



Montgomery Planning

2024 Growth and Infrastructure Policy

Preliminary Recommendations

Agenda

- Introduction
- 2024 Update
- Preliminary Recommendations:
 - Schools
 - Transportation
 - Impact Taxes
- Next Steps
- Discussion

Introduction

- Montgomery Planning initiates an update of the County's **Growth and Infrastructure Policy (GIP)** every 4 years.
- Planning Board transmits a draft to the County Council by **August 1**.
- County Council adopts the 2024-2028 policy by **November 15, 2024**.



What is the Growth and Infrastructure Policy?

- Directs the Planning Board's administration of the **Adequate Public Facilities (APF)** requirements.
- Guides **adequacy assessment** during the development review process.
- **Sets the adequacy standards**, criteria for evaluation, and requirements for mitigation.
 - Making an adequacy determination involves both forecasting future impacts from private development **and** assessing the condition of existing public infrastructure.



Implementation Guidelines

- The Council-adopted GIP establishes the broad rules for defining adequacy
- The GIP is then implemented through subject-specific guidelines approved by the Planning Board:
 - Annual School Test Guidelines
 - Local Area Transportation Review (LATR) Guidelines



2024 Update

2024 Update: Themes

- Review the Performance of the 2020-2024 GIP
- Consider the County's Current Growth Trends
- Make Policy Implementation Clearer and More Efficient
- Review Development Impact Taxes
- Align the Policy with Updated County Priorities



County Priorities

- Racial Equity and Social Justice
- Economic Competitiveness
- Environmental Resilience
- Compact Growth
- Housing for All
- Safety
- Good Governance



Preliminary Recommendations Overview

- Ensure adequacy while improving development conditions in the county.
- Enhance predictability, transparency, and proportionality in the approval process.
- Support the county's goals and priorities.



Preliminary Recommendations

Schools Element

Preliminary Recommendations

1. School Impact Area Boundaries

Infill Impact Area

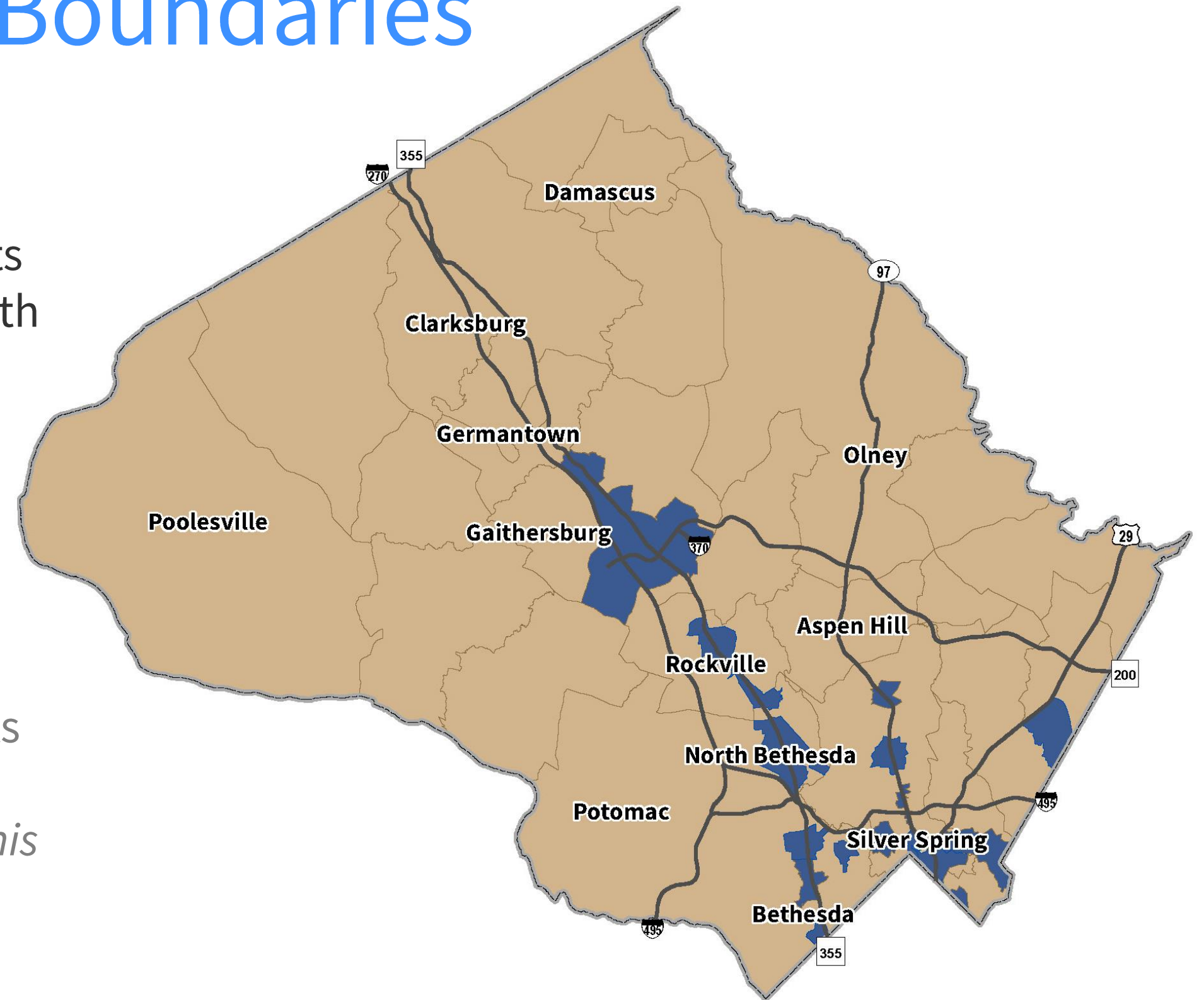
- High growth in multi-family housing units
- Low impact per unit on enrollment growth

Turnover Impact Area

- Low housing growth
- Enrollment growth largely due to turnover of existing single-family units

Greenfield Impact Area

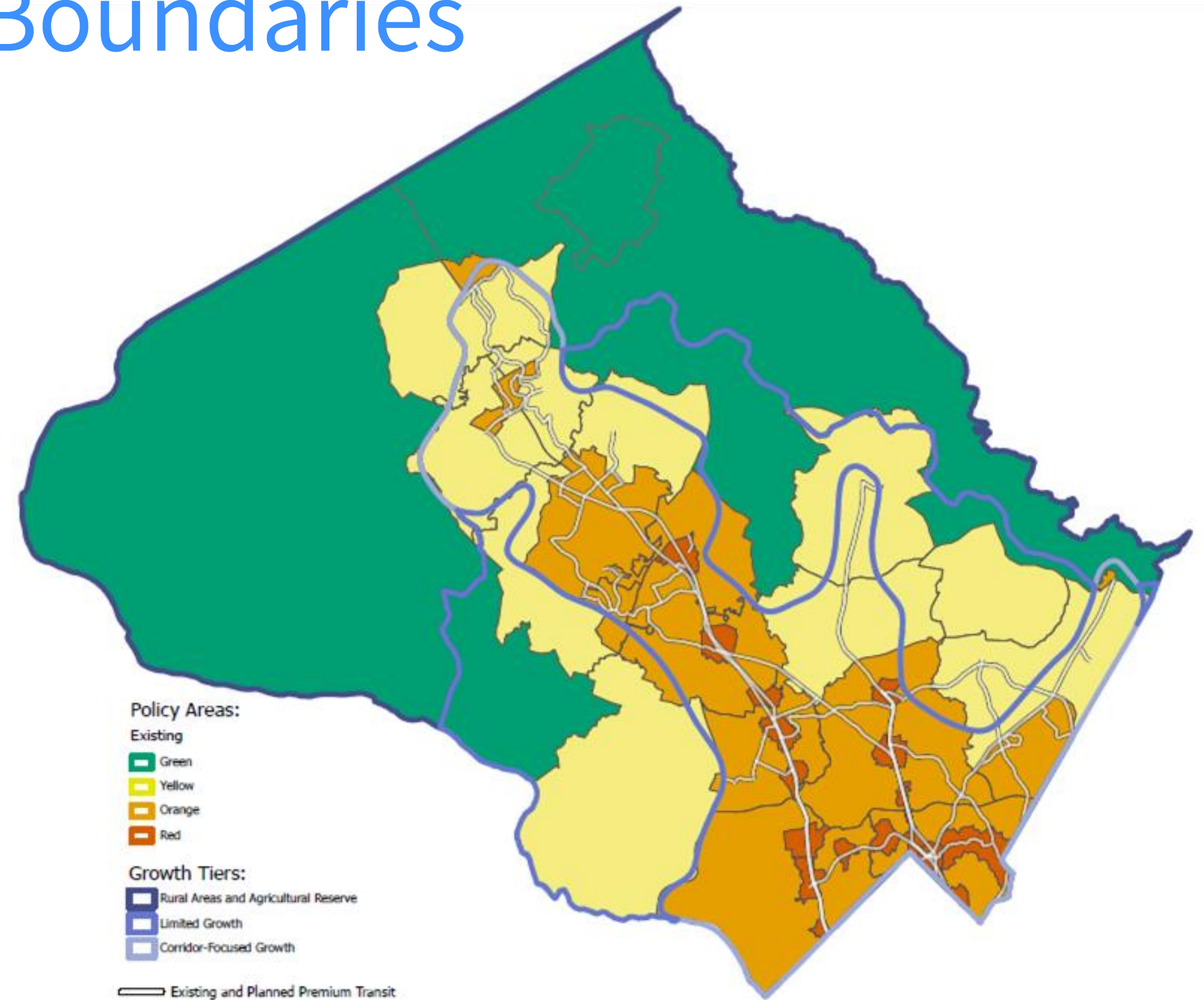
- High growth in single-family housing units
- High impact on enrollment growth
- *No area of the county was found to be in this category for the 2020-2024 GIP update.*



