Planning and Smart Growth Transition Workgroup
O'Malley – Brown Transition Team

"Making Maryland the National Leader in Planning and Smart Growth"

Chairpersons
Larry Giammo - Mayor, Rockville
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Strategic Findings

Growth: The Central Issue of Our Time

The management of growth is arguably one of the most significant issues facing the State of Maryland. Over at least the last two decades, the negative impacts of growth have become significantly more pronounced:

– Maryland's families face worsening traffic congestion. Maryland's traffic congestion is now among the worst in the nation.

– School overcrowding is pervasive. The number of "portable classrooms" in use in Maryland is unprecedented.

– Open space continues to be lost to new development at an alarming rate.

– The health of the environment, and most notably the Chesapeake Bay, are increasingly threatened. Without significant action, this trend may become irreversible.

As a state, we are at a critical juncture. The quality of life for Maryland's families and, in many ways, the future of the state generally, is at stake.

A Call to Action

In regard to the management of growth and its impacts, the status quo is not sustainable. Obviously, the issue of managing growth is a complex one, involving all levels of government and a wide range of stakeholders. However, without a significant, meaningful change in approach, the negative impacts of growth will only worsen.

Some initial progress was made during Governor Glendening's administration, with his focus on "smart growth" and the creation of new cabinet-level mechanisms for bringing attention to the issue. It is important to recognize and acknowledge those important first steps taken by Governor Glendening. However, the Planning and Smart Growth Transition Workgroup (henceforth referred to as "Workgroup") strongly believes that it is imperative for the state government to now go well beyond simply reconstituting Governor Glendening's initial efforts.

For meaningful progress to be made on the issue, the state government must step up and play a true leadership role in managing growth and its impacts. As such, the Workgroup developed a set of recommendations that, taken together, represent a strategic growth-related agenda for the state government that will take the pursuit of "smart growth" to the next level in terms of commitment, focus and the achievement of tangible results.

Defining "Success"

Assuming agreement on the need to take action in regard to managing growth and its impact, the obvious question is "What outcomes are we trying to achieve?"

From a very pragmatic standpoint, the underlying goals of any growth-related agenda for the State of Maryland should include:

 # 1   Reduce traffic congestion and travel times

 # 2   Reduce school overcrowding

 # 3   Preserve open space, and

 # 4   Protect the environment

From a strategic perspective, a **fifth goal** that needs to be front and center, and that perhaps represents the single most defining characteristic of "smart growth," is "**high return from infrastructure investments**." In other words, "get the most bang for the buck" from the resources that government has available to invest in new infrastructure.

Sprawl development is the biggest impediment here. The same population, spread across a very wide area, is significantly more expensive to serve, in terms of infrastructure, than if it were more highly concentrated in a smaller area. With sprawl:

– Significantly more road capacity and a more extensive road network are needed. People, on average, have to travel longer distances and to places across a much wider geographic area.

– Mass transit, potentially a much more economically efficient way to move people, is not viable, due to a lack of critical mass of riders along potential origin-destination combinations.

Beyond the five goals indicated above, an endless debate is possible over exactly what else could or should serve as the framework for a new growth-related agenda for the state government. That said, the Workgroup suggests that the following ten principles, or their equivalent, be included at the heart of any new growth-related agenda:

Ten Principles for Achieving Sustainable, Balanced Growth

In order to keep infrastructure and growth aligned as part of a larger smart growth vision…

1. **Infrastructure investment decisions are explicitly targeted to support desired future growth:**

   a. Desired future growth (types, locations, timing) is explicitly identified.

   b. Infrastructure necessary to support desired future growth is explicitly identified (e.g., roads, transit, schools, water, sewer, police, fire and rescue, parks, etc.).

   c. The commitment to invest in the new infrastructure needed to support desired future growth is consistent over time.

2. **Development approvals are explicitly linked to infrastructure investment decisions:**

   a. Growth is allowed where and when there will be sufficient infrastructure.

   b. Growth is not allowed where and when there will not be sufficient infrastructure.

In order to focus growth in order to minimize sprawl and maximize the return on infrastructure investments, and to be an environmental leader…

3. **New growth is concentrated in higher density urban areas that are well served by transit and other transportation options, and that offer a high quality of life.**

4. **Open space and undeveloped land is aggressively preserved and protected.**

In order for people to be better able to afford to live near where they work…

5. **Job creation and housing creation are balanced.**

6. **Every community offers a range of housing options (by price, especially).**

In order to ensure that new growth results in net positive community impacts…

7. **New development is held to high standards so that the only new development that is permitted is that which will enhance a community's quality of life.**

In order for every community to have its own unique and special identity…

8. **Every community is able to fully leverage those historic, cultural, natural and other assets that are unique to that community.**

In order to ensure transparency and accountability in growth management decisions...

9. **Stakeholders have ample opportunity to be fully informed about, and to fully participate in, land use decisions affecting their community and quality of life.**

And, finally, accomplishing all of this on a strategic, comprehensive basis presumes...

10. **Growth is managed on a regional basis, with the federal, state, county and city governments working together in close partnership.**

Aspiring to Make Maryland the National Leader

The Workgroup developed its recommendations with the presumption that there would be the explicit desire on the part of the new administration to:

a. Address the growth-related challenges facing Maryland,

b. Have the state government assume a true leadership role in managing growth and its impacts, and most significantly,

c. Make Maryland the national leader in planning and smart growth

The Workgroup recognizes that its recommendations, especially when taken together, will be neither simple nor easy to fulfill. However, the Workgroup felt strongly that unless the state government aimed high and would put forth a significant, comprehensive effort, the positive outcomes achieved in terms of residents' daily lives and quality of life would be minimal.

The Workgroup identified six strategic imperatives that its members believe are critical in order for Maryland to achieve meaningful results. Associated with each of these six strategic imperatives are a range of more detailed objectives, plus recommendations for action (provided later in the report).

Strategic Imperatives

 # 1 Define a Smart Growth Vision for Maryland – A clearly defined vision, with explicit goals and objectives, are an absolute prerequisite for an effective strategy for managing growth and its impacts on a comprehensive, regional and proactive basis. At present, there is little clarity, other than what can be gleaned from a range of existing (and largely unconnected) programs, initiatives. etc.

 # 2 Align State Government with a Smart Growth Vision – A majority of state agencies potentially have a meaningful role to play in helping to move the state toward achieving a smart growth vision. Explicit coordination, discipline and accountability among all state agencies are necessary. In addition, the state government as a whole needs to lead by example in regard to smart growth.

 # 3 Align Local Governments with a Smart Growth Vision – Regional coordination among all levels of government is essential in order to achieve sustainable, balanced growth in Maryland. At present, that coordination is sorely lacking. In addition, some local jurisdictions may lack the resources or expertise to effectively incorporate smart growth principles in their planning and land use decisions.

 # 4 Build Strong, Smart Growth Communities – Smart growth is premised on concentrating new growth in higher density urban areas that are well served by transit and other transportation options, and that offer a high quality of life. Therefore, it is essential that the communities that would potentially "receive" additional growth are healthy, inviting to potential new residents, and have the necessary urban infrastructure. The state government can have a much greater impact in helping to build strong, smart growth communities by better coordinating and targeting its efforts, and by working directly with local communities on an individualized basis.

 # 5 Recast MDP to Achieve Maryland's Smart Growth Agenda – Successfully pursuing an ambitious smart growth agenda will require the state government to be resourced and configured for the purpose. Arguably, MDP is the most appropriate agency within state government to provide the leadership needed for any smart growth efforts. The department will require an explicit redefinition of its mission, roles and responsibilities, and will need the resources needed to achieve success.

 # 6 Pursue Smart Growth Legislative Priorities – Growth is quickly becoming a prominent issue within the state legislature. In addition to working more closely with the legislature in crafting new legislation legislators may wish to initiate, the administration should proactively pursue at least several legislative priorities in the 2007 session. Other potential legislative priorities have been identified for action in the 2008 session or beyond.

Performance Management

Although not a separate strategic imperative, performance management is integral to the successful pursuit of a smart growth agenda. Associated with each of the strategic imperatives are recommendations that speak to the importance of:

– Identifying appropriate outcomes metrics

– Establishing explicit targets for all desired outcomes and associated initiatives

– Regularly assessing performance against targets in order to bring transparency and accountability to all smart growth related efforts

In particular, the Workgroup strongly believes that the "stat process" established in the City of Baltimore could potentially be applied to great effect in at least several different ways as part of an overall smart growth strategy.

