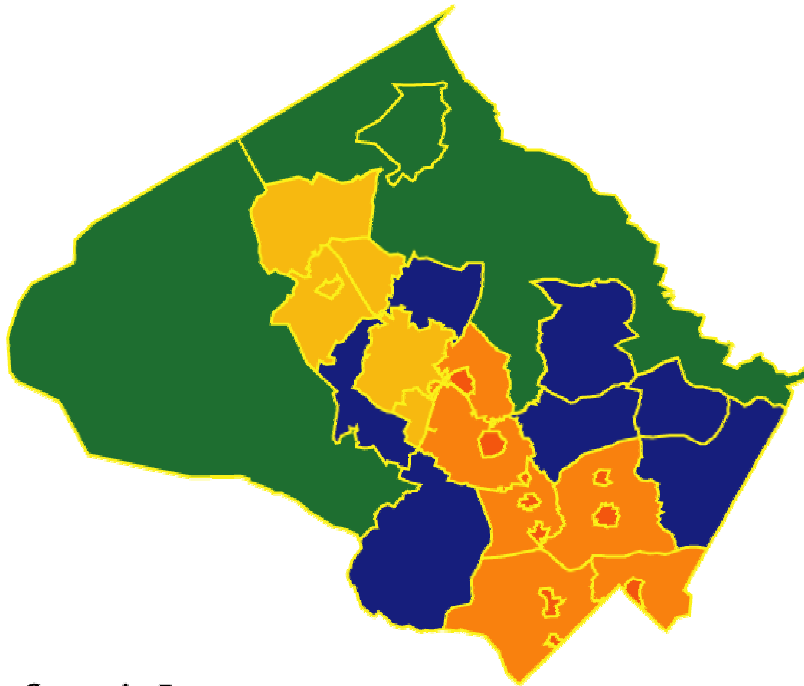
Modified TRPII Areas, I-270 North and South, and Metro Station Areas Broken Out



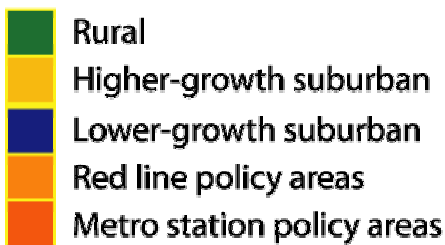
HOUSEHOLDS							
Areas	1990 Total Households	Avg. Annual Growth	2000 Total Households	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Households	Residential Pipeline
Metro Station Policy Areas	18,343	346	22,842	747	3.3%	43,015	5,076
Inside the Beltway	52,481	369	57,279	130	0.2%	60,796	657
E. Montgomery Co./Georgia Ave	81,306	557	88,541	272	0.3%	95,883	3,767
I-270 Corridor South	28,471	322	32,652	316	1.0%	41,177	5,675
I-270 Corridor North	62,853	1,811	86,392	1,249	1.4%	120,106	13,360
Rural West	12,728	309	16,745	239	1.4%	23,195	
Rural East	17,664	378	22,579	203	0.9%	28,071	3,668
Montgomery County Total	282,000	4,118	335,533	3,128	0.9%	420,000	32,203
JOBS							
Areas	1990 Total	Avg. Annual Growth	2003 Total Jobs	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Jobs	Jobs Pipeline
Metro Station Policy Areas	114,234	547	121,346	804	0.7%	143,063	12,265
Inside the Beltway	59,781	862	70,981	196	0.3%	76,273	1,377
E. Montgomery Co./Georgia Ave	53,401	488	59,745	388	0.6%	70,230	4,061
I-270 Corridor South	117,748	2,215	146,548	1,451	1.0%	185,721	37,620
I-270 Corridor North	94,896	3,029	134,277	2,271	1.7%	195,590	58,533
Rural West	7,219	209	9,933	36	0.4%	10,894	
Rural East	11,596	193	14,099	30	0.2%	14,905	1,461
Montgomery County Total	465,970	7,618	565,000	5,185	0.9%	705,000	115,317