1. School Impact Area Boundaries

- **Recommendation:**

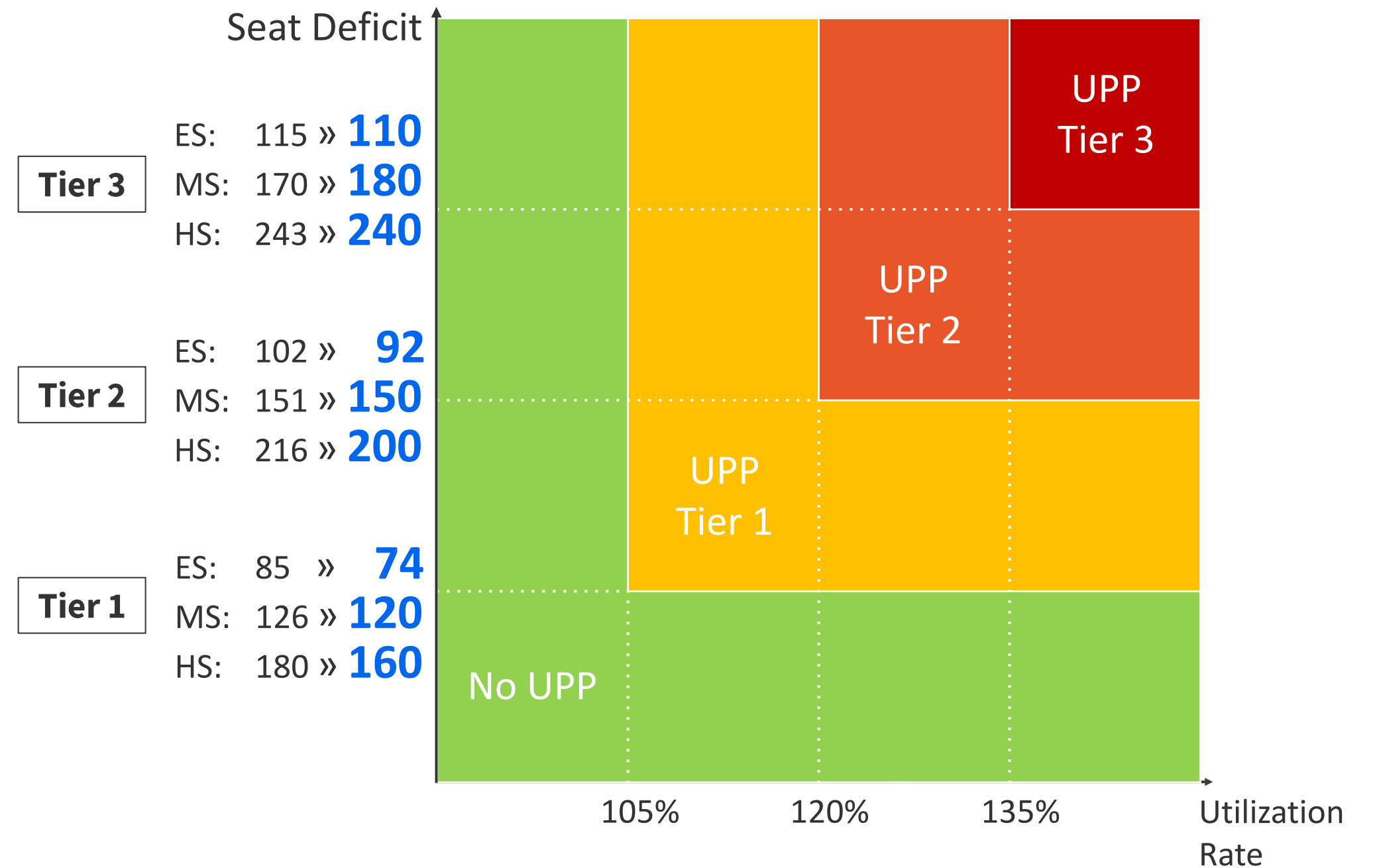
Modify the boundaries of School Impact Areas to align with the proposed Transportation Policy Area boundaries.



2. Annual School Test Adequacy Threshold

- Recommendation:**

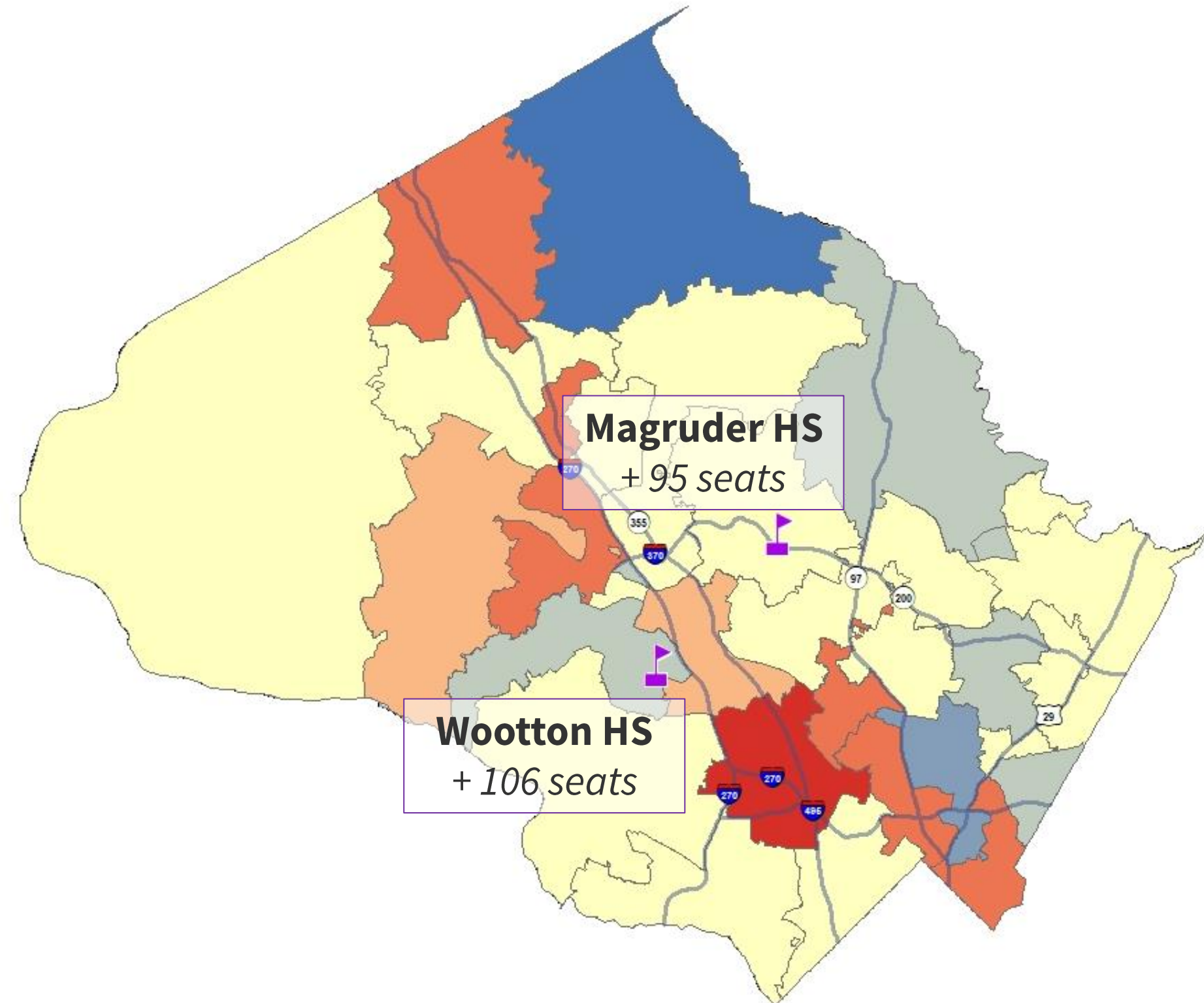
Adjust the seat deficit thresholds of the Annual School Test to better align with MCPS' CIP threshold for classroom additions.



3. Utilization Premium Payment - Use of Funds

- **Recommendation:**

Allow funds collected as Utilization Premium Payments to be used in capital projects adding capacity at adjacent schools or clusters.



