

County Council OKs growth blueprint

■ Taxes increased to pay for new development; new tests set on traffic and school crowding

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The County Council has put developers on notice that it is time to pay their fair share of the taxes necessary to sustain the county.

On Tuesday, the council increased taxes on new developments to pay for the amenities needed to serve the new people and ease traffic congestion that the development creates. The increases came as part of a series of final votes on the county's blueprint for managing how the county grows and who pays for growth over the next two years.

Included in the final policy, approved 7-1, are new tests to determine when county roads are too crowded and when new development crowds schools.

The council agreed to increase the transportation tax for roads up to \$10,649 from \$6,264 on a new single-family detached house. A tax to pay for schools would increase from \$9,111 to \$26,456 for the same house. These impact taxes are paid by developers.

The council retained the recordation tax — \$6.90 fee paid for every \$1,000 worth of property — paid by buyers and/or sellers when property changes hands. It also increased the tax to \$10 per \$1,000 for any property sold for more than \$500,000. The

increase is expected to generate \$10 million in the first year.

The growth policy has been the most important issue undertaken by the council since its term began in December. By approving a tougher growth blueprint, three of the four new council members and other slow growth council members were able to deliver on their campaign promises to rein in growth and hold developers accountable.

CONT.

BLUEPRINT

"We have real tests. We have a policy that takes into account quality of life issues. The policy sets a standard for roads," said Councilman Roger Herliner (D-Dist. 1) of Potomac. "This policy isn't about growth. It's about infrastructure. This requires developers to pay the fair share of their development. If not, then the county is left without the infrastructure it needs and without the funding to pay for it."

Councilman Philip M. Andrews said the policy will make sure the schools and roads affected the most by new development will receive money to mitigate the problems.

"What this means ... the hole we're in doesn't get deeper," said Andrews (D-Dist. 1) of Gaithersburg. "It took a long time for the county to get in this hole, and the first step when you're in a hole is to stop digging it deeper."

The increases approved by the council were much less than those originally proposed by the county's Planning Board. The traffic tests are also revisions of the planning agency's original tests that were criticized by some council members as being unrepresentative of the actual congestion.

"The council ultimately accepted 90 percent of what we recommended on taxes," said Planning Board Chairman Royce Hanson. "It was a long trek, but we finally got there."

The new growth policy does make important changes to help provide "sustainable" revenue for school and road improvements, Hanson said.

The new traffic test tightens traffic flow standards before new development can be approved.

The change restores a type of wide-area congestion test scrapped in 2003, and raises the bar for developers by lowering the threshold — by about 25 vehicles per lane — at which developers must make road or transit improvements — or pay for them — to make their proposals eligible for Planning Board approval.

The test would require builders to offset all trips that put an area's traffic below 40 percent of the speed limit. The test also compares travel times in cars versus travel time using transit, as well as comparing speeds on congested roads and on free-flowing roads.

The traffic tests take effect Jan. 1 and apply to development plans that have not received a Planning Board review.

Councilwoman Nancy M. Flo-

RECORDATION AND IMPACT TAX FEE CHANGES

The following rates were approved by the council on Tuesday.

Recordation tax	Current	Approved
Takes effect March 1 on all housing. *		
	\$6.90/\$1,000	\$6.90/\$1,000
Property sold for more than \$500,000		\$10.00/\$1,000
School impact tax	Current	Approved
Takes effect Dec. 1 for any application for a building permit filed with the Planning Board on or after that date. New housing. **		
single-family detached	\$ 9,111/unit	\$20,456/unit
single-family attached	\$ 6,833/unit	\$15,401/unit
multi-family	\$ 4,555/unit	\$ 9,734/unit
multi-family high-rise	\$ 1,822/unit	\$ 4,127/unit
multi-family senior	\$ 0	\$ 0
School facilities payment taxes	Current	Approved
Take effect Dec. 1 on new housing. ***		
elementary school	\$12,500/seat	\$19,914/seat
middle school	\$12,500/seat	\$15,411/seat
high school	\$12,500/seat	\$28,501/seat
Transportation impact tax	Current	Approved
Takes effect Dec. 1 for any application for a building permit filed with the Planning Board on or after that date.		
New housing+		
single-family detached, new	\$6,264/unit	\$10,649/unit
single-family attached, new	\$5,125/unit	\$8,713/unit
multi-family, new	\$3,986/unit	\$6,776/unit
multi-family high-rise, new	\$2,847/unit	\$4,840/unit
multi-family senior, new	\$1,139/unit	\$1,936/unit
Non-residential transportation++		
office	\$3.70/sq. ft.	\$9.69/sq. ft.
industrial	\$2.85/sq. ft.	\$4.85/sq. ft.
bioscience	\$ 0	\$ 0
retail	\$5.10/sq. ft.	\$8.67/sq. ft.
place of worship	\$0.30/sq. ft.	\$0.51/sq. ft.
private school	\$0.45/sq. ft.	\$0.77/sq. ft.
hospital	\$ 0	\$ 0
other	\$2.85/sq. ft.	\$4.85/sq. ft.
social service provider	\$ 0	\$ 0

SOURCES: MONTGOMERY COUNTY COUNCIL MEMOS AND RESOLUTIONS

TOM MADIGAN/THE GAZETTE

reen, who cast the dissenting vote against the policy, said the changes are detrimental to the county's attempts to increase the number of affordable housing units.

"We stopped affordable housing units in its track," said Floreen (D-At large) of Garrett Park. "Growth policies in the past have made special provisions for affordable housing. We're sure going to be doing less. What we've done is rung up the cost of doing anything in Montgomery County."

During the months-long policy

debate, Floreen has recommended several amendments that would have exempted various new developments from the increased taxes as long as they had a certain amount of affordable housing units. Her proposals were rejected by other council members who said the exemptions would result in too many properties not paying the taxes.

In a statement Tuesday, Floreen said the growth policy "crosses the line between sound policy and political polemic dressed up as regulation." The policy also rejects

*First \$50,000 of sale price exempt if housing to be buyer's principal residence; that exemption continues. Maximum rate would be \$10/\$1,000.

**Based on estimates of how many students each type of new housing generates. Houses larger than 4,500 square feet are taxed an extra \$1 per square foot; new threshold is to be lower and surtax higher so that houses larger than 3,500 square feet would be taxed an extra \$2 per square foot. Exemption would continue for units in low-income and moderately priced housing programs.

***Based on estimates of how many students each type of new housing generates. Was to be assessed if development exceeded a 105% of a more flexible capacity standard, however county accelerated school construction and no developer exceeded the threshold that incurs charge. Now to be assessed if development would put schools 105% or more over their program capacity. No development allowed if schools would be at or above 120% of capacity.

++Largely based on estimates of how many vehicle trips each type of housing generates.

New housing in Metro Station areas were assessed 50% