

Maryland Sustainable Growth Commission Meeting

March 23, 2015/1:00 p.m. to 4:00 p.m.

**Maryland Department of Planning
301 West Preston Street, Suite 1101
Baltimore, Maryland**

Meeting Summary

Members Present:

Jon Laria, David R. Craig, Greg Bowen, Boyd Campbell, Diane Chase, Daniel Calhoun, Jeff Fretwell, Howard Freeland, Carol Gilbert, Alan Girard, Robert Goldman, Don Halligan, Frank Hertsch, Matt Holloway, Gerrit Knapp, Charlotte Lawson-Davis, David Lever, Robb Merritt, Stan Wall and Bruce Williams

Elected Officials:

County Council Member Michael Peroutka

Attendees:

Phil Reeder, Marty Baker, Carol Gilbert and John Papagni

MDP Staff:

Jenn Aiosa, Chuck Boyd, David Dahlstrom, Arabia Davis, Karen Kennedy, Kristen Mitchell, Joe Tassone and Brandon Wright

Welcome and Opening Remarks

The Chair, Jon Laria, welcomed members and guests to the meeting. Mr. Laria provided a brief overview to the members on the establishment of the Commission, the appointment status of some members, and Commission's charge to advise the Governor and the General Assembly on smart growth related matters. He informed the members that some appointments will be up at the end of June 2015, and if they are interested in being reappointed that they should contact Secretary Craig.

Mr. Laria then pointed out that the Sustainable Growth Commission tries to visit jurisdictions throughout the state, but during the Session, the Commission meetings are generally hosted at state owned facilities in Annapolis. This is the first time while hosting a meeting in Annapolis that the Commission has had the opportunity to hear from officials of Anne Arundel County and the City of Annapolis about how they are advancing smart growth in their communities.

The Chair acknowledged Anne Arundel County Council Member Michael Peroutka and Mr. Phil Reeder's presence at the meeting

Mr. Laria went on to congratulate Secretary David R. Craig on his recent appointment to lead the Maryland Department of Planning and acknowledged the large number of boards/ commissions that Secretary is affiliated with.

Secretary Craig thanked the Chair and then introduced the Maryland Department of Planning's new Chief of Staff, Brandon Wright.

Presentation on the City of Annapolis and Anne Arundel County

Mr. Pete Gutwald, Director, and Tom Smith, Chief of Current Planning, for the City of Annapolis Department of Planning & Zoning briefed the Commission on the City of Annapolis's redevelopment and revitalization efforts. Mr. Gutwald spoke briefly on the Planning staff's interest in identifying the best methods to promote redevelopment, yet maintain the historic character of Annapolis. He noted that the City's comprehensive plan identifies areas that are optimal for new land use activities, while protecting the natural and historic character of the City. One of the main goals of the plan is to entice small businesses in the downtown area of Annapolis to stay. The City also recognizes that the waterfront area is critical to achieving their redevelopment efforts.

Mr. Tom Smith spoke to specific projects happening around the City. Mr. Smith noted that their development process is intended to facilitate higher quality development for both the developer and the surrounding neighborhood. He stated that up to 90% of the subdivision projects submitted to his office by developers welcome the chance to go through the planning process. One such project was the relocation of the Anne Arundel Medical Center to accommodate the growing needs and services of the patients being served. In 2001, the hospital decided to consolidate its services and move all of its patient operations to one central location on Jennifer Road. The move afforded the City and County an opportunity to save 3 historic structures that were built in 1910. Parts of the old Anne Arundel Medical Center were demolished in 2004 to provide an opportunity for what has been described by many as "one of the largest redevelopment efforts" in the City of Annapolis. The developer for this project was Madison Homes. The developer was able to arrive at a compromise with the impacted community after 2 years and was able to move forward with the demolition and construction of the planned residential units. The primary goal was to identify a creative method to ensure that the new units would be suitable to existing structures in historic Annapolis.

Question: Does the City of Annapolis have an APFO and is it different for Schools?

Yes, the City of Annapolis does have an APFO; however, it does not address schools. By way of contrast the County does have a schools' APFO. The City planning officials are working together with the County to create an APFO for schools.

Mr. Larry R. Tom, Director of the Anne Arundel County Department of Planning and Zoning provided an overview of the redevelopment activities taking place in the County. He discussed the diversity of the land use patterns found in the County. Mr. Tom mentioned that the drafting of the Anne Arundel Comprehensive Plan will be coordinated with the City of Annapolis' Plan update. He noted that Anne Arundel County has many assets, including

- the BWI airport receives around 23 million passengers a year;
- the City of Annapolis serves as a beacon for attracting tourist from around the world;
- the recently constructed MD Live Casino and the City of Annapolis are recognized by county officials as assets because of the revenue that is collected because of the tourist that are attracted to the county. The county is currently examining the prospect of building a 300 - room hotel; and
- the significant portions of the County south of Route 214, which includes significant green and open space areas, and are planned for low density development and rural resource protection.

Most of the development will happen in the western portion of the County. Current trends show that much of the County's future development will occur through infill redevelopment.

Question: Will much of the green areas on the map change over time?

Some parts of the county, particularly south of Route 214 will remain green. Areas north of Route 214 will change over time, particularly those areas along the major corridors.

If the green area does not have an easement then will it be viewed as a large area for redevelopment?

Anne Arundel County has secured a good deal of land through an easement. SB236 and Tier designation discourages smaller tracks of land from being developed. It is unlikely smaller lot development would be permitted in the rural areas, as such any zoning change would likely run into significant opposition.

How did BRAC help?

Anne Arundel County has five designated town centers that encourage mixed used development. A lot of the commercial activity along Riva Road occurred as a result of BRAC. The county is committed to reinvesting in the Odenton Town Center area. BRAC has been the catalyst for much of this development, and the county would like to make sure development opportunities exist and that infrastructure is in place to support the growth in these areas.

Is the City/County comfortable with the current zoning code?

The last major update to the zoning code was done in 2005. In 2010, the county adopted storm-water provisions. Consideration may be given to re-tweaking the code in 2015/2016.

Does the county have their own land/preservation program?

Yes, the land/preservation program is under Anne Arundel County's Recreation and Parks Division.

What percentage of the rural area is preserved?

About 1/3 of the area is preserved.

Other Commission Administrative Matters

- Reminder: 2015 Financial Disclosure Filing Deadline is April 30, 2015
- 2015 Meeting Schedule was provided in the meeting packets. Please note that the meeting locations will be confirmed at a later date.
- Mr. Greg Bowen debriefed the Commission on the Third Annual Forum and Awards Ceremony. Mr. Bowen stated that the venue was good location and the President's Conference Center in the Miller Senate Building in Annapolis was an excellent choice of a venue to host the ceremony. Staff estimated that between 120 to 125 people attended the event.

Mr. Laria concurred that the venue was a good selection; however, attendance was not terrific. He encouraged staff and the Planning / Selection Workgroup to identify ways to boost participation from the Commission and dignitaries of the General Assembly. Mr. Laria noted that a very large contingency from the City of Laurel attended the ceremony on behalf of Karl Brendle. Commission members were informed that the award videos will be available for viewing at the end of the meeting and that they were viewable from the Commission website. There are a total of 8 awards recipients.

Former Governor Ed Rendell delivered a provocatively interesting Key Note address.

- Mr. Laria acknowledged that the 2015 Sustainable Student Growth Awards Ceremony was outstanding. The consensus is that the student projects are getting better and better each year.