The Governor's Role

The Workgroup respectfully suggests that in order for the state government to successfully take the pursuit of "smart growth" to the next level in terms of commitment, focus and the achievement of tangible results, the Governor will need to play an active, visible role. The Workgroup has identified these opportunities through which the Governor could have the most significant positive impact:

❑ Resolve to make the achievement of smart growth in Maryland a top priority, and convey that resolve directly to all department secretaries

❑ Serve as the chair of a new Smart Growth Cabinet, with the Secretary of Planning and Smart Growth presiding in the Governor's absence

❑ Regularly participate in the "stat processes" associated with the strategic imperatives of a) aligning state government with a smart growth vision, and b) building strong, smart growth communities

❑ Be a highly visible champion of smart growth by speaking on the subject to audiences across Maryland

Finally, the Workgroup respectfully asks for an opportunity to meet with the Governor for an hour to directly present its findings and recommendations, and to discuss any questions or ideas the Governor may have.

Workgroup members appreciate the opportunity to provide input on addressing the state's growth-related challenges and stand ready to further support the administration's efforts, if desired.

General Introduction

In response to a request from Governor Martin O'Malley and Lt. Governor Anthony Brown, over 40 concerned residents of Maryland volunteered to serve on the Planning and Smart Growth Workgroup Transition Team. Governor O'Malley and Lt. Governor Brown asked Mayor Larry Giammo and Tony Okolo to serve as co-chairs of the Workgroup.

The workgroup developed 58 recommendations geared to making Maryland the national leader in planning and smart growth. These recommendations fall under six broad strategic imperatives:

 # 1 Define a Smart Growth Vision for Maryland

 # 2 Align State Government with a Smart Growth Vision

 # 3 Align Local Governments with a Smart Growth Vision

 # 4 Build Strong, Smart Growth Communities

 # 5 Recast MDP to Achieve Maryland's Smart Growth Agenda

 # 6 Pursue Smart Growth Legislative Priorities

To complete its work, the Workgroup:
– Met three times
– Divided itself into six teams, corresponding with the six strategic imperatives above; each team took the lead in developing and writing recommendations for their area
– Met with Audrey Scott, Secretary of MDP and members of her senior staff in order to obtain information about MDP and its activities, both present and past.

The Workgroup would especially like to thank Izzy Patoka, who provided invaluable support and assistance to the Workgroup and its members.

Strategic Imperative #1:
Define a Smart Growth Vision for Maryland

Introduction

In communities across the nation, there is a growing concern that current development patterns – dominated by what some call "sprawl" – are no longer in the long-term interest of our cities, existing suburbs, small towns, rural communities, or wilderness areas. Though supportive of growth, communities are questioning the economic costs of abandoning infrastructure in the city, only to rebuild it further out. Spurring the smart growth movement are demographic shifts, a strong environmental ethic, increased fiscal concerns, and more nuanced views of growth. The result is both a new demand and a new opportunity for smart growth.

The features that distinguish smart growth in a community vary from place to place. In general, smart growth invests time, attention, and resources in restoring community and vitality to center cities and older suburbs. New smart growth is more town-centered, is transit and pedestrian oriented, and has a greater mix of housing, commercial and retail uses. It also preserves open space and many other environmental amenities.

In the theme of One Maryland, the stronger our urban areas are, the stronger our rural areas will be. The stronger our rural areas are, the stronger our urban areas will be. This is the inherent balance of Smart Growth.

Smart Growth at its core results in initiatives that promote growth in a more thoughtful manner. It ensures that families spend more time together and less time in traffic. It also fosters the preservation of open space and opposes unreasonable developments which may threaten the Chesapeake Bay.

1.1 Determine Smart Growth Goals

Recommendation #1:   Define desired smart growth qualitative outcomes and develop associated quantitive measures.

"Smart growth" has come to mean many things to many people. An essential anchor for any smart growth agenda or strategy is an explicit determination of exactly what outcomes are desired and will be pursued. In addition, in order to be able to gauge progress toward achieving those desired outcomes, it is necessary to identify a quantitative metric or metrics for each desired outcome.

It was not within the Workgroup's scope of work to develop the definitive list of desired outcomes and associated quantitive measures. However, the Workgroup does recommend examining the scorecard development efforts by Oregon and Boston for assessing some of the same factors that Maryland's state government would potentially include in its own performance management system related to smart growth and community development. More information on these examples can be found at:

Oregon: http://www.oregon.gov/DAS/OPB/obm.shtml

Boston: http://www.tbf.org/indicatorsProject/

Given how foundational this first recommendation is to all other smart growth-related efforts that might follow, the Workgroup suggests the identification of desired outcomes and associated metrics be done systematically and involve a wide range of stakeholders. However, the Workgroup further strongly advises that the ultimate list of outcomes and metrics be kept to a manageable number. The risk is that by measuring too many things, it is possible to lose sight of the bigger picture and the broader positive impacts that are important to achieve.

Implementation Time Frame: ✓ **Year 1** ____ **Years 2 – 4**

Recommendation #2: <u>**Establish an explicit target for each desired outcome.**</u>

The establishment of targets provides the basis for a) defining success, b) gauging progress, and c) establishing accountability. Again, as with recommendation #1, the establishment of actual targets was not within the Workgroup's scope of work.

Implementation Time Frame: ✓ **Year 1** ✓ **Years 2 – 4**

1.2 "Make the Case" for Smart Growth

Recommendation #3: <u>**Develop effective education and communication strategies regarding Smart Growth principles and benefits**</u>.

The communications strategy around Smart Growth needs to be centrally located with the Office of Smart Growth or similar office within the Governor's office (it may be with MDP). It needs to be coordinated with the Governor's general press and speech writing operations. Because Smart Growth touches on so many different issues and different state agencies, the

communications strategy by necessity must have the cooperation of public information officers in each of the Smart Growth Sub-Cabinet agencies or Stat processes. Also, because Smart Growth can be seen as a broad organizing principle for much of what state government does, the communications effort should be intertwined with most of the governor's other speeches, announcements and programs.

Smart Growth should also be recommended as part of the curriculum for schools throughout Maryland.

Implementation Time Frame: ✓ **Year 1** ✓ **Years 2 – 4**

Recommendation #4: **The Governor be a highly visible champion for smart growth**.

The most important aspect of this recommendation is that it assumes buy-in from the Governor. He must agree to the importance of this effort and be the major spokesman for the communications effort. Through his leadership, cabinet secretaries and their respective press offices must be encouraged to support and participate in the effort. This must be a team approach to be successful. John Kotter from the Harvard Business School has outlined key components of such a strategy, including:

- o Communicate urgency;
- o Develop a compelling vision for an alternative
- o Constantly communicate the new vision
- o Find and leverage catalytic projects
- o Work to change systems and structures.
- o Generate short-term wins
- o Embed the changes in the culture
- o Consolidate gains and build on them.

Give awards and seek awards. Restore and emphasize the annual state Smart Growth awards to highlight successful developments, successful regional cooperation, successful transit systems, etc., and to broaden the momentum you are creating. Similarly, the Governor's staff should actively (but quietly) seek awards and outside recognition for the Governor's work in this area. Such outside affirmation will help prove to the public and doubting legislators that the state is on the right course.

Implementation Time Frame: ✓ **Year 1** ✓ **Years 2 – 4**

Align State Government to Achieve Smart Growth Goals

Introduction

Because the state's annual capital spending for infrastructure like roads, bridges, schools and open space preservation amounts to billions of dollars, it has a big impact on the economy. And since our 1997 Smart Growth law, the state must pay attention now to where it spends that money – guided by the boundaries of our Priority Funding Areas. These capital spending decisions in turn influence where the private sector wants to locate housing and jobs. The effects big capital spending projects have – such as a new road or new Metro Line – must be given careful thought and guidance so that they become congestion relieving measures and induce growth only in the locations we consciously decide ought to grow.

Although a law passed in the 1970's called for one, Maryland never has had a comprehensive State Plan. The 1992 "Growth Act" put forth eight "visions" to guide where and how future development was to take place and the 1997 Smart Growth Law brought us to our Priority Funding Areas, but many thoughtful citizens feel that the signals they give state government are far too ambiguous and need much greater clarity. As the controversy over the ICC highway shows, even with these laws on the books, it is hard to achieve consensus about the effects the state's spending decisions will have on our future growth patterns. That is why we need a Smart Growth Strategic Plan for Maryland.

2.1. Establish Clear Direction for State Government

Recommendation #5:   Develop a smart growth strategic plan for Maryland with a 30-50 year transportation plan as a core element.

