

To: Sustainable Growth Commission
From: Derick Berlage, Chairman, Concentrating Growth Workgroup
Subject: Update on Workgroup Recommendations
Date: December 5, 2012

The Workgroup will be meeting on December 10, and the Workgroup Chairman will make an oral report to the Commission on discussions from that meeting. During the past several months the Workgroup's four committees have continued work on the following matters:

Financing Smart Growth

This committee continues to prepare legislative, policy and budgetary proposals aimed at financing infrastructure and facilitating private development in smart, sustainable locations.

Smart Growth Report Card

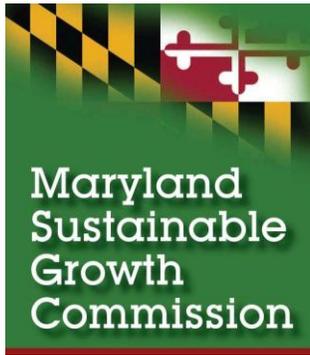
This committee is continuing to refine its thinking on: outcomes and policies that should be used to create the report card "grades"; the data sources that should be used; the proper geography for the regional report cards; and other issues.

Streamlining the Development Approval Process in Smart Growth Locations

This committee met with representatives of Prince George's County Government to discuss the possibility of a streamlining pilot in that jurisdiction. The committee offered its advice and assistance as Prince George's explores streamlining alternatives. The committee hopes that lessons learned in Prince George's can be shared with other jurisdictions. The committee is also planning to meet with the City of Annapolis to discuss a streamlining pilot at the municipal level.

Rural Growth Issues

This committee has researched rural settlement types, design characteristics of traditional settlements, and various rural development types (linear, cross-roads, grid), as the committee works toward recommendations for enhancing the State's approach to sustainable growth in rural parts of Maryland.



To: Sustainable Growth Commission
From: Concentrating Growth Workgroup – Finance Subgroup
Subject: **Key Provisions of Potential TIF 2013 Bill**
Date: December 7, 2012

- Creates the possibility for new local revenue streams to fund TIF's in Sustainable Communities (SC), such as amusement, entertainment, hotel/motel or any other alternative local tax revenues generated within the Sustainable Community.
- Allows and clarifies new uses for TIF funds that include historic preservation, environmental remediation, demolition, site preparation, parking lots, facilities, highways or transit that support SC's, schools and affordable or mixed use housing.
- Prioritizes State funding for a Sustainable Community when a political subdivision issues bonds to support or revitalize that Sustainable Community.
- Allows Sustainable Communities the same bonding authority via MEDCO as MDOT designated TOD's.
 - MEDCO has the ability to finance, acquire, develop, own and/or operate projects for economic development purposes. By example MEDCO is going to own a parking garage in a Transit Oriented Development on land leased by MDOT to a private developer. The garage will be financed through a TIF bond issued by MEDCO and MEDCO will be involved in the development and ownership of the project. Once the ground lease expires the ownership of the garage will revert to the developer or MDOT. The County approving and authorizing the transaction did not want to issue the bonds or have an ownership interest in the garage.
 - Governmental entities may be able to reduce or eliminate the impact on their debt capacity by financing projects through MEDCO. A jurisdiction should consult its financial advisor to understand the impact of a MEDCO financing on its credit profile and debt capacity.
 - MEDCO has the ability to structure transactions to contemplate life cycle capital cost and operating costs such that the expense is funded on a timely basis through the project.

Key Difference of TIF 2013 from TIF 2012

- Does not include the creation of a State grant fund to support TIF in Sustainable Communities.
- Does not clarify the definition of "infrastructure improvements" to make clear that the new uses for TIF could be used under the general bonding authority of a political subdivision in Sustainable Communities.