2015 General Assembly Session

Mr. Laria invited State representatives to share their agencies' legislative / budgetary priorities

The Maryland Department of Planning & Maryland Department of Housing and Community Development are monitoring the following bills:

- HB 182: Housing - Community Development Administration - Residential Mortgage Loans, sponsored by Delegate Stephen Lafferty passed with a 135 to 0 vote. This bill is moving to the Senate on 03/24/2015. This bill proposes to increase the income restrictions to allow monies to be made available in targeted community with sustainable communities' designation.
- HB 335: Property Tax – Credits for Property in Neighborhood Conservation Area, sponsored by Delegate Stephen Lafferty. This bill proposes to extend the existing property tax credit through 2020.
- HB 820: One Maryland Economic Development Tax Credit – Distressed Municipal Corporations, sponsored by Delegate Stephen Lafferty. This bill proposes to expand the tax credit to qualified businesses, if they are located in a stressed county.
- HB 916: Economic Development – Community Revitalization and Improvement Zones, sponsored by Delegate Brett Wilson. This bill would authorize a county to establish, by local law, a specified contracting authority for the purpose of designating a community revitalization and improvement zone for construction of specified facilities; establishing an application process within the Department of Business and Economic Development for designating a zone, etc.
- HB 500: Sustainable Communities Tax Credit – Residential Units for Lower-Income Individuals, sponsored by Delegate Keith Haynes. This bill proposes that a rehabilitation with at least 30 residential rental units is ineligible for the Maryland Sustainable Communities Tax Credit unless the individual or business entity seeking the certification agrees to set aside at least 10% of the residential rental units as housing for households whose median income does not exceed 60% of the area median income; and applying the Act to initial credit certificates issued on or after July 1, 2015.
- HB 919: Land Use – Plans – Development and Adoption, sponsored by Delegate Lafferty. This bill proposes to authorize the legislative body of a local jurisdiction to adopt, modify, remand or disapprove a specified plan or part of a plan, a plan for one or more geographic sections or divisions of the local jurisdiction, or an amendment to the plan; authorizing and requiring the legislative body to hold a public hearing before taking specified actions; requiring a planning commission to hold a public hearing before submitting a new recommended plan under specified circumstances; etc.
- SB 863: Watershed Protection and Restoration Programs – Revisions, sponsored by Senator Thomas V. Mike Miller. This bill proposes to repeal the requirement that a specified county or municipality adopt and implement local laws or ordinances necessary to establish a watershed protection and restoration program; exempting a specified county from specified provisions of the

Act; authorizing a specified county or municipality to adopt and implement local laws or ordinances necessary to establish a watershed protection and restoration program; etc.

- Budget - MDP received a reduction to the total amount allocated to the Sustainable Communities Tax Credit. In 2016 there will be \$1 million dollars less.

Regarding the Program Open Space budget, is the funding stream by way of bond or state debt?

The Program Open Space is financed through the transfer tax; bonding authority has been eliminated.

How are counties responding to the diminishing funds?

No one was able to report on how the counties will respond to this issue.

The Maryland Department of Agriculture is monitoring the following bills:

- HB 2: Income Tax Credit – Preservation and Conservation Easements, sponsored by Delegate Dana Stein. This bill proposes to alter specified provisions of law concerning a credit against the State income tax for preservation and conservation easements to allow specified persons to claim the credit for an easement conveyed to the Maryland Environmental Trust, the Maryland Agricultural Land Preservation Foundation, or the Department of Natural Resources under specified circumstances; requiring the Maryland Environmental Trust to report on the effectiveness of the tax credits to the General Assembly on or before December 1, 2017, etc.

The Maryland Department of the Environment is monitoring the following bills:

- Jeff Fretwell reported on SB 863: Watershed Protection and Restoration Programs. MDE is monitoring the discussion on the proposed revisions very closely. Several Commission members expressed concern that if the “Rain Tax” is repealed that it could cause local governments to shift the burden of paying for needed stormwater facility improvement to new development.

The Maryland Department of Transportation is monitoring the following bills:

- Don Halligan highlighted a number of bills being considered that address local funding from highway maintenance.

Maryland State Public School Construction Program is monitoring the following bills

- A bill proposes to dedicate \$20 million of State funds to school systems with more than 160,000 students.
- SB490/HB923: Capital Grant Program for Local School Systems with Significant Enrollment Growth or Relocatable Classrooms, sponsored by Senator Nancy King. This bill carves out \$20 million for schools with large growth or relocatables. This bill may be modified.