4. Student Generation Rate (SGR) - Housing Types

Current Categories:

- Single Family Detached
- Single Family Attached
- Multifamily Low-Rise
(4 stories or less)
- Multifamily High-Rise
(5 stories or more)

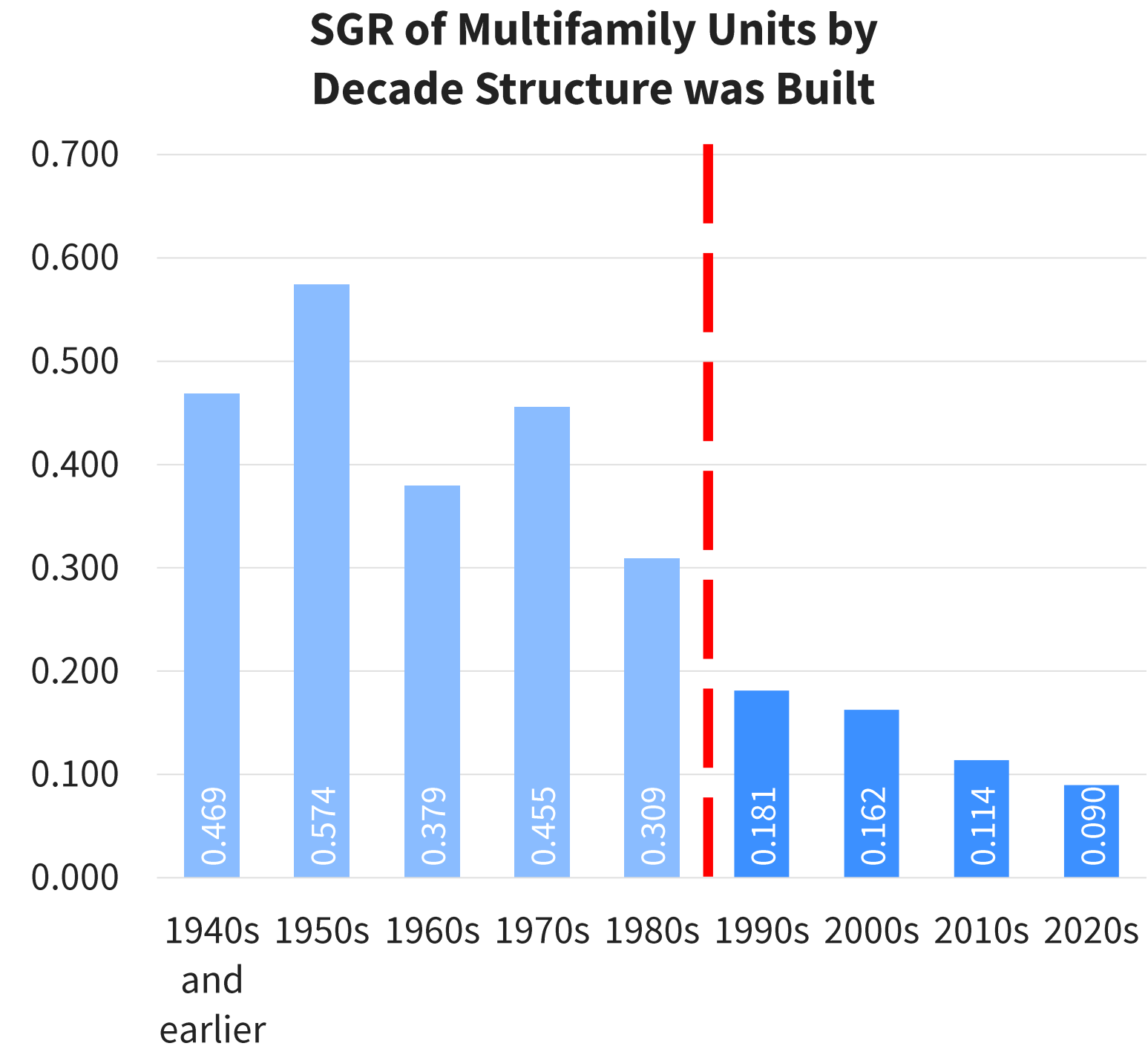
Recommendation:

- Single Family Detached
- Single Family Attached
- + **Alternative Unit Types**
(stacked flats)
- Multifamily Low-Rise
(4 stories or less)
- Multifamily High-Rise
(5 stories or more)

5. Multifamily SGR Calculation

- Recommendation:**

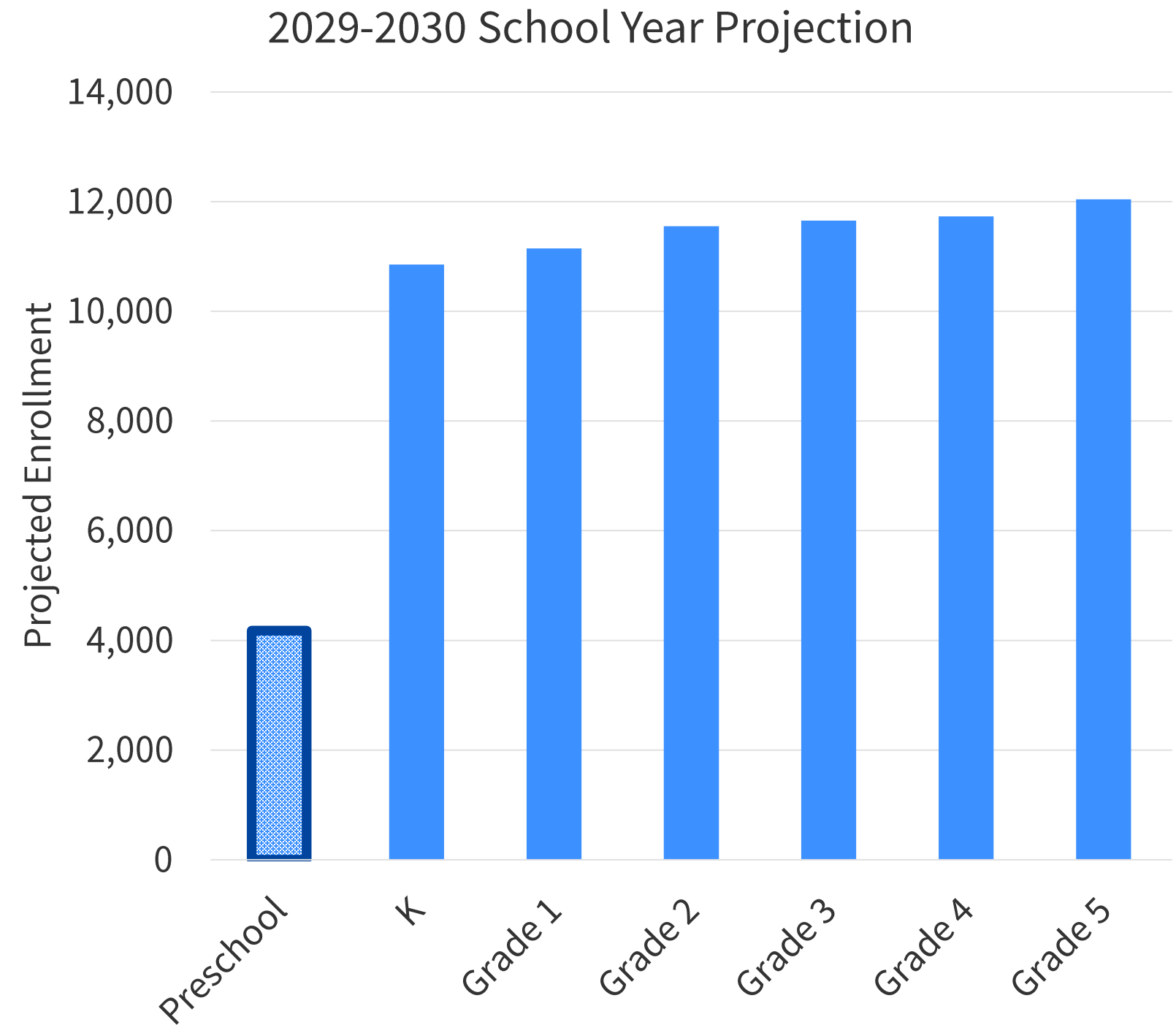
Continue calculating official SGR for multifamily units based on structures built in 1990 or later.



6. Early Childhood Program Expansion

- Recommendation:**

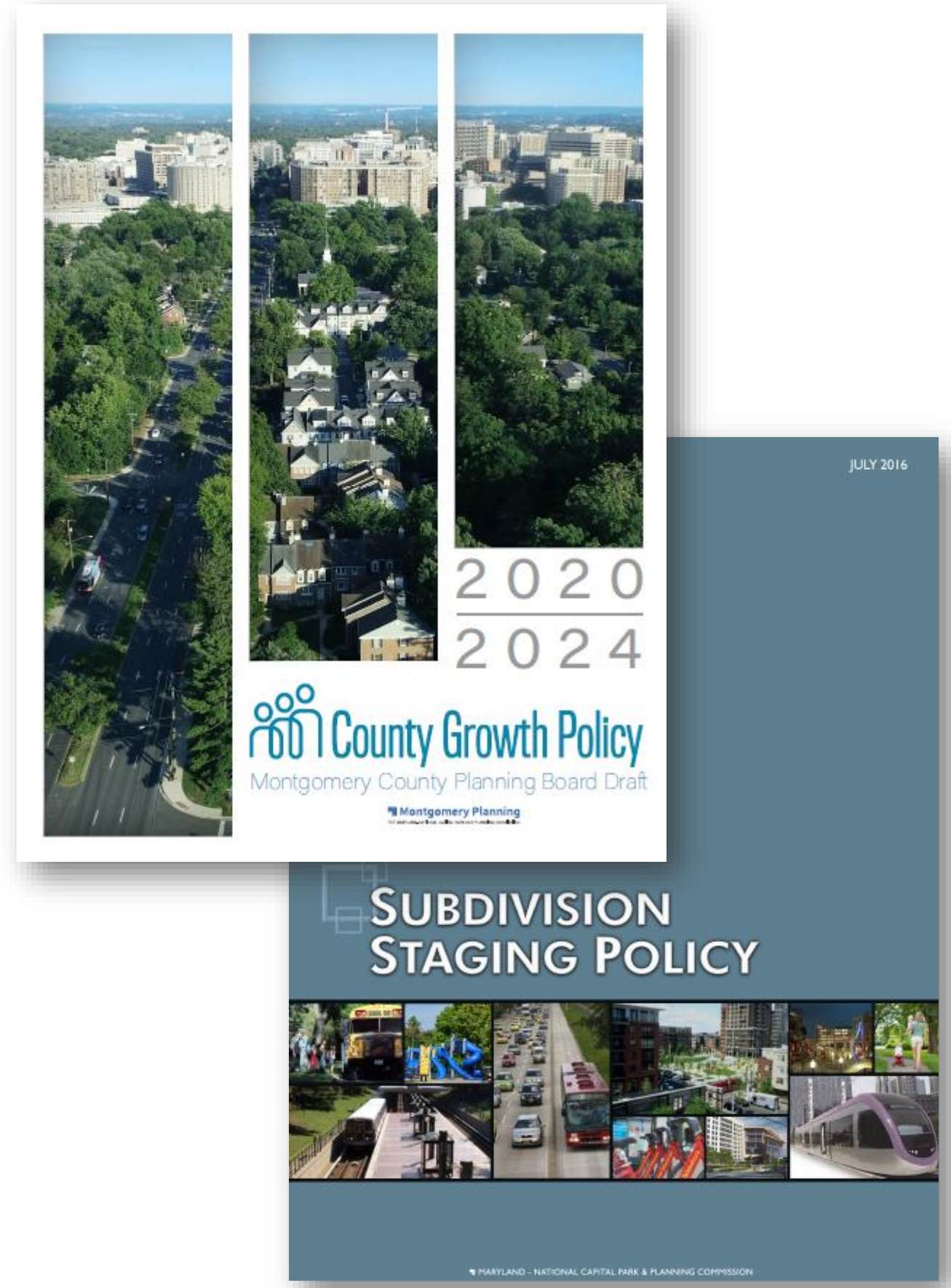
Monitor the impact of the early childhood program expansion to consider including preschool enrollment in student generation rate calculations.