**“Report Card” Committee Report
Concentrating Growth Workgroup
December 10, 2012**

BACKGROUND

The committee is working to develop a format for an annual report card that can illustrate the progress Maryland is making in achieving Smart Growth. A comprehensive measurement of both on-the-ground outcomes and policy implementation can inform progress towards achieving Smart Growth in Maryland. Two sets measures to track annual progress towards implementation of Smart Growth in Maryland:

Progress Made

1. Outreach to sister agencies to identify appropriate data points – we have presented draft to Smart Growth Coordinating Committee and discussed in detail with some agencies
2. Identify geographic relevance of input datasets – in progress
3. Develop overall measures that will reference finer data points – in progress

Smart Growth Outcomes

Most of these data items are currently reported by state agencies and represent readily accessible data. This is important because it eases the data gathering process and allows for annual collection.

The committee has identified the need for measures that track policy implementation progress. Outcome-based measures of smart growth, while important to track progress, have three significant limitations:

1. These measures require a significant length of time to demonstrate progress
2. These measures are heavily influenced by outside economic factors.
3. These measures are also subject to funding availability (e.g. land preservation)

Smart Growth Planning, Policymaking & Programming

Measuring planning, policymaking and programming of smart growth implementation can augment the smart growth outcomes to help illustrate how state agencies and local jurisdictions are capitalizing on Maryland’s Smart Growth tools.

Comments Received

See attached table

DISCUSSION/UNRESOLVED ISSUES

1. 2-Year Reporting Cycle
 - a. In order to phase implementation and allow time for data collection as well as a longer period of time to quantify changes in progress towards Smart Growth implementation, a recommendation to lengthen the reporting period to 2 years has been made.
 - b. **Decision Point: Should reporting period be extended to two years?**

- c. In addition to a 2 year reporting period, interim progress goals can be established based on performance to set intermediate targets on the path to achieving the larger PlanMaryland benchmarks.
- 2. 15 Overall Measures in 6 different policy areas
 - a. By conflating data points into larger measures the report can be more concise but rooted in larger datasets. Highlighting specific data point variations can be limiting while discussing a larger measure that reference a few data points can be more easily communicated. This will help for report formatting and developing the associated narrative to discuss a variety of factors that indicate progress in achieving the policy outcomes. The final report will still include tables and associated raw data points for review.
- 3. Capital Budget Expenditures
 - a. Incorporating within each of the policy areas the percentage of overall budget expenditures towards smart growth can help to quantify the fiscal efforts to achieve outcomes.

Next Steps

- 4. Collect and combine data
- 5. Develop report card

Comments on Draft Smart Growth Report Card – December 2012

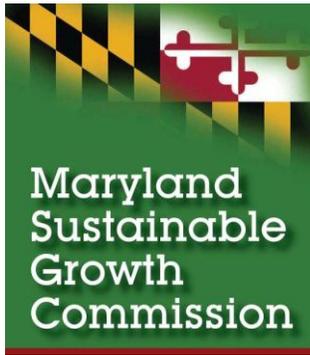
Issue	Comments	Suggestion	Response/Resolution
No local or regional measures	Does not provide local or regional analysis to show where smart growth is truly succeeding, or failing, across the state; Only showing one statewide set of data is not sufficient	The scorecard should be broken down to reflect county-specific goals and achievements. At a minimum, there must be a breakdown into regional indicators	Will focus on state and regional level initially; some counties cannot be fairly compared (e.g. lack of transit); but should have some county level data to be aggregated
Equity concerns	Fails to include issues related to affordable housing, access to jobs, or other equity concerns	“Improving Access to Opportunity” should be a distinct smart growth measure with its own benchmark and suite of data points	Will mine data on affordable housing and access to jobs See Indicators WG work on affordable housing, data was collected in 2011. Access to jobs (jobs/housing balance) was another indicator that the WG struggled with, and in the end, did not recommend a measure for this
	Indicators are too narrowly focused; there is no mention of equity		Have included some equity measures: affordable housing, assess to transit, etc.
Indicators too specific	Uses specific indicators that do not provide real accountability for progress and success		Intent is to show progress (or lack thereof) over time
Concentrating Growth	Needs to include commercial as well as residential parcels/acres in PFA		We can measure commercial parcels and associated acres well (there’s an MDPV extract for this). We have less reliable data about the structures and number of jobs on each parcel.
	The number of “Main Street” businesses opened should clarify whether this includes only businesses in the official Main Street program or other businesses anchoring growth areas; the latter need to be counted somehow		We have data for Main Street businesses in the Main Street program, not overall
	Growth – both residential and commercial – occurring outside PFAs needs to be counted as a negative, to show how the progress on redevelopment compares to overall development. This could be indicated as positive by reporting the percentage of new growth within PFAs		Will look at % of new growth within PFA
	The policy and program data points need to show the results of the programs, not just the adoption of programs. The designation of Sustainable Communities, Main Streets, or Planning Areas needs to be put in context for what success looks like. For example, what is the goal number of designations for these programs, or what is the resulting benefit from this designation, or the investment or policy reform needed to be rewarded with these designations		Initially, because some of these programs are new or because they show intent to do Smart Growth, we want to report on participation/interest in these programs and later will be able to report on outcomes
	“Number of jurisdictions adopting Tiers consistent with SB 236” leaves open significant concerns. For example, what will define “consistent”? How will counties be cited should they adopt maps that are not “consistent”? A better metric would be the percent of rural lands, determined by mapping of lands “dominated by forest and agriculture,” included in Tier IV designations by local jurisdictions		If MDP does not comment, the maps will be consistent; in subsequent reports, we should be able to provide indicators of what is happening within each of the Tiers

Comments on Draft Smart Growth Report Card – December 2012

Issue	Comments	Suggestion	Response/Resolution
Protecting Natural Resources	The acres preserved need to include all preservation programs, such as Rural Legacy, Maryland Environmental Trust, or local programs		Will look at data availability (See Indicators WG work on this, DNR has a running total of protected lands on their website, which is informed by some MDP data)
	“Percent of Priority Preservation Areas preserved” must also track and account for any shrinking by local governments of their PPAs		Agreed
	Under programs, Rural Legacy Areas should include acreage in this program as well as number of Areas		Agreed
	The net effective yield for rural zoning should be included as the most significant indicator of rural preservation. The definition of minor subdivisions should also be listed as an indicator, since this will have significant impact on rural yields under Tier IV designation. In addition, the number of subdivisions and acreage lost in Tier III annually should be included		Some of this information will be available initially; other info will come in later reports. Will look at using MDP Generalized zoning for this? Could look at the % of rural areas in most, moderately, or least protective zones.
Environmental Quality	Air quality statistics is too vague to analyze. The final data point should be based on the connection between dispersed development patterns and the resulting impact on air quality		We will see how we may be able to address this
	Acres of cover crops does not have any connection to smart growth. This is one of many agriculture best management practices that could be tracked, and arguably no more indicative of progress than any other. None of the agriculture practices show whether smart growth is contributing to environmental quality		Acres of cover crops shows level of effort to sustain ag economy, therefore helping to keep it from converting to development
	Stormwater retrofits, particularly reduction of impervious surface, should be included. This data point is reported by MS4 counties as part of their permit		Will see if this data is available. There isn't good statewide impervious cover data. MDE may have info for MS4 counties
	Including retrofits or BMPs “scheduled” to occur is specious; this section should report on funding mechanisms instituted and practices actually in progress or completed		May need to be reported at a later time
Transportation	Complete streets and sidewalk improvements should also be included		Will see if data is available
	Capital investments in key transit programs, such as the Red Line, Purple Line, or the MARC improvement plan should be reported		Will see if data is available
	Other transit services, such as rapid bus lanes and rural bus services, should be reported		Will see if data is available
	multi-modal transportation facilities should be considered in the measurement of “promoting alternative transportation.”		Agreed. There are a few indicators from the Indicators WG related to transportation
	Promoting multimodal transportation – consider acres developed or redeveloped within TODs		This data is generally available.
Economic Development	Economic data points should be distinguished between new jobs and businesses inside and outside PFAs as well as TOD areas		Will see if data is available. The vast majority of jobs are located inside PFAs. Maybe a better indicator is the decentralization of jobs from cities like Baltimore to the suburbs. Jobs in/out of the PFA by itself are probably not a good indicator.
	Development of rural economies, such as farming, heritage and eco-tourism, forestry, and aquaculture		Will see if data is available. This was a specific category