In order to implement Maryland's Smart Growth Vision, we need a Smart Growth Strategic Plan or road map for state government, showing how we get "there." In developing this Strategic Plan we need to consider the input and count on the cooperation of all government departments and agencies and the general public, especially those which have the greatest impact on the location and timing of future development:

- o   Department of Planning
- o   Department of the Environment
- o   Department of Agriculture
- o   Department of Health & Mental Hygiene
- o   Department of Transportation
- o   MD Transportation Authority
- o   Department of Budget and Management (Office of Capital Budgeting)
- o   Department of General Services
- o   Department of Education: Public School Construction

- o Department of Business and Economic Development
- o Department of Housing and Community Development
- o Department of Natural Resources

Providing the proper funding and staffing for the development of this Strategic Plan will be crucial. The effort will be based in the Smart Growth Office of the Department of Planning and Smart Growth, with extra focus and follow through provided by the Special Assistant for Smart Growth/Deputy Chief of Staff in the Governor's office as well as the Smart Growth Cabinet or Stat itself. Funding will have to be at least at 2000-2001 levels.

> **Implementation Time Frame:** __✓_ **Year 1** ____**Years 2 – 4**

Recommendation #6:   Develop smart growth goals and performance measures in collaboration with all appropriate departments and agencies.

This recommendation is necessary to ground the Smart Growth Strategic Plan in the reality of the historic mission of each agency, giving them something to place "over the doorway" as they go about their regular tasks, and making sure the necessary *alterations* in the mission are fully articulated. The Performance Measures enable the agency staff to see how well they are doing in meeting the Goals.

While the initiative for the effort will most likely originate in the Office of Smart Growth in the Department of Planning and Smart Growth, the key word and guide is "collaboration" so that agency staff bring their operational realities to bear on the Goals they will make part of their ongoing "work ethic." The Office of the Special Assistant for Smart Growth and the Director of Planning and Smart Growth and/or the Special Assistant for Smart Growth/Deputy Chief of Staff in the Governor's will have oversight roles to make sure everyone is on board and on the same page.

> **Implementation Time Frame:** __✓_ **Year 1** ____**Years 2 – 4**

Recommendation #7:   Develop smart growth education and training strategies for the key staff in all appropriate departments and agencies.

This recommendation brings the Strategic Plan and Goals of Smart Growth down to the personal implementation and "buy-in" level for the day-to-day staff. Even with the whole-hearted cooperation of Department/Agency Directors, workshops and face-to-face discussions with key staff will be necessary to bring everyone on board and on the same page with a new Governor committed to Smart Growth. This may be achieved through a Stat process.

The revitalized Office of Smart Growth in the Department of Planning and Smart Growth will take the lead in this task, and so they need to have the appropriate staffing and funding to successfully carry it out. The National Center for Smart Growth at our own University of

Maryland could be called upon to lend a hand with this effort, as well as the Academy for Excellence, based in the University of Maryland's Institute for Governmental Services (IGS), also in College Park.

Implementation Time Frame: __✓__ Year 1 _____ Years 2 – 4

Recommendation #8: **Establish a "BRAC" coordinator with multi-agency authority to develop and implement a strategic response plan.**

The federal government's "BRAC" (Base Closure and Realignment Commission, 2005) efforts will result in tens of thousands of federal employees newly working in Maryland, concentrated in the vicinity of Ft. Meade and the Aberdeen Proving Grounds. This sudden concentration poses all the basic Smart Growth challenges of integrating work and home locations, transportation and services on an expedited basis and calls for a special focus in Maryland's governmental response.

We recommend that the BRAC Coordinator come from the newly reorganized Department of Planning and Smart Growth and be given a seat on the Smart Growth Cabinet or Stat process in addition to the Department's key role in Chairing the Cabinet. A key consideration in the development of this position will be the acknowledgment of the authority necessary to carry it out. This should be done informally by the Smart Growth Cabinet/Stat, with its importance stressed by the seat it will be given at the table. When funding and staffing is considered for the Department of Planning and Smart Growth, this new position must be given the means to successfully carry out its mission.

Implementation Time Frame: __✓__ Year 1 _____ Years 2 – 4

2.2 Achieve Coordination Across State Government Agencies

Recommendation #9: **Establish a Smart Growth Cabinet with secretaries from all appropriate departments, and chaired by either the Secretary of the Department of Planning and Smart Growth or the Governor's Special Assistant for Smart Growth (or establish a "stat" process for coordination).**

The Smart Growth Cabinet is a subset of the members of the full Cabinet, designed to give extra focus and direction to the task of Coordination Across State Government for the purpose of achieving Maryland's Smart Growth Vision and following the Smart Growth Strategic Plan.

At both the symbolic and practical level, because of the scope and funding power of state government, its ability to "get its act together" to achieve the Smart Growth Vision sends a

powerful signal to the county and local governments across Maryland as well as the private sector. This "signaling" starts at the very top of state agencies and can positively influence the spirit and conduct of governments across the state. Because the Smart Growth Cabinet meetings have a model and precedent in the broader Cabinet meetings, there should be no special implementation problems.   This may also be achieved through a Stat process.

Implementation Time Frame: ✓ Year 1 ____ Years 2 – 4

Recommendation #10: Establish a "Smart Growth Stat" program to regularly assess all department's performances against smart growth goals.

Assessment and measurement of performance as it relates to goals is important to all organizations and especially to government agencies. So we need to know how Departments are doing in achieving the goals highlighted in **Recommendation #6.** This will provide standards and yardsticks for the Department of Planning and Smart Growth, the Smart Growth Cabinet, the office of Special Assistant for Smart Growth and the Governor himself. And, of course, most importantly, the citizens of Maryland. The Program should be facilitated by the Office of Smart Growth, Department of Planning and Smart Growth or a Deputy Chief of Staff and report to each of the relevant Smart Growth Cabinet Department Heads as well as its own Director and the Office of Special Assistant/Deputy Chief of Staff in the Governor's Office. In addition to its structural and institutional logic, this Program will add stature to the Department of Planning and Smart Growth in its relationship with other agencies because it will now sit, in some measure, in judgment of their performance. This is both a symbolic and practical step along the way to achieving the Smart Growth Vision. Appropriate staffing and funding will of course be crucial.

Implementation Time Frame: ____ Year 1   ✓ Years 2 – 4

Recommendation #11: Evaluate proposed state government capital expenditures and grants as it relates to smart growth goals and require conformance.

This is a more focused refinement of Recommendation #10, and is brought to bear especially upon those Capital Expenditures and Grants related to major physical infrastructure proposals, like state buildings and roads, bridges and tunnels and state aid to counties for their comparable projects, including schools. Because of the extensive nature of the function involved, it should occur at multiple locations, with a "safety valve," "redundant review" aspect to it. The major responsibility, however, should be with the Office of Smart Growth in the Department of Planning and Smart Growth, but it also rests with those offices within Departments and Agencies that carry out planning functions, such as the Office of Planning within the state Department of Transportation. But major responsibility also lies with the Smart Growth Cabinet/Stat who will provide "down the chain of command" guidance and

"end of the agency process" oversight. This is a crucial task and function and must be given the funding and staffing adequate to its importance.

Implementation Time Frame: _____ **Year 1** _✓_ **Years 2 – 4**

Recommendation #12: **Evaluate proposed legislation as it relates to smart growth goals.**

Maryland's Smart Growth Vision and Strategic Plan will need new legislation along its path to achievement, and legislation originating *outside* the focus and parameters of the Smart Growth Cabinet Agencies must be analyzed for its impact. This is an important aspect of state coordination and ties in directly with Recommendation # 13, below. The function of evaluation should be primarily based in the Office of Smart Growth in the Department of Planning and Smart Growth, but again, as in Recommendation #10, there should be redundant oversight from the Cabinet Secretaries and their Departments' planning offices or through a Stat process. This is a basic coordination effort common to all effective state governments and their governors, and so does not present special problems, just a specific focus on the mission at hand.

Implementation Time Frame: _✓_ **Year 1**_____ **Years 2 – 4**

2.3 Achieve Coordination Between the Legislative and Executive Branches

Recommendation #13: **Ask the state legislature to establish smart growth committee(s) or sub-committees with a smart growth focus.**

This proposal makes sense to achieve coordination between two main branches of government and to avoid, at early, informal stages, working at cross purposes by either branch. Given the existing structure of legislative committees, and the strong institutional inclination not to see a proliferation of new full or standing committees, the most likely form this recommendation might take would be a Subcommittee or Task Force. We believe a Subcommittee would be the better choice. This may also be achieved through a Stat process.

Implementation Time Frame: _____ **Year 1** _✓_ **Years 2 – 4**

2.4 Achieve Coordination with the District of Columbia and Virginia

Recommendation #14: Develop a state-level smart growth consortium and regional planning agreement with the District of Columbia and Virginia.

This recommendation calls for the creation of a new entity or the revisitation of the focus and mission of the existing Metropolitan Washington Council of Governments, which is composed of 20 local governments from DC, MD and VA as well as members of the MD and VA US Senate and House Delegations.

Since a vital aspect of Smart Growth concerns proper regional planning and coordination, it seems logical and appropriate to look at our pressing regional problems through an entity that places Smart Growth *principles and values **foremost*** in its mission statement. It is also an open declaration, born of citizen frustration with sprawl and traffic gridlock, that we must do better for our region. This Transition Work Group fully realizes that this is the Maryland Smart Growth Vision and mission <u>multiplied threefold.</u>

Implementation Time Frame: _____ Year 1   ✓ Years 2 – 4

Recommendation #15: Appoint the Secretaries of MDOT and MDP as Maryland's two voting members of the WMATA Board of Directors.

Currently, Maryland has four representatives on the Washington Metropolitan Area Transit Authority, only two of whom have direct transportation expertise. Because Transportation and Planning go hand-in-hand in any iteration of Smart Growth practices and standards, it is common sense to have these two state Departments on this crucial regional Authority. Because the Governor of Maryland has the power and discretion to make the appointments, there are no special obstacles to achieving this recommendation.

Implementation Time Frame: ✓ Year 1____ Years 2 – 4

Align Local Governments to Achieve Smart Growth Goals

Introduction

Several recommendations follow focusing on structures to encourage better regional collaboration, leading to cooperation in planning and infrastructure financing, and address through mediation regional discord in comprehensive planning. Alliances and council of governments are the extension of an existing process for several counties and regions that will require more direct communication and more coordinated planning. Some recommendations would primarily through local mandates or incentives require additional comprehensive plan elements, infrastructure investments and greater compliance with existing master plans. They also would facilitate training, shared data and support for local planning efforts, including regional or statewide conferences and direct planning assistance to local jurisdictions

The result of aligning local governments would encourage new growth, through planning processes as well as public facility investments, in designated growth areas, while discouraging growth in more rural areas.

3.1 Achieve Regional Collaboration

Recommendation #16: Establish state/local regional planning agreements focused on greater planning coordination, developing into regional cooperation for funding and/or transfer of development rights.

This is a new process but one that could build on joint funding agreements in place between state and local jurisdictions and joint planning agreements between localities where they exist. This would require coordinated, regional consideration of planning, open space, farm preservation and capital needs and growth projections, potentially requiring a Council of Governments or regional planning alliances. There can be better coordinated regional planning including all partners, and better ensure capital improvement funding to address shortfalls, especially those identified by local APFOs. This will provide significant ability to create incentives to satisfy smart growth principles. Where local governments are unable to agree, this approach by itself may not be effective. A graduated approach towards regional financing, where such an approach is found useful and appropriate, will probably be needed. At the same time these agreements could develop into a regional TDR program.

Implementation Time Frame: ____ Year 1   ✓ Years 2 – 4

Recommendation #17: Establish regional planning alliances through regional councils of governments, including counties and municipalities, linked to other regions by

regional planning alliances. Where appropriate, or after a failure to achieve voluntary coordination, regional councils or even authorities could be considered.

Voluntary alliances and council of governments are the extension of an existing process for several counties and regions that will require more direct communication and more coordinated planning. It could also be linked to infrastructure funding and capital planning. Infrastructure funding, especially roads, could be linked through regional alliances using the Federal model for metropolitan alliances. Where such voluntary cooperation fails, regional councils or authorities could be considered.

The lack of local communication and collaboration in some areas may require establishment of council of governments as a first step, leading to more significant coordination efforts and infrastructure funding as building blocks. This process should be started immediately. Significant local government opposition would be expected in the event regional authorities are proposed. In addition, maximizing the community in the planning process may be more difficult using the model of regional authorities.

Implementation Time Frame: ✓ **Year 1____ Years 2 – 4**

Recommendation #18: Provide mediation where needed to foster better local planning cooperation.

This is a new process using existing agencies. Where local governments are unable to reach consensus on planning, the state would provide mediation resources through MDP by using the state court administration's mediation program or other skilled service groups. The purpose would be to reach an agreement on future planning issues.

Implementation Time Frame: ✓ **Year 1____ Years 2 – 4**

3.2 Align Infrastructure Investment with Smart Growth Goals

Recommendation #19: Establish a state government capital fund that would be provided as state aid to local governments that follow smart growth planning principles.

This fund would provide state assistance for infrastructure that local governments alone are hard pressed to provide – in some cases roads, sewer and water needs, parks and recreation, and perhaps services. In turn, these funds would be linked to local government compliance with smart growth planning principles. Local compliance with smart growth planning principles will need to be evaluated, with potential consequences for noncompliance.

Implementation Time Frame: ✓ **Year 1____ Years 2 – 4**

Recommendation #20: **Establish a system and evaluative criteria to link state aid to local compliance with smart growth planning principles**.

Establishing a system by which there would be evaluation criteria for Smart Growth compliance would **a**ddress potential misspending of state funds, or expenditures that do not lead to achieving overall state planning goals, and provide a means of measuring progress. It would also provide a means to linking state funds to local government compliance with smart growth planning principles, and a way of measuring compliance and better ensure that state funds are spent effectively, and in a way that satisfies overall state planning goals while also addressing local infrastructure needs.

Implementation Time Frame: _____ Year 1 __✓ Years 2 – 4**

3.3 Focus New Growth Approved by Local Governments

Recommendation #21: **Tighten designation of Priority Funding Areas or consider some elements of Oregon's "Urban Growth Boundaries" approach as an alternative. In addition, discourage transitional county zones around municipal areas.**

This will prevent state support for sprawl in rural areas as well as well and septic development on the outskirts of natural municipal expansion, while providing funds to support growth in designated urban/density areas which are on public water and sewer – and which in many cases do not have infrastructure to support more growth. It would ensure that state funds are provided only for areas which are on public water and sewer, thereby creating an additional disincentive for individual well and septic, large-lot housing development in rural areas. There may be potential opposition depending on how the funds are distributed, including what regions will have priority funding areas. Additionally, some non-priority funding areas resources should be available to assist in replacement of aging infrastructure even in more rural areas.

Implementation Time Frame: _____ Year 1 __✓ Years 2 – 4**

Recommendation #22: **Re-evaluate allowed densities, uses and impacts in agricultural and other non-urban areas, and limit state support for agricultural preservation to those counties with effective preservation programs.**

Focus planning practices and assistance to local governments on land use planning in rural areas to address the potential increase in large lot, well and septic developments. Local jurisdictions should also be encouraged to provide support to effective local agricultural land preservation programs. As this develops, may also consider a statewide "transferable

development rights" program with infrastructure funding incentives. This will effectively limit increased growth outside urban areas which have public water and sewer, and better ensure future development in compliance with smart growth principles. An incentive approach will limit potential local opposition to imposing mandates. If this should develop into a statewide TDR program, evaluation of potential impact on priority funding areas would be needed along with consideration of state funding streams that would be needed to support such a program (or create incentives to make it effective).

Implementation Time Frame: _____ **Year 1**   _✓_ **Years 2 – 4**

3.4 "Raise the Bar" for Local Planning

Recommendation #23: Require important elements to be addressed within comprehensive plans.

Raising the bar for comprehensive plans may require the inclusion of housing elements and a job/housing balance, requiring plans to pace growth based on public facility availability, or requiring adequate public facilities legislation. In some cases local jurisdictions have not addressed certain issues such as affordable housing, a balance of jobs and housing, future growth and other considerations that would support the concept of smart growth. In addition, growth is often occurring even where public facilities are not in place to accommodate it. Article 66B should be amended to require jurisdictions to address additional planning elements in their master plans, or to provide incentives to qualify for infrastructure funding. Master plans may also be required to include a timing element, linked to infrastructure investment, or adequate facilities legislation to pace the rate of growth at the planning commission review stage.

Implementation Time Frame: _____ **Year 1**   _✓_ **Years 2 – 4**

Recommendation #24: Require comprehensive plans to include staging of new growth based on infrastructure availability or investment.

Raising the bar for comprehensive plans may require the inclusion of housing elements and a job/housing balance, requiring plans to pace growth based on public facility availability, or requiring adequate public facilities legislation. This will better ensure that local plans conform to state policy, and support better coordination of growth and infrastructure planning. Funding availability to provide needed infrastructure will be a key challenge. Local jurisdictions are already complying with additional elements required out of HB 1141 in 2006. MML and MACo are likely to oppose imposition of additional elements if imposed on all local jurisdictions. It is, however, possible that creating incentives or new funding programs hinged on addressing certain elements in master plans would address these concerns.

Implementation Time Frame:	____ Year 1	✓ Years 2 – 4

Recommendation #25: Require infrastructure investments identified in a jurisdiction's comprehensive plan to be included in its CIP.

If the lack of infrastructure is preventing growth, especially in a priority funding area, there should be a requirement to address the inadequacy. Especially if a jurisdiction limits growth due to an inadequacy, some plan would be required to provide the lack of infrastructure through the jurisdiction's CIP. Local jurisdictions are not in control of all infrastructure needed; some infrastructure such as waste water treatment plant capacity or water capacity may not be reasonably planned for due to high costs or impossibility. This may create a disincentive to create APFO's or limit growth based on inadequate facilities, unless a cooperative planning environment exists along with a more favorable revenue structure to support local CIP planning.

Implementation Time Frame:	____ Year 1	✓ Years 2 – 4

Recommendation #26: Establish meaningful consequences for failure to adequately maintain or follow comprehensive plans.

Growth occurs in some areas without regard to master plans, and in some cases localities are not updating master plans under the six-year timetable required by Article 66B. Disincentives such as funding limits for infrastructure could be put in place for failure to update or follow the master plan.

Implementation Time Frame:	____ Year 1	✓ Years 2 – 4

3.5 Strengthen Local Jurisdictions' Planning Capabilities

Recommendation #27: Provide training, models, best practices and a design studio for best practices and smart growth principles, including strategies for community outreach and citizen involvement, to local governments, residents and stakeholders.

There is a lack of information and training available to local governments and officials on both smart growth and best practices. This would build on a process that has already been used for training, including the Maryland Citizen Planner's Association training and Smart Growth Institute. The State could also partner with the Smart Growth Institute to provide best practices and a database of information via the world wide web. It will also provide the critical information, data and training to allow local governments, officials and citizens to

apply smart growth principles and implement better planning, as well as practices to better ensure community involvement in the planning process. The need to coordinate with existing groups to provide data and training will be critical, as well as staffing and funding for local or regional training.

Implementation Time Frame: __✓__   Year 1____   Years 2 – 4

Recommendation #28: Develop smart growth guidelines and/or scorecards to be used in developing measurable, specific goals and in assessing smart growth performance.

Specific standards and guidelines are in some ways lacking, leading to an inability to measure whether smart growth goals are being met. Performance measurements could be developed through statewide and regional conferences, with assistance from the Smart Growth Institute and other regional and local partners. Standard and guidelines will allow everyone to measure performance in such a way as to allow adjustments, changes and evaluation of local, regional and state policies across the board. The Oregon and Boston models are identified in Recommendation #1.

Implementation Time Frame: __✓__   Year 1____   Years 2 – 4

Recommendation #29: The state should host (or participate in) regional and/or statewide planning conferences to facilitate information sharing, through which smart growth scorecards and guidelines are developed and shared for assessment of smart growth performance.

There is a significant lack of roundtable-style sharing and learning, as well as measuring standards for implementation of smart growth principles. Using past models, conferences could be hosted on a regional basis or statewide, open to government officials and citizens alike. Planning staff, perhaps in collaboration with the Smart Growth Institute and other regional and local partners, would be tasked with drafting initial scorecards and guidelines, which could be openly discussed at conferences where local jurisdictions could be scored. This would link the benefit of drawing local officials into regional and statewide conferences with the underlying state purpose in hosting such conferences – to achieve measurable goals in implementing smart growth principles.

Implementation Time Frame: __✓__   Year 1____   Years 2 – 4

Recommendation #30: Provide planning assistance to local jurisdictions as needed.

Many smaller municipalities lack planning staff or, therefore, the ability to implement smart growth principles or best planning practices in comprehensive planning. This is a new process that would build in past practices. A multi-agency team would be established through MDP to

provide comprehensive planning consultation to local jurisdictions. The same MDP department could provide regional assistance through circuit riders, used in the past in some regions of the state and through MHT. This would go far to ensuring smart growth planning principles are instituted in jurisdictions statewide, and in regions linked by regional planning alliances.

Implementation Time Frame: _✓_ **Year 1**____ **Years 2 – 4**

3.6 Address Potential Structural Impediments to Achieving Smart Growth

Recommendation #31: **Develop a plan to ensure long term viability of resource-based industries such as agriculture and forestry.**

Economic pressure for development will continue to lead to sprawl in rural areas unless farming industries are profitable. State agencies, including DBED, Department of Agriculture, MDP and MDE should join along with entities such as Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) and others in strategic planning to create a strong economic future for resource-based industries. The August 2006 "Agricultural Strategic Plan" developed by the Department of Agriculture should be used as a guide for implementation. This plan should address current industry needs, infrastructure and funding requirements, as well as planning elements that may be required. An economically viable farm and forestry economy will limit incentives to sell farmland into development. There is the potential need for significant Federal support and national or state regional planning, as well as potential need for substantial funding to support the industries.

Implementation Time Frame: _✓_ **Year 1**____ **Years 2 – 4**

Recommendation #32: **Evaluate the state tax system to identify changes that would encourage smart growth behavior and discourage non-smart growth behavior.**

The tax system itself may be encouraging sprawl development and discouraging development in priority funding areas, especially where taxes are higher in urban and developed areas. A study and evaluation is proposed to identify incentives and disincentives for smart growth, leading to recommendations for changes to create incentives to support smart growth behavior. Bringing the tax system into play to create key incentives and disincentives could provide major support for the concept of smart growth, both to encourage rural areas to remain rural, and encourage growth to be directed to urban areas on public water and sewer systems.

Implementation Time Frame: ✓ Year 1____ Years 2 – 4

Recommendation #33: **Evaluate revenue sharing mechanisms to identify changes that would encourage smart growth behavior and discourage non-smart growth behavior.**

The lack of a revenue sharing mechanism could encourage rural jurisdictions to allow sprawl development; and could create disincentives for urban areas to accommodate additional growth. Both are in contravention of smart growth principles. A study and evaluation would consider the potential for revenue sharing mechanisms that would support the state's smart growth policy. Better understanding of how revenue sharing could support smart growth, which could lead to potentially beneficial changes.

Implementation Time Frame: ____ Year 1 ✓ Years 2 – 4

Recommendation #34: **Identify all potential new sources of revenue for state and local governments to fund infrastructure investments**.

The key limit to achieving smart growth is the funding needed for public facility investments. The state should broadly consider all potential new revenue sources for state and local governments, and prioritize implementation of those new sources. There should be a partnership with University of Maryland's Environmental Finance Center for assistance. This could lead to significant funding to support the practical achievement of smart growth principles, to encourage growth in designated areas of density which are on public water and sewer systems.

Implementation Time Frame: ____ Year 1 ✓ Years 2 – 4

Strategic Imperative #4:

Build Strong, Smart Growth Communities

Introduction

Smart growth is premised on concentrating new growth in higher density urban areas that are well served by transit and other transportation options, and that offer a high quality of life. Therefore, it is essential that the communities that would potentially "receive" additional growth are healthy, inviting to potential new residents, and have the necessary urban infrastructure. The state government can have a much greater impact in helping to build strong, smart growth communities by better coordinating and targeting its efforts, and by working directly with local communities on an individualized basis.

4.1 Address Community-Building Comprehensively

Recommendation #35: For each local community, develop a comprehensive, integrated community-building strategy involving the appropriate local government(s), local stakeholders, and all appropriate state agencies.

Most counties have comprehensive land-use plans and in some cases programmatic action plans, for example, the five-year Community Development Block Grant, Housing and Community Development Consolidated Plan. State support could be conditioned on local communities melding unconnected planning efforts into a coordinated approach that supports and implements community-building strategies that embrace Smart Growth objectives. A truly comprehensive plan would include land use and other mandated planning efforts and elements that help define livable communities, such as, art and culture; health and public safety; youth and senior amenities; education; social service delivery; and leisure time opportunities. Details of this recommendation are:
   o   Continue support of the existing Priority Funding Areas (PFAs).
   o   Continue support of the existing Heritage Areas Program.
   o   Require planning documents for PFAs to include a holistic approach to community development with demonstrated participation by residents, businesses, educational institutions, nonprofits, community groups, and state and local government agencies.
   o   Hire more community planners to assist in developing plans and implementation strategies
   o   Put forward the proposed Planning Empowerment Program for local planning assistance.
   o   Require direct coordination by the existing Heritage Areas where boundaries overlap.
   o   Review the Heritage Areas and Community Legacy approaches to identify the right model for comprehensive planning, program development, and financial delivery system.
   o   Establish multi-agency teams in each region to provide collaborative assistance, including bridging the gap between planning and implementation.

4.2 Provide a "One-Stop Shop" within State Government Focused on Community-Building

Recommendation #36: Establish a single point of contact plus a multi-agency team within state government to bring to bear, for each local community, all state government resources related to community building.

A substantial number of communities lack the staff and/or the expertise to identify the state government resources available to assist in community building and to harness these resources effectively. MDP can provide a greatly needed service and strengthen the ties among the state, local governments, and community groups by assisting local communities in this regard. Details of this recommendation are:

- o Create an inventory of programs and other resources germane to community building available throughout state government;
- o Establish a point of contact in MDP's research/data section;
- o Have the Governor direct the cabinet secretaries, administrators, or highest-ranking official at each relevant agency or office to support the creation of a "one-stop shop" and have each identify a point of contact
- o Establish a multi-agency team to coordinate the resources
- o Produce a community building resource manual (compendium of programs, rather than a "how-to" manual);
- o Create and maintain a central and comprehensive electronic data-base of smart-growth data, resources, and initiatives.
- o Formulate a strategy for informing local communities of the available "one-stop shop" resource, contacting local communities, and following up; and
- o Institute a tracking procedure to determine the effectiveness of the program

Implementation Time Frame: ____ Year 1 __✓__ Years 2 – 4

4.3 Target State Resources for Building Strong, Smart Growth Communities

Recommendation #37: **Establish a state government capital investment fund to support strong, smart growth communities.**

Maryland has many resources which it can leverage to benefit smart growth communities. These include capital investment opportunities, planning expertise, tax credits, program and operational funding, data management, public relations, and significant educational resources.

Direction from the Governor is essential for this to function. A collective shifting of priorities in many agencies would be required to compel cooperation. Details of this recommendation are:

- o Establish new process where capital expenditures are tied to comprehensive community plans

- o Establish a multi-agency capital investment committee that reviews and recommends capital spending by region and community

- o Capital budget information is shared among the different agencies investing in a community or region

Implementation Time Frame: ____ Year 1 _✓_ Years 2 – 4

4.4 Reorient the State's School Construction Investments to Support Smart Growth

Recommendation #38: **Prioritize state school construction dollars for new or expanded in communities that meet smart growth objectives.**

The state should maximize funding in Smart Growth areas to create an incentive for the adoption of growth related policies. This will allow the state to utilize a major funding source to encourage Smart Growth priorities. Details of this recommendation are:
- o Identify communities that meet Smart Growth objectives.
- o Review current funding patterns and realign with an emphasis on schools in redeveloping and older communities.
- o Governor charges the Interagency Committee for School Construction with designing a new funding timeline and process that recognizes the pace of residential development. (Currently one factor for determining school funding is that schools must be 25% over capacity before the State process can be engaged.)

Implementation Time Frame: ____ Year 1 __✓__ Years 2 – 4

Recommendation #39: Establish "neighborhood schools" in smart growth communities. Funding would be awarded to schools that set goals to a) maximize the number of students walking to school, b) reduce class sizes, and c) offer a more intimate, personalized experience.

Schools are typically designed almost exclusively for the teaching and support of students. Schools however can, and should, play a more central role in serving community needs. The IAC can alter its funding priorities and decision making to support 'neighborhood schools' by:

- o Thorough review of the system for funding school construction and renovation
- o Requirement that jurisdictions engage communities and in-school personnel in the design of buildings and interior spaces
- o Building design to meet other community needs such as entertainment, personal and small group sports activities, community group meetings.

Implementation Time Frame: ____ Year 1 __✓__ Years 2 – 4

Recommendation #40: Build larger "core capacity" (non-classroom support facilities) in schools in smart growth communities in anticipation of increasing enrollment.

Funding should be awarded to facilitate the incremental addition of classroom space to meet community build out. The State formula does not support non-classroom activities although they are becoming more and more important in all schools**.** Providing incentive for communities to centralize functions and utilize school facilities to the maximum extent would help to facilitate this. (Core capacity - The IAC allows a certain percentage of a school to be used for core facilities. A local jurisdiction may do more square footage; the state may/may not pay for the additional amount).

Implementation Time Frame: ____ Year 1 __✓__ Years 2 – 4

Recommendation #41: Explicitly consider "life cycle costs" when designing/funding new schools in order to give appropriate consideration to the potential use of green building design, techniques and systems.

Funding decisions do not include the potential cost savings for the life of the building but current construction and operational expectations. The IAC must include different criteria for

its approval and review that includes life cycle costs and the inclusion of green building design and technology. This may be achieved by:

- o Retain consultant to evaluate and report on life cycle costs for elementary, middle and high school buildings.
- o Give scoring preference to buildings with greater green building elements and technology
- o Require all jurisdictions to include green building techniques, systems and design prior to submitting requests to the IAC

Implementation Time Frame: _____ Year 1 _✓_ Years 2 – 4

4.5 Assess Community-Building Outcomes

Recommendation #42: Develop scorecards to assess smart growth outcomes and community health in each community.

MDP, in conjunction with local jurisdictions, should define a highly participatory process and methodology for developing community scorecards to measure change over time. Additionally there should be a review of the current status and implementation of the recommendations of the Task Force to Study Public School Facilities (The Kopp Task Force 2004). The Kopp Task Force found that the need for school construction and renovation funds far exceeded the state's ability to fund them. Funding was reduced during the last administration. If priorities are to shift to include green building technology, neighborhood school needs, core facilities and a renewed emphasis on older communities, a new analysis and review is warranted. Various changes in the funding strategy, priorities and amount need to be examined.

Implementation Time Frame: _____ Year 1 _✓_ Years 2 – 4

Recommendation #43: Regularly survey Maryland residents for their perception of smart growth outcomes and community health.

To build an effective program, citizens and communities throughout the state need to recognize the concerns associated with smart growth and healthy communities. The state government must recognize, and show the same to the public, differences that stem from community history and local issues (urban, rural, growing, declining, redeveloping, etc.). Details of this recommendation are:

- o The Governor should define and make a commitment to the principles of Smart Growth.
- o MDP should review the comprehensive plans of all the jurisdictions in the state, and see how their goals and objectives relate to smart growth principles, and should inform the jurisdictions of their findings.
- o MDP should examine successful statewide participatory processes elsewhere in the country (eg. Maine)
- o MDP should work with state agencies, organizations and institutions throughout the state to arrange a series of meetings in the different regions. The purpose of these meetings is to inform and educate citizens about Smart Growth/Growth Management principles, and get residents to participate in developing goals, and in identifying appropriate indicators and measures.
- o Add more community planners in order to accomplish this task
- o MDP should establish a task force representing private and public collectors and users of data in the state to review the recommendations that come out of these meetings in the light of data availability and needs.

Implementation Time Frame: ____ Year 1 _✓_ Years 2 – 4

Recommendation #44: Regularly evaluate community-building efforts by state agencies as part of "Smart Growth Stat".

Sufficient measurements need to be established so that success and problems can be determined in delivering Smart Growth programs and initiatives. Each agency may be providing these but there needs to be a community basis for the evaluation and not just a program basis. Establish the indicators, measurements, benchmarks/milestones and process for measuring the effectiveness and success of Smart Growth in the State's neighborhoods, communities and jurisdictions. (see Recommendation #1)
- o Establish a process for working with local communities to determine the appropriate indicators used to measure the success of Smart Growth.
- o Establish a SmartGrowthStat unit in MDP to coordinate and monitor statewide indices and successes
- o Provide clear direction to all agencies that funding decisions will be based on their progress in furthering the goals of smart growth and healthy communities
- o Create the position of Smart Growth "Czar," who is part of Governor's staff and is supported by staff of MDP. Revitalize Smart Growth Sub-Cabinet with this person as Chair.
- o Designate a Smart Growth/Growth Management coordinator in each State agency to ensure the data, indices and information is coordinated and timely reported
- o Determining appropriate indicators, with an emphasis on quality of life and not just economic investment and land use decisions

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Implementation Time Frame: __✓_ Year 1_✓_ Years 2 – 4

Recast MDP to Achieve Maryland's Smart Growth Agenda

Introduction

Successfully pursuing an ambitious smart growth agenda will require the state government to be resourced and configured for the purpose. Arguably, MDP is the most appropriate agency within state government to provide the leadership needed for any smart growth efforts. The department will require an explicit redefinition of its mission, roles and responsibilities, and will need the resources needed to achieve success.

This section of the report reviews MDP on the basis on how it functions as an agency to achieve Maryland's Smart Growth agenda.

One of the major recommendations to be considered from this effort calls for the renaming of the Maryland Department of Planning (MDP) to the Maryland Department of Planning and Smart Growth (MDPSG).   The mission of MDP needs to be clearly defined and given prominence in the agency name. MDPSG should include three divisions, which are standard components of a planning agency along with an administrative component. The divisions should include the Office of Smart Growth, the Office of Regional and Local Planning, and the Office of Community Development and Revitalization.   Further, the work group recommends that The Secretary of MDP or MDPSG should hold a position on Stat Panels (BayStat, etc), should they be established.

5.1 Define MDP's Mission

Recommendation #45: Determine MDP's mission, roles and responsibilities, in light of the state government's smart growth agenda.

MDP is made up of talented personnel that have been underutilized during the past four years. The mission, roles and responsibilities of the agency should be developed with significant staff input.

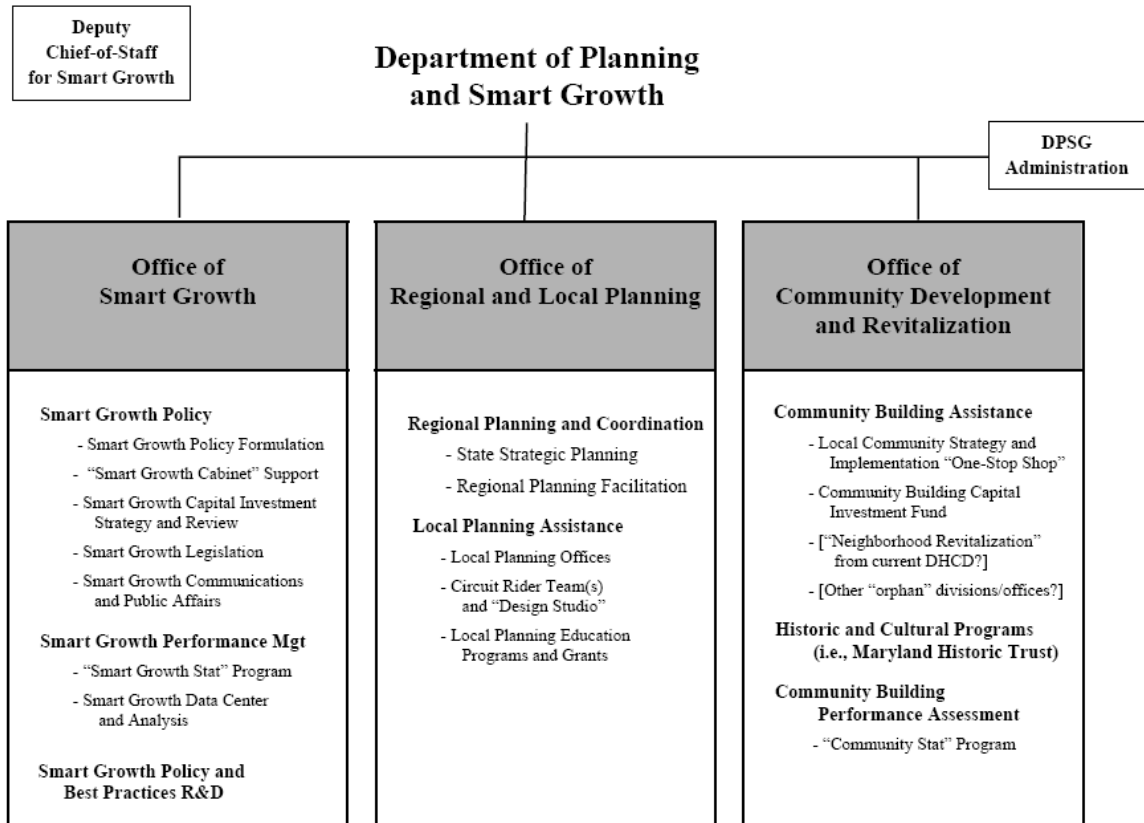> **Implementation Time Frame: __✓__ Year 1____Years 2 – 4**

5.2 Organize MDP to Reflect Its Mission

Recommendation #46: The Maryland Department of Planning (MDP) be renamed to the Maryland Department of Planning and Smart Growth (MDPSG) and reorganized around its core smart growth-related missions.

The current mission of MDP is broad and vague. The mission needs to be clearly defined and given prominence in the agency name. MDPSG should include three divisions, which are standard components of a planning agency along with an administrative component:
- o Office of Smart Growth
- o Office of Regional and Local Planning
- o Office of Community Development and Revitalization

Proposed Organization for the Department of Planning and Smart Growth (DPSG)

Department of Planning and Smart Growth

Deputy Chief-of-Staff for Smart Growth

DPSG Administration

Office of Smart Growth

Smart Growth Policy
- Smart Growth Policy Formulation
- "Smart Growth Cabinet" Support
- Smart Growth Capital Investment Strategy and Review
- Smart Growth Legislation
- Smart Growth Communications and Public Affairs

Smart Growth Performance Mgt
- "Smart Growth Stat" Program
- Smart Growth Data Center and Analysis

Smart Growth Policy and Best Practices R&D

Office of Regional and Local Planning

Regional Planning and Coordination
- State Strategic Planning
- Regional Planning Facilitation

Local Planning Assistance
- Local Planning Offices
- Circuit Rider Team(s) and "Design Studio"
- Local Planning Education Programs and Grants

Office of Community Development and Revitalization

Community Building Assistance
- Local Community Strategy and Implementation "One-Stop Shop"
- Community Building Capital Investment Fund
- ["Neighborhood Revitalization" from current DHCD?]
- [Other "orphan" divisions/offices?]

Historic and Cultural Programs (i.e., Maryland Historic Trust)

Community Building Performance Assessment
- "Community Stat" Program

Implementation Time Frame: ___✓___ Year 1___✓___ Years 2 – 4

Recommendation #47: **Given the need for community development activities to be far better coordinated, the Maryland Department of Planning serve as the lead coordinating agency for community development initiatives**.

Community development program and initiatives exist in numerous agencies and there is insufficient coordination on these activities. These may include Community Legacy, Heritage Area, Transit Oriented Development, Main Streets, etc. Community development coordination could be improved through:
- o The creation of Smart Growth Coordinators and Smart Growth Liaisons in MDP.
- o The Secretary of MDP should hold a position on Stat Panels (BayStat, etc).
- o A team of circuit riders should be developed (MDP, MDE, MDOT etc.) to spend time in various geographic locations in the state to offer local assistance and coordination. MDP, perhaps the Smart Growth Liaisons should coordinate these efforts.
- o Another possibility to achieve improved coordination would be to move community development responsibilities into MDP where they may exist as orphan entities.

Implementation Time Frame: ✓ **Year 1** ✓ **Years 2 – 4**

5.3 Provide MDP the Resources Needed to Fulfill Its Mission

Recommendation #48: **Provide the department with adequate resources to conduct its core function and also to restore a strong Smart Growth component**.

During the period between Fiscal Years 2002 and 2006 MDP's budget was reduced from $10.4 million to $8.4 (18.7% reduction). Additionally, staffing was reduced from 135 positions to 110 (18.5% reduction). The Smart Growth component of MDP has been reduced to one position.

Further, in October 2005, Maryland Historic Trust was incorporated as part of MDP. As part of this consolidation MDP grew from a $9 million agency to a $51 million agency with over $35 million in grant programs. Inadequate administrative support was provided for such dramatic growth.

The following recommendations will enhance MDP's ability to fulfill its mission:
- o Smart Growth staff should be expanded.
- o MHT (current staffing 71) is located Crownsville, whereas the MDP's (current staffing 116) primary location is in Baltimore. MHT should be co-located with MDP.
- o Adequate administrative personnel and grant coordinators should be provided to accommodate the agency growth.

Implementation Time Frame: ✓ **Year 1** ✓ **Years 2 – 4**

5.4 Explore Alternate State Government Models for Managing Growth

Recommendation #49: Identify alternate state government models for managing growth.

Since 1974, MDP (or its forerunner agencies) has been authorized to create a State Development Plan (codified in Finance and Procurement Article of the Annotated Code §5-601 through 5-613). This requirement could be used to outline a comprehensive and regional approach to planning and could inform any restructuring within MDP.

While the way various departments of state government and the governor's staff itself are structured are important to the functioning of government and can contribute to or hinder the effectiveness of the governor's policies, the people chosen to fill the leadership positions are far more important than the structures that are put in place. There needs to be someone or some specific office within the Governor's office to look at the "big picture," to oversee the overall development picture in Maryland, who can speak for the Governor and be directly answerable to the Governor. No one agency can do that and no one agency can dictate to other agencies how to do that. There must be someone within the governor's office with that responsibility, whether it is called the "Office of Smart Growth," the "Special Secretary for Smart Growth," the "Deputy Chief-of-Staff for Smart Growth," or the "Assistant to the Governor for Smart Growth." or the formation of a Stat process as Maryland's model.

A free and potentially valuable resource that Governor O'Malley should take advantage of is the Governors' Institute for Community Design (GICD), a free, technical assistance program designed specifically for governors. This project is funded by EPA and the National Endowment for the Arts and is implemented by Parris Glendening's Smart Growth Leadership Institute in cooperation with the National Center for Smart Growth at the University of Maryland.

The GICD provides a day-and-a-half workshop that involves a governor and his or her top staff and cabinet. These are generally private, confidential working sessions.

Other state models are listed in an appendix.

Strategic Imperative #6:
Pursue Smart Growth Legislative Priorities

Introduction

This section of the report identifies proposed legislation that encourages smart growth planning and historic preservation programs both in the 2007 legislative session and also in the legislative sessions in future years.

6.1 For the 2007 Legislative Session

Recommendation #50: Submit/support bill prepared by MDP on the Maryland Heritage Structures Rehabilitation Tax Credit Program Bill.

Legislation would extend the life of historic tax credit program to 2012 and make commercial tax credits available year round not just during a limited window. It also ensures that the highest rated projects are funded first – removing the limitation that no more than 50% of total credits for any fiscal year be issued for projects in a single county or Baltimore City, the "Baltimore Limitation". The program is one of the most effective smart growth programs in Maryland. Removing unnecessary hurdles will improve the program's effectiveness.

Recommendation #51: Support the concept and work with the two legislators in passing the bill on real estate transfer tax.

Currently Limited Liability Corporations (LLCs) and similar legal structures do not pay the transfer tax or recordation tax, costing the State millions of dollars of lost revenue. For several years there have been attempts to ensure that all sales of real estate are treated equally. The bill sponsored by Speaker Busch passed the house several times. Sen. Brian Frosh has been lead in the Senate where it was quashed by the Budget and Tax Committee. This year both legislators are planning on introducing it again. The President of the Senate and Vice Chair of B&T have expressed support. This year Program Open Space will receive less money than predicted, an under attainment of about $63 million dollars. Closing this loophole could compensate for some of the shortfall. Caution: Some proposals would use these additional funds for other programs. This diversion should be resisted. The original intent for these funds must be honored.

Recommendation #52: Submit/support bill prepared by MDP on Maryland Heritage Areas Authority Bill.

Bill would define the term "Target Investment Zones" as specific areas in Certified Heritage Areas; limit grants for acquisition and development projects only to Target Investment Zones with certain exceptions; and extend the timeline for receiving grants from 5 to 10 years and change when the 10-year time clock begins. Currently, there are 11 Certified Heritage Areas. The Authority has found five years is insufficient for a Certified Heritage Area to raise

matching funds and initiate large capital projects. Bill would improve the program by strategically focusing the Authority's resources and give the Heritage Areas more time to raise funds and develop capital projects. There remains concern about the funding of this program out of Program Open Space Funds.

Recommendation #53: Submit/support bill prepared by MDP on Maryland Historical Trust – Maryland Advisory Council on Historic Preservation.

This Bill would clarify and revise standards for review of state projects by the Maryland Historic Trust and the MD Advisory Council on Historic Preservation. Legislation would also add standing for citizens; add two members to the Council: the Secretary of Business and Economic Development and a person with experience in economic development and finance; and change the requirement for one member of the general public to one with expertise in archeology. Revisions would improve the oversight by Maryland Historic Trust on state projects that impact historic resources.

Recommendation #54: Support the concept and work with the supporters in preparing the bill 2006's HB1141 Land Use – Local Government Planning.

HB 1141 was enacted last year. The municipal growth element of HB1141 requires cities to analyze their past and current growth trends, and the land and infrastructure available to support future growth, to determine the impacts of future growth on the city and the environment. It is critical that counties perform the same review and analysis. Supporters: Chairman McIntosh, environmental community.

Recommendation #55: Support the MDP/MDA bill with modifications. Some proposed requirement language is vague. No standard for what constitutes development that "excessively compromises." Work with the county Agricultural Program Administrators to develop clear language and standards on Certification of County Agricultural Land Preservation Programs.

This Bill would change requirements adopted by 2006's HB 2 Agricultural Stewardship Act that set up agricultural land preservation Priority Preservation Areas (PPAs). Bill would delete and add requirements for Priority Preservation Areas and add language that Maryland Department of Planning and Maryland Agricultural Preservation Foundation (within the Maryland Department of Agriculture) may not certify a county unless the Department and Foundation agree that a county's comprehensive plan includes a description of the county's strategy to support normal agricultural and forestry activities in conjunction with the amount of development permitted in the PPA, and includes an evaluation of the County's zoning and other tools to achieve State goals before "development excessively compromises the agricultural and forest resource land." Certified counties are eligible for funds that are not available to counties not certified.

Recommendation #56: Support the concept and work with the supporters in preparing the Bill on Development Impact Excise Tax – Municipal and County Government Authority.

Legislation would enable all county and city governments to levy a building excise tax. Development excise taxes allow jurisdictions to raise revenues to pay for infrastructure improvement costs necessitated by new development. Municipal governments have authority to impose impact fees. An impact fee is not as flexible as a building excise tax. Prior to imposing an impact fee, "a jurisdiction must conduct a fair share study that measures the impact of the new development" (MDLS). A nexus must exist between the impact and the fee's amount, and there must be a geographic nexus between where the fee is collected and where the funds are spent. In contrast, impact excise taxes do not require a fair share study, can be spent for any reasonable purpose, and do not require a geographic nexus. Municipal governments lack enabling legislation for development impact excise taxes. Code counties and some non-code counties have authorization to impose such taxes. Legislation authorizing municipalities to impose a building excise tax was introduced in 2006 passed the house but died in the Senate Budget and Taxation Committee (HB 1260 / SB 854).

5.2 Beyond the 2007 Legislative Session

Recommendation #57: Further develop a bill drafted by MDP on Planning Empowerment Program – Local Zoning, Subdivision and Comprehensive Planning Grants.

This Bill would create a $9 million fund to assist local governments with planning. Currently, many small towns and counties lack the staff capacity to do the planning needed to address pressing growth issues. This fund would provide resources for zoning ordinances, subdivision regulations, and comprehensive plans and their updates. Make grants competitive based on clear goals ensuring that funds are used to plan for smart growth. Require jurisdictions that get funds meet certain standards in their plans and/or require training for staff and elected officials on planning and growth management issues. Set aside funds for a circuit rider program to help the smallest towns work through issues to be able to apply successfully for the funds.

Recommendation #58: Priority discussion should take place on a Growth Infrastructure Development Fund.

This Bill would better provide critical resources to support development in the most appropriate places. Currently development often can not occur where it is most suited due to lack of funds for school, roads, sewer, and water expansion. This proposal addresses the urgent need to reform the funding mechanism across agencies to better focus state resources toward desired outcomes.

Other Considerations

State Real Estate Transfer Tax Revenue – Appropriations for Capital Improvements and Maintenance at Jefferson Patterson Park and Museum.

Bill would provide up to $500,000 per year out of Program Open Space funds that have been assigned to Maryland Heritage Areas Authority to pay for operating costs, capital projects and maintenance at this State facility. Mrs. Jefferson Patterson donated the property to the State in 1983. JPPM is the State's archeology museum, which includes the Maryland Archeological Conservation Lab. This 560-acre property is located along the Patuxent River and St. Leonard Creek.

Recommendation: Do not submit bill prepared previously by MDP. Change source of funds for capital improvements and maintenance to the capital budget. Allocating funds from Program Open Space could open the floodgates for similar projects to further divert Program Open Space funds. A larger conversation needs to happen about operating and maintenance funding for the State's museums and parks.