Transportation

Previous Updates

Moved the policy away from strategies exclusively concerned with reducing congestion...
toward ones making walking, biking, and transit safer and more convenient.



Off-Site Improvements

- Only addresses off-site transportation facilities.
- Local Area Transportation Review (LATR)
 - Series of multi-modal tests
 - Required for projects with 50+ net new trips
- Evaluate conditions, identify deficiencies, and develop list of mitigations.



LATR Outcomes

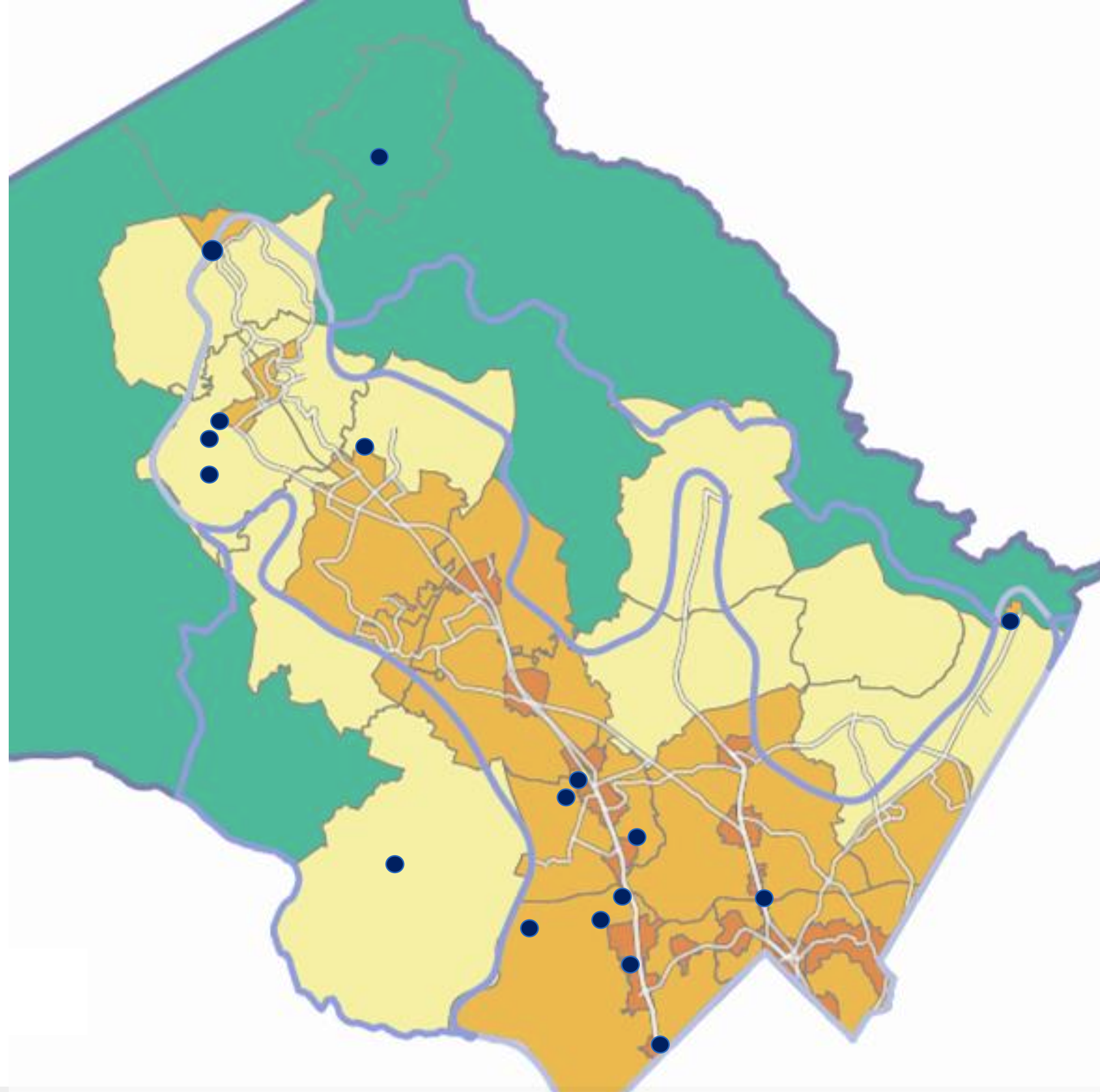
- 17 plans with LATR mitigation conditions since June 2021

Off-site mitigation totals (conditioned):

- \$2.6m in payments
- \$3.5m+ in constructed improvements*

Off-site Improvement	Amount
Turn Lanes	1
Traffic Signal	1
Bus Stops	3
ADA Curb Ramps	21
Streetlights	5
Separated Bike Lanes	2,300 ft
Sidepaths	2,000 ft
Sidewalks	2,450 ft