Comments on Draft Smart Growth Report Card – December 2012

Issue	Comments	Suggestion	Response/Resolution
	should be reported		in the Indicators WG work where, in the end, there was no agreed upon indicator.
	draft Scorecard did not include any benchmarks for economic development		Have now included
Ag	economic development measures lacked recognition of the agricultural industry, and economic development measures are silent on the location preference of jobs or the type of jobs		Will see if data is available
PFAs	questioned the attainability of having 90% of new development in PFAs		This is a PlanMaryland benchmark
Other states comparison	Possibly having a comparison of Maryland's smart growth efforts versus other comparable states		This could be part of an overall assessment after looking at some key indicators within the state
Bay	Suggest "restore Chesapeake Bay health" as a benchmark could be more focused to specifically reference the milestones as the primary tool for measuring progress on WIP implementation		Can reference milestones
	Provide a more complete account of the efforts to restore Bay health		Want report to cover broad areas, so will focus on key indicators in various areas
	The accounting for growth policy, BNR requirement for new/replacement septic systems, and increased infrastructure funding through the Bay Restoration Fee and local stormwater utility requirements, etc. are all clearly important elements of smart growth being driven recently by the TMDL/WIP. Not featuring the milestones that measure WIP progress could lead to confusion or substantiate claims of the state being uncoordinated in its approach to addressing growth management issues like minimizing pollution from development.		Will look at how we can include milestones
Revitalization	Community Legacy - # and type of projects; how much money is leveraged		Will see if data is available
Funding	Make budget resources part of each of the other categories		Will do.
Misc	Highlight specific projects/actions that state agencies or locals have initiated/completed		Will make part of narrative



To: Derick Berlage, Chairman, Concentrating Growth Workgroup

From: Ryan Sigworth AICP, Maryland Department of Planning, Rural Growth Subgroup Staff

Subj: Update on Rural Growth Subgroup Activities

Date: December 6, 2012

Our Subgroup was recently rebooted in September of 2012 in order to develop a concentrating growth approach that worked better for rural communities across the State of Maryland. At this point, the subgroup is meeting consistently once each month.

Goal 1: What is a rural community?

1. To develop a different approach to concentrating growth in rural communities, what is the definition of a rural community worthy of policy support and/or funding to concentrate growth in?
 - Our subgroup has agreed that growth needs to be concentrated around existing infrastructure and services. For the purposes of subgroup, a rural community has some sort of local government with some government services such as water and/or sewer as well as schools, police, and fire services. However, what combination of services or lack of services in different types of rural communities has yet to be fully defined.
 - The subgroup identified the need to have a stratified system of smart growth policies for defined rural communities because a “one size fits all approach” does not work in the State of Maryland. Under this system, different policies for different types of rural communities would be implemented to concentrate growth. These policies would vary in strictness based on the category of rural community. The question is: do smaller rural communities (i.e. Hamlets) have stricter smart growth policies to ensure they start on the right smart growth track at the beginning while larger rural communities get receive a little more flexibility. Conversely, should hamlets receive less stringent smart growth policies to encourage development by making it more flexible at the risk of perpetuating a sprawl oriented, cost intensive land use pattern? An argument could be made for both approaches. The subgroup’s latest research article “Modeling Future Development on the Design Characteristics of

December 6th, 2012

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Maryland Traditional Settlements” helps provide a roadmap by creating a Town, Village, and Hamlet rural communities system based on their physical characteristics. The categories will need to be discussed further with the subgroup but this is the direction the group appears to be headed.

Goal 2: Develop policies to support concentrating growth in the different categories of rural communities and limit growth in rural places without infrastructure, services, and capacity to accommodate future growth and economic development

- At this point, our subgroup has not begun to address this goal. After we come to consensus on the categories of rural communities and their definitions, this is the next step.