Geography 5

Metro Station Areas, Red Line Area, Lower and High-Growth Suburban, and Rural



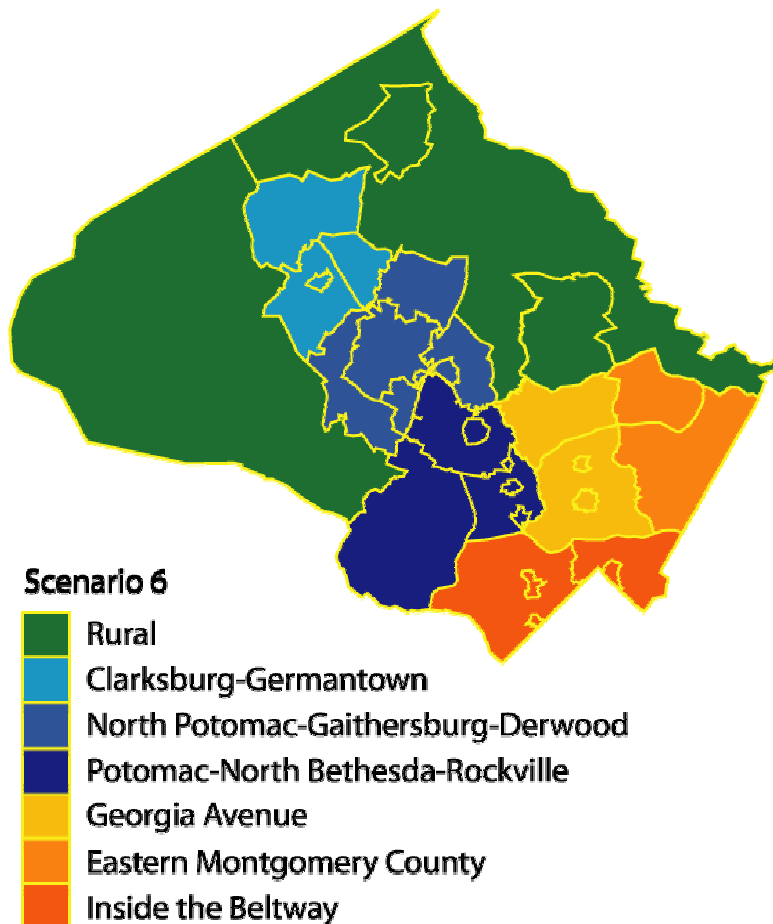
Scenario 5



HOUSEHOLDS							
Areas	1990 Total Households	Avg. Annual Growth	2000 Total Households	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Households	Residential Pipeline
Metro Station Policy Areas	18,343	346	22,842	747	3.3%	43,015	5,076
Red Line Policy Areas	52,481	369	57,279	130	0.2%	60,796	6,649
Lower-Growth Suburban	95,646	1,188	111,088	412	0.4%	122,205	5,346
Higher-Growth Suburban	35,047	1,433	53,679	1,110	2.1%	83,648	12,799
Rural	15,671	342	20,116	272	1.4%	27,456	2,745
Montgomery County Total	282,000	4,118	335,533	3,128	0.9%	420,000	32,203
JOBS							
Areas	1990 Total	Avg. Annual Growth	2003 Total Jobs	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Jobs	Jobs Pipeline
Metro Station Policy Areas	114,234	547	121,346	804	0.7%	143,063	12,265
Red Line Policy Areas	59,781	862	70,981	196	0.3%	76,273	40,900
Lower-Growth Suburban	67,641	819	78,287	451	0.6%	90,461	5,090
Higher-Growth Suburban	63,293	2,544	96,368	2,008	2.1%	150,584	56,188
Rural	8,959	281	12,606	39	0.3%	13,666	1,123
Montgomery County Total	465,970	7,618	565,000	5,185	0.9%	705,000	115,317

Geography 6

Modified TRPII Districts



HOUSEHOLDS							
Areas	1990 Total Households	Avg. Annual Growth	2000 Total Households	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Households	Residential Pipeline
Inside the Beltway	65,002	5,778	440,252	4,663	1.1%	566,141	48,645
Georgia Avenue	55,233	314	59,318	289	0.5%	67,117	2,439
Eastern Montgomery Co.	28,935	261	32,323	113	0.4%	35,385	1,886
Clarksburg - Germantown	17,627	891	29,206	675	2.3%	47,436	9,374
N. Potomac/Derwood/G'burg	45,561	921	57,533	648	1.1%	75,017	3,986
Potomac/N. Bethesda/Rockville	45,849	606	53,726	648	1.2%	71,234	7,427
Rural	15,671	342	20,116	272	1.4%	27,456	2,745
Montgomery County Total	302,813	9,372	724,795	7,421	0.9%	925,171	78,388
JOBS							
Areas	1990 Total	Avg. Annual Growth	2003 Total Jobs	Avg. Annual Growth	Avg. Annual Growth Rate	2030 Total Jobs	Jobs Pipeline
Inside the Beltway	612,943	11,910	771,470	8,600	1.1%	1,003,671	207,099
Georgia Avenue	36,278	225	39,208	74	0.2%	41,197	478
Eastern Montgomery Co.	28,791	319	32,934	332	1.0%	41,911	3,669
Clarksburg - Germantown	16,026	857	27,164	1,066	3.9%	55,955	25,255
N. Potomac/Derwood/G'burg	82,656	1,928	111,414	1,224	1.1%	144,459	33,491
Potomac/N. Bethesda/Rockville	146,429	2,516	179,135	1,610	0	222,594	40,716
Rural	8,959	281	12,606	39	0.3%	13,666	1,123
Montgomery County Total	960,873	18,355	1,206,868	13,278	0.9%	1,565,366	315,500