*Costs not available for all improvements

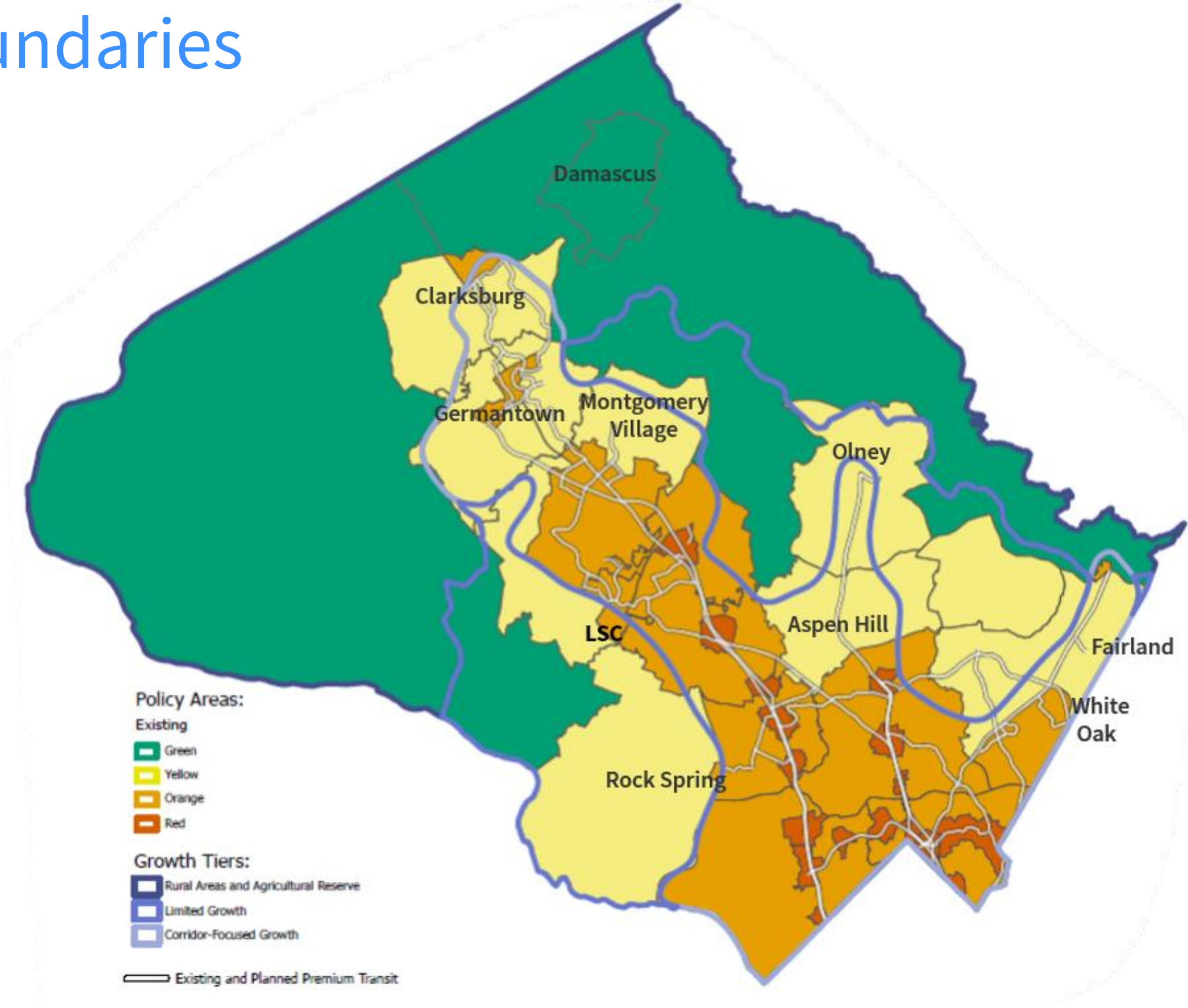


Transportation

Preliminary Recommendations

1. Update Policy Area Boundaries

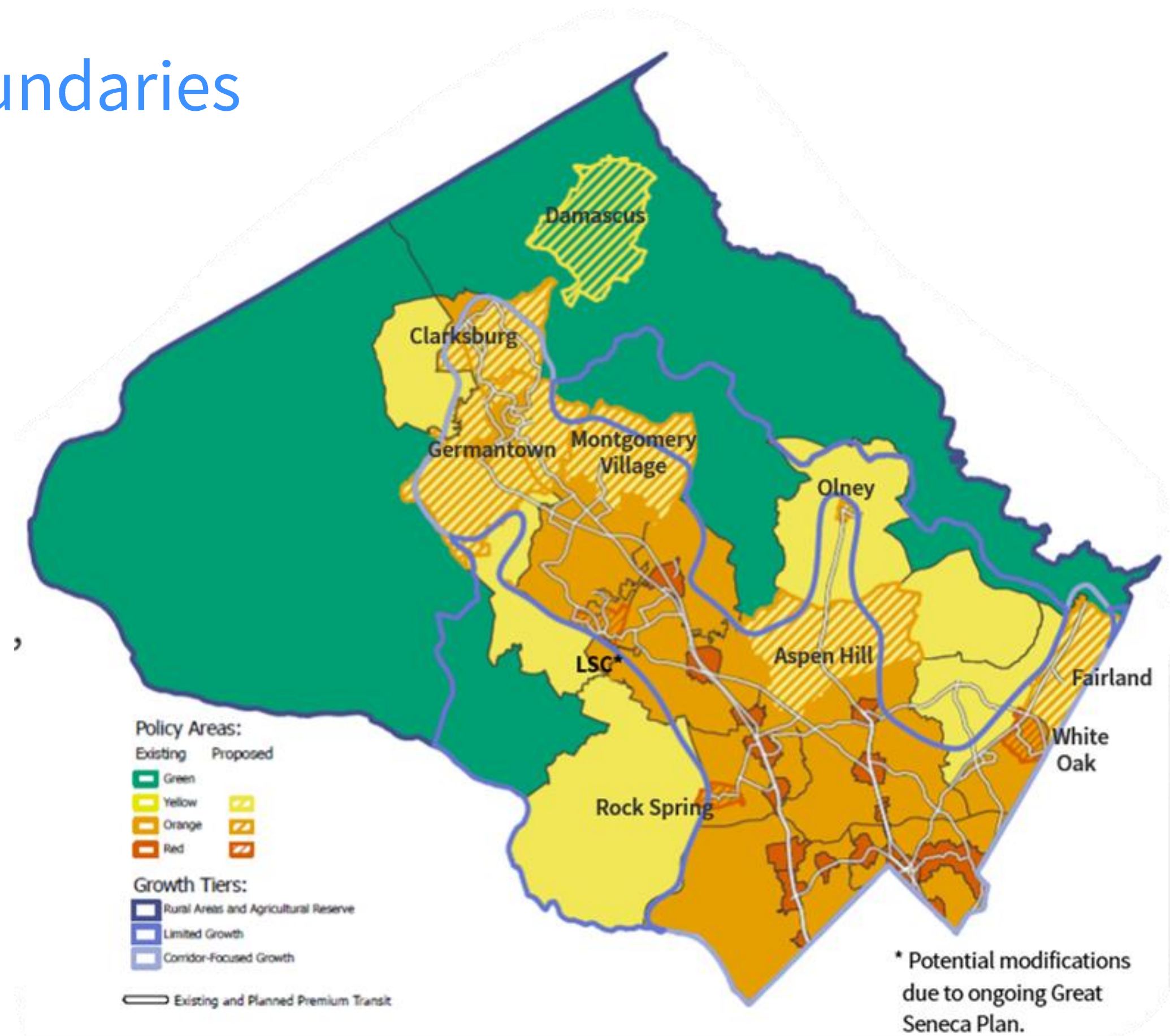
- **Red** – Central business districts, high-density development, premium transit service.
- **Orange** – Corridor cities and town centers with planned premium transit.
- **Yellow** – Lower-density areas residential neighborhoods with community-serving commercial areas.
- **Green** – The county’s Agricultural Reserve and rural areas.



1. Update Policy Area Boundaries

Recommendation

- **Red:** Great Seneca Life Sciences area, FDA Village in White Oak, and Rock Spring
- **Orange:** Aspen Hill, Germantown East and West, Montgomery Village, Olney Town Center, and parts of Colesville-Fairland & Clarksburg
- **Yellow:** Damascus



Transportation Adequacy Tests

- Motor Vehicle
- Pedestrian System
- Bicycle System
- Bus System

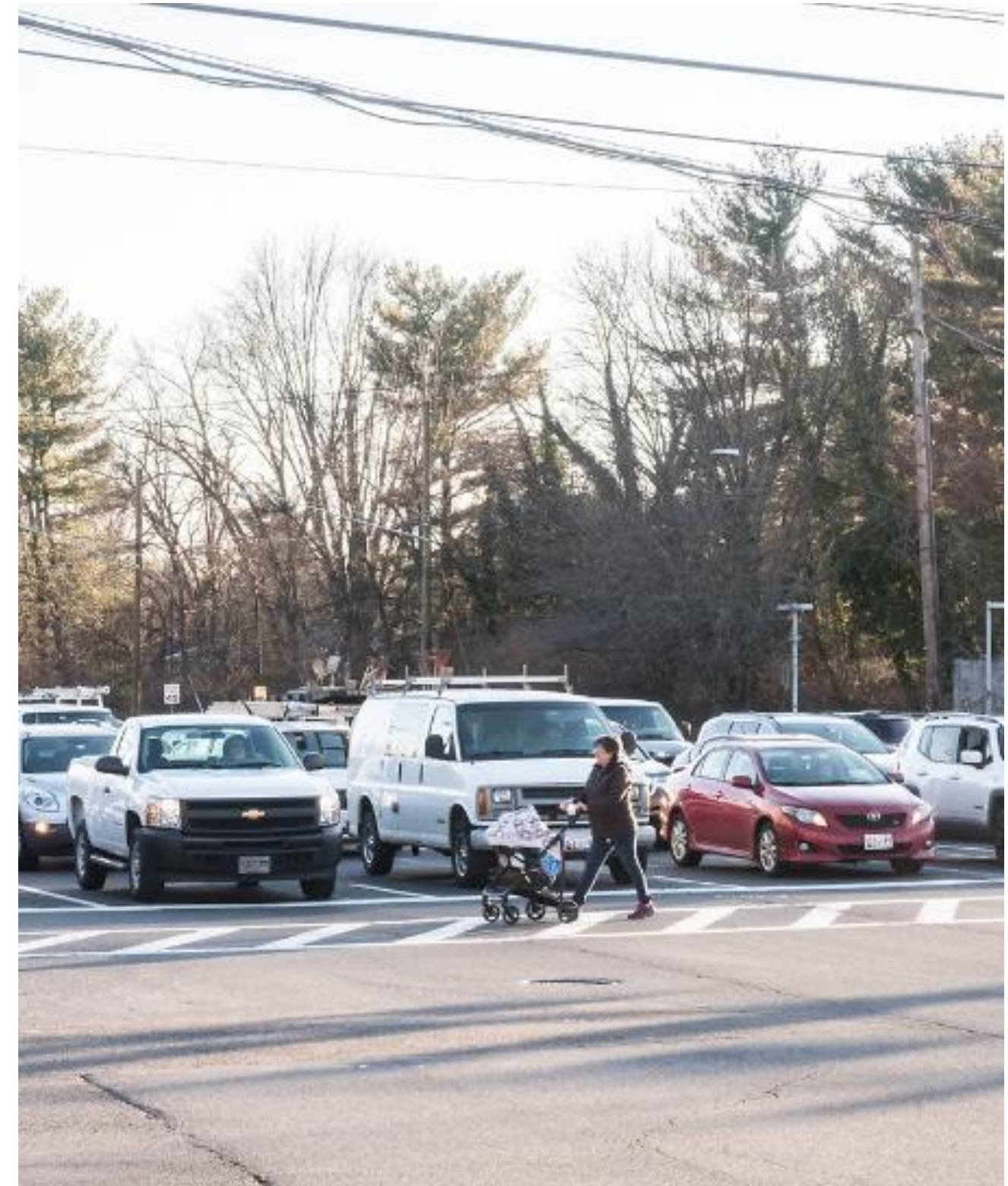
Recommendation: Simplify the policy, making it more effective, transparent, and predictable.

2. Measure Impact with Motor Vehicle Trips

- Person trips serve as the threshold for
 - Conducting an LATR study
 - Determining the size of the study area

Recommendation:

- Replace peak-hour person trips with **peak-hour vehicle trips.**



3. Standardize the Transportation Tests

Pedestrian Adequacy Test

- Three components:
 - Pedestrian Level of Comfort (PLOC) score
 - Illuminance and street light standards
 - American Disabilities Act (ADA) Compliance

Recommendation:

- Standardize study area across policy areas, reducing higher burden on downtowns



3. Standardize the Transportation Tests

Bicycle Adequacy Test

- Evaluate right-of-way with master plan-recommended bikeways.

Recommendation:

- Standardize study area across policy areas, ensuring meaningful facilities in yellow/green areas.



3. Standardize the Transportation Tests

Bus Transit Adequacy Test

- Evaluate bus stops for shelters, displays, amenities, and accessible path.
- Green policy areas are exempt.

Recommendation:

- Remove green policy exemption and refer applicant to MCDOT guidelines, when available.



3. Standardize the Transportation Tests

Vision Zero & System Safety

Recommendation:

- Refine the Vision Zero Statement
- Remove the Safe Systems Adequacy Placeholder



4. Ensure Proportional Requirements

- Proportionality Guide
 - Sets cost limit for mitigation*
 - Predictable
 - Reasonable
- Needs further evaluation to account for impact

Recommendation:

- Develop a new trip-based formula to better account for impacts.



5. Fee-In-Lieu Payments

- Developers can pay a fee in lieu of construction when LATR mitigation projects are impracticable.

Recommendation:

- Continue limiting fee-in-lieu.
- Explore options to group collected funds.



6. LATR Exemptions

Recommendation:

- Exempt priority uses from off-site mitigation payments and construction:
 - Affordable Housing
 - Multifamily 3+ bedroom units



6. LATR Exemptions

Recommendation:

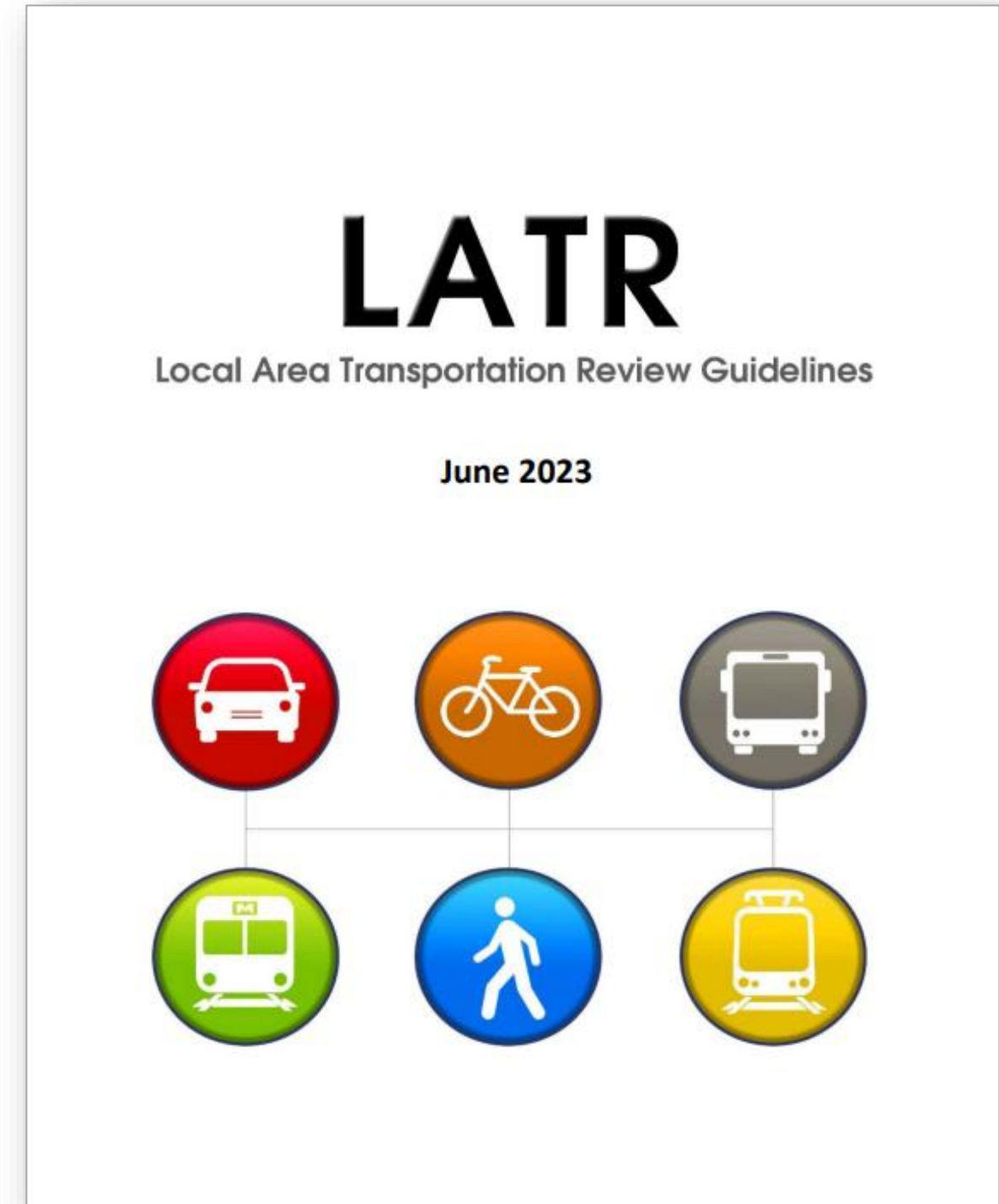
- Exempt priority uses from the requirement to complete an LATR study.
 - Bioscience (extend until Jan. 2029)
 - Daycares



7. Update the LATR Guidelines

Recommendation:

- Reorganize and update the LATR Guidelines with clarity and ease of use in mind.



8. Clarify SHA's Expectations in the LATR Process

- MDOT-SHA reviews proposed development projects, providing valuable feedback.
- Review timeline, requirement, and priorities don't always align.

Recommendation:

- Clarify mutual expectations, particularly in red policy areas.



9. Revise Impact Tax Credit to Align with County Policies

- Developer-built improvements enhancing regional transportation capacity receive credit.
- Not eligible: Many pedestrian and bicycle projects and safety projects; improvements along state-owned roads.

Recommendation:

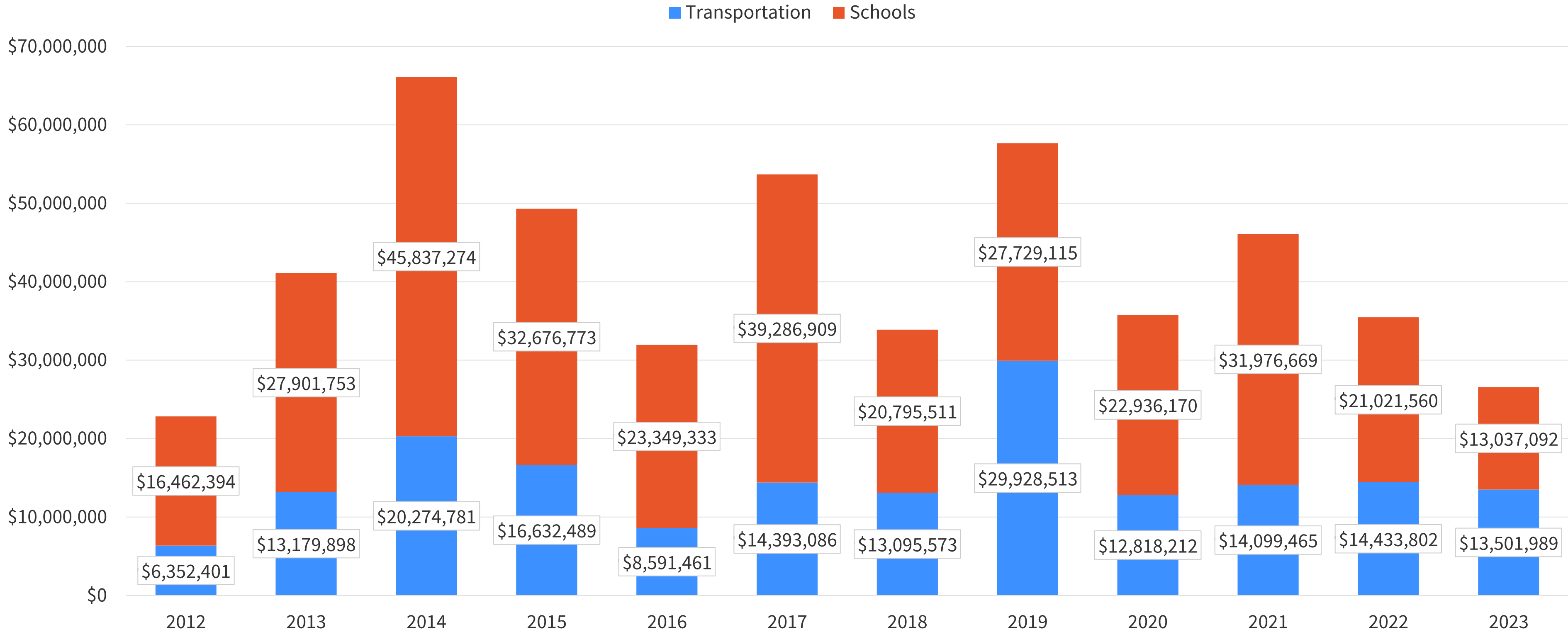
- Allow credits for more projects, including along state-owned roadways.



Impact Tax

Preliminary Recommendations

Total Impact Tax Revenues in Montgomery County



1. Calculation by Square Foot

- **Recommendation:** Consider calculating residential Impact Taxes by square foot instead of per unit for attached and detached units.

	Single Family Detached			Single Family Attached		
	Rate by unit	Median Size (square feet)	Proposed Rate by Square Foot	Rate by unit	Median Size (square feet)	Proposed Rate by Square Foot
Infill	\$25,004	5,600	\$4.47	\$21,664	2,500	\$8.67
Turnover	\$26,084	5,600	\$4.66	\$29,456	2,500	\$11.78
Red	\$9,663	5,600	\$1.73	\$7,905	2,500	\$3.16
Orange	\$24,151	5,600	\$4.31	\$19,761	2,500	\$7.90
Yellow	\$30,190	5,600	\$5.39	\$24,702	2,500	\$9.88
Green	\$30,190	5,600	\$5.39	\$24,702	2,500	\$9.88

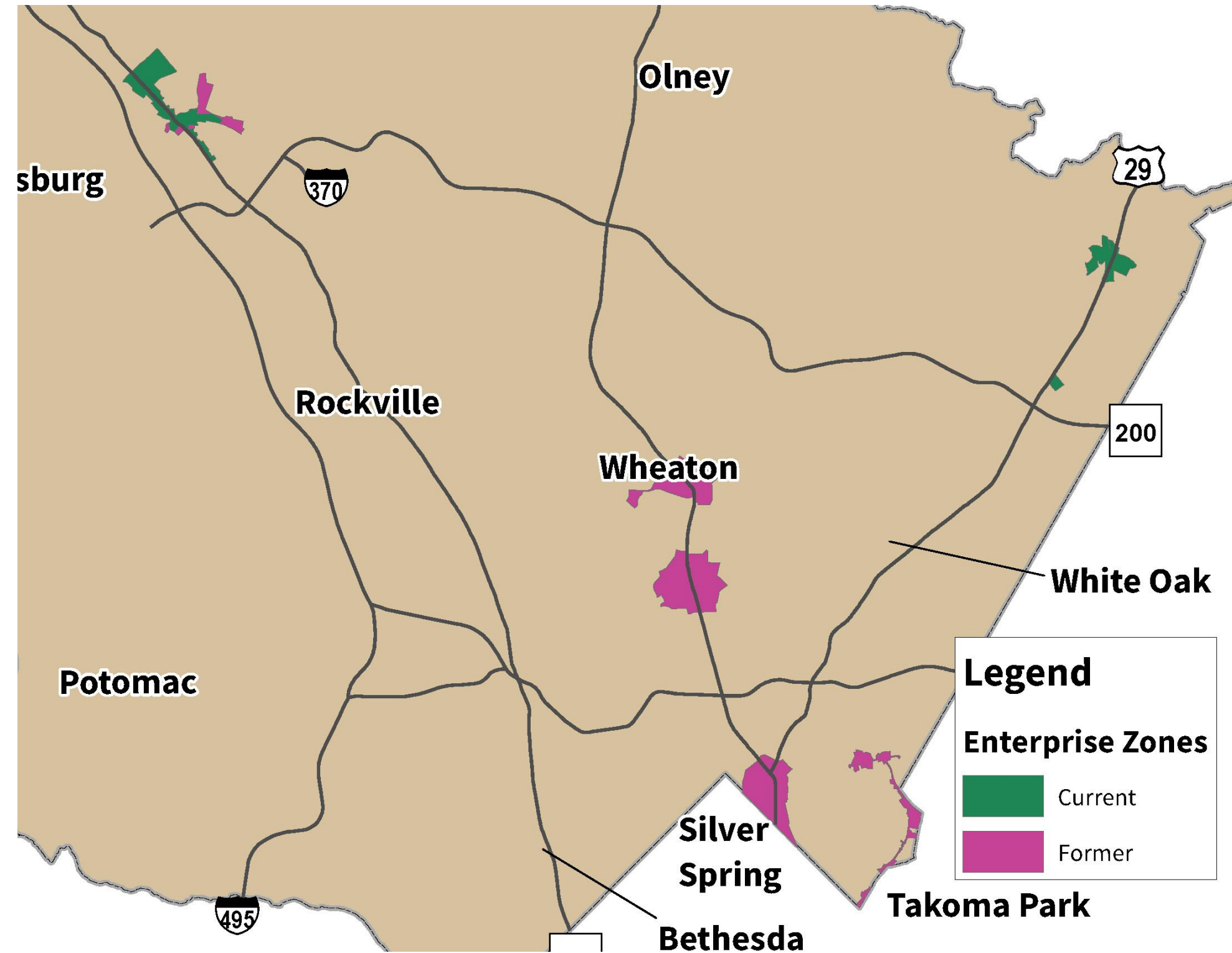
2. New Impact Tax Category

- **Recommendation:** Create a new impact tax category for housing types between Single Family Attached and Multifamily Low. This potential category rate could be calculated using SGR data for stacked flats/2-over-2s.



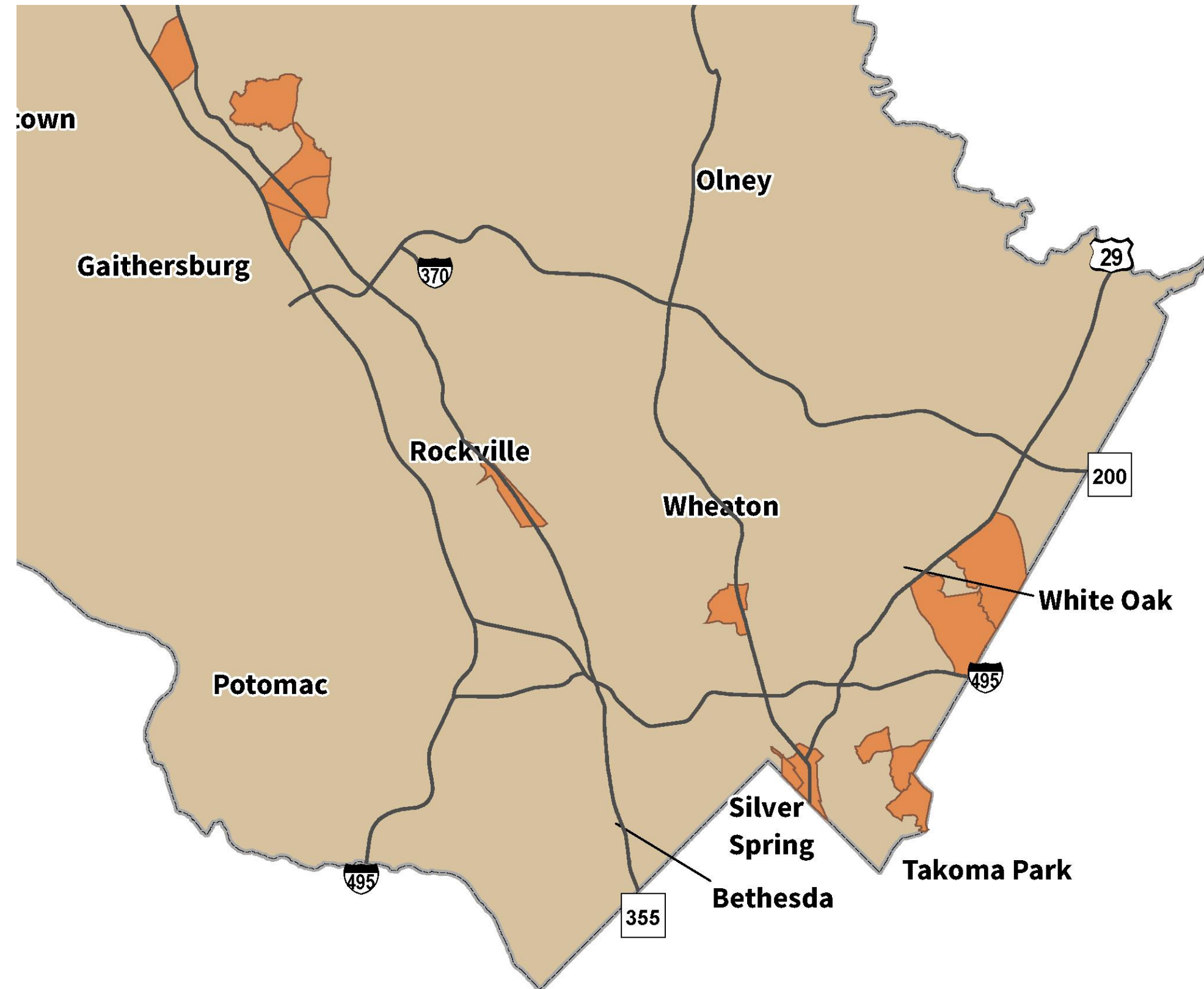
3. Enterprise Zone Exemption

- **Recommendation:** Eliminate the current Enterprise Zone impact tax exemption.
- Add legacy provision language for projects that may have an approved application but have not yet gone to building permit.