Dan Calhoun expressed concern that Project Open Space (POS) is not adequately being funded. Bruce Williams added that there was a concern at the local level of potential claw-back of POS funding

Overview of the Adequate Public Facilities Workgroup Activities

Frank Hertch and David Dahlstrom provided an overview of the Adequate Public Facilities Workgroup activities

Mr. Hertsch noted the APFO standards vary from place to place throughout the state. Jurisdictions with adopted APFOs are supposed to report on its impact to MDP every two years. To date, very few jurisdictions have identified development being impeded by APFOs. It is unknown whether the information is not being reported because there is not a problem or just a lack of reporting. APFOs in

terms of overall growth in sustainable communities adds little more knowledge to the decision making process.

Where is the APFO heading? Will there be better reporting than we have now?

- Reporting on the impact of APFOs is better than in the past, but MDP is working to make it easier for jurisdictions to report with greater accuracy. Mr. Bowen stated that he would like to see APFO reporting to be elevated to the level similar to BayStat, where the data is maintained and used to inform people about the quality of life in their community.

In the interest of time, Mr. Laria suggested that individuals with an interest in this subject matter schedule a conference call to establish a work plan for moving the APFO Workgroup efforts forward.

Briefing on the Reinvest Maryland Mr. Laria reported that he has been speaking to a number of groups about the Reinvest Maryland report and received strong support for its recommendations. Kristen Mitchell briefed the Commission on MDP's efforts to study the return on investment benefits of redevelopment, which will measure the tax yield of development on a per acre basis. Ms. Mitchell also stated the Education Workgroup will develop a broad education strategy for several of the Reinvest Maryland initiatives.

The Maryland Municipal League will be hosting a roundtable discussion at the summer conference for State Secretaries to talk about Reinvest Maryland implementation efforts. MDP will coordinate this event.

Presentation on the National Center for Smart Growth's PRESTO (Plan for Regional Sustainability Tomorrow) Project

Mr. Gerrit Knaap provided an overview on the National Center for Smart Growth's PRESTO Project.

According to Mr. Knaap, the state has a mandate to oversee the transportation and land use plan. At the state level, these policies include Maryland's nationally acclaimed Smart Growth and Neighborhood Conservation Acts, the Smart, Green and Growing Acts, the Greenhouse Gas Reduction Act, the federally mandated Watershed Implementation Plan, the Sustainable Growth Agricultural Preservation Act, as well as other important acts, executive orders, and plans. In addition, the state set ambitious goals for doubling transit ridership by 2020, cutting greenhouse gas emissions 25 percent by 2020, and reaching a tipping point for restoring the Chesapeake Bay by 2025.

Over the past several decades, the State of Maryland has adopted some of the most progressive and aggressive land use environmental policies in the nation. To monitor the efficacy of these policies, the state has also made substantial investments in data collection and advanced analytical models.

PRESTO is a multi-year scenario analysis and planning effort that will document existing conditions and trends and develop scenarios that could lead to a more sustainable future for Maryland and the Baltimore-Washington region.

Workgroup Updates

- **Adequate Public Facilities Workgroup**
A copy of workgroup memo included today's packet.
- **Concentration Growth Workgroup**
A copy of workgroup's report is included in today's packet. The group is interested in suggestions from members of the Commission and from the new Administration and the

Secretary of MDP. Mr. Berlage said he was hoping for some feedback and plans to have a handout at the next Commission meeting. This will be in the form of an on-line report.

- Rural Economics Workgroup

A copy of workgroup's report is included in today's packet. This group will be meeting every other month either in person or by phone.

Public Comments

Joe Tassone is working diligently to have an online copy the Indicators/Status Check report accessible for the Commissioner's review by April 9, 2015. Feedback is welcome and an update will be provided to the Commission prior to the next Sustainable Growth Commission meeting on May 11, 2015.

County Council Member Michael Peroutka thanked the Commission and stated that he would like to continue to be kept abreast of what the Commission is doing.

Chairman Laria adjourned the meeting at 4:00 p.m.