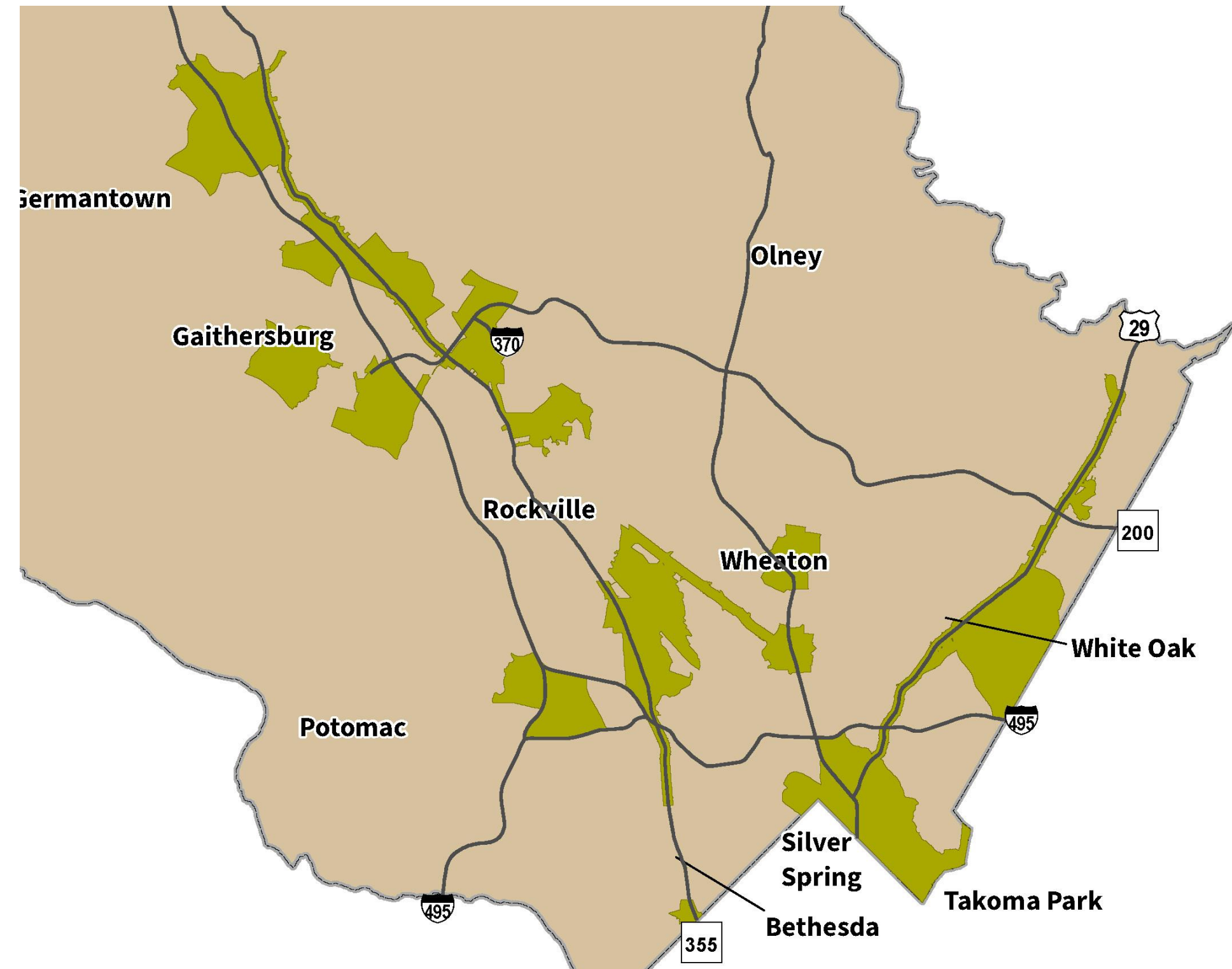
4. Opportunity Zone Exemption

- **Recommendation:** Keep the exemption for Opportunity Zones to support the county's economic development goals.
- Add legacy provision language for projects that may have an approved application but have not yet gone to building permit by the time the program ends in 2028.



5. Desired Growth and Investment Areas

- **Recommendation:** Remove this exemption as it is another boundary related to the GIP that complicates the policy.
- Add legacy provision language for projects that may have an approved application but have not yet gone to building permit.



6. Three Bedrooms Exemption

- **Recommendation:** Modify the exemption to fully exempt impact taxes for three-bedroom units in multifamily structures.



7. Office-to-Residential Conversions

- **Recommendation:** Given the high office vacancy rate and how expensive it is to convert, exempt office-to-residential conversions from impact taxes.

Original Office Impact Taxes	
Building GFA	200,000
Transportation Impact Tax Rate (Orange)	\$22.10
Total Impact Taxes	\$ 4,420,000
Office-to-Residential Conversion Impact Taxes	
# of Market Rate Units Converted	175
Transportation Impact Tax Rate (MFL/Orange)	\$15,366
Turnover Impact Area (MFL/Turnover)	\$13,625
Transportation Impact Tax	\$2,689,050
School Impact Tax	\$2,384,375
Total Impact Taxes	\$5,073,425
Waived Office-to-Residential Conversion Impact Taxes	
	\$653,425

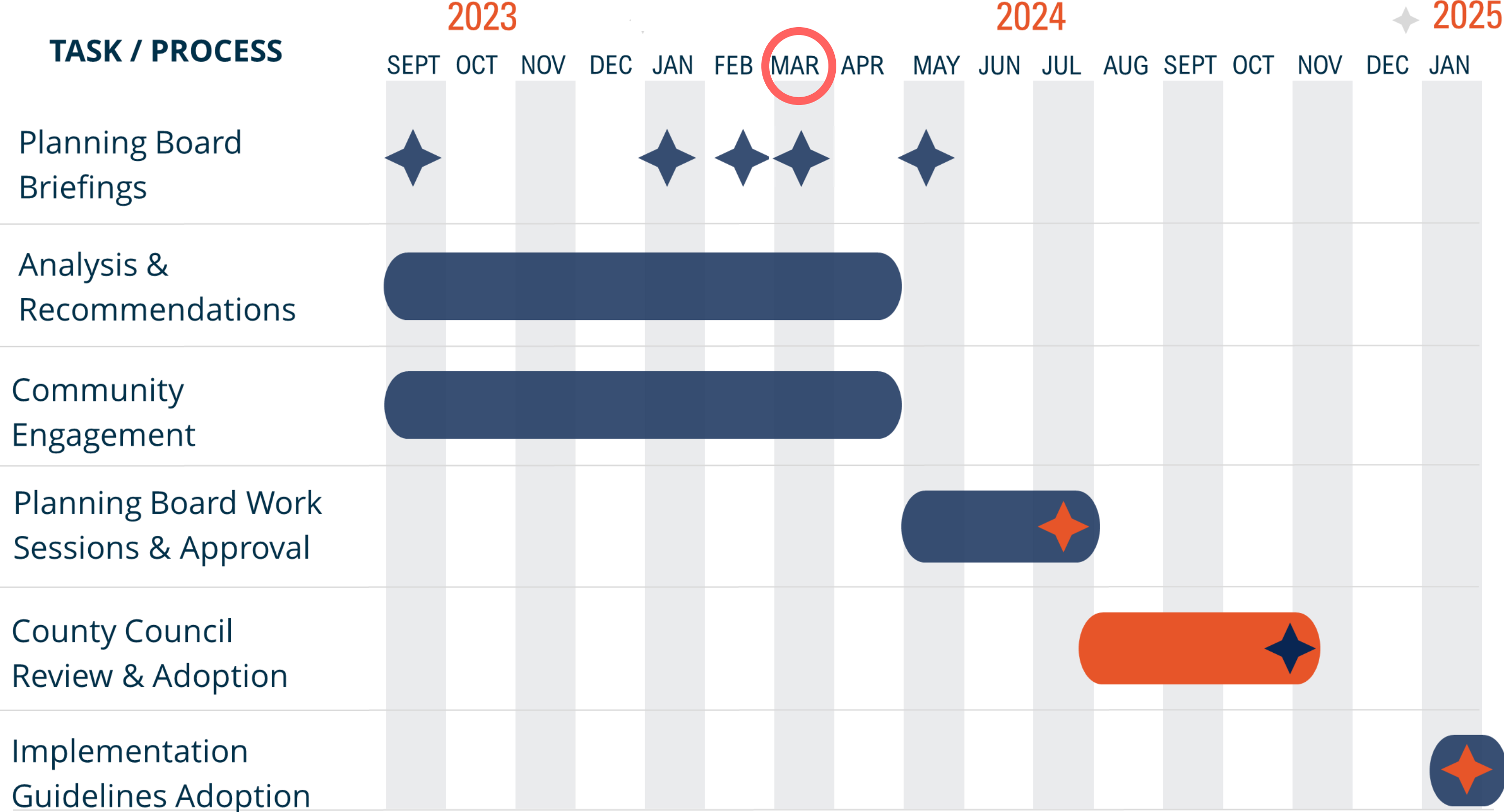
8. Bioscience Exemption

- The county has exempted bioscience from paying impact taxes for nearly twenty years, expiring on January 1, 2025.
- **Recommendation:** The exemption should be extended until January 1, 2029.



Next Steps

Project Schedule



Upcoming Milestones

- **May 2:** Growth and Infrastructure Policy Working Draft Posted
- **May 9:** Planning Staff briefs the Planning Board on the Working Draft
- **May 23:** Growth and Infrastructure Policy Public Hearing

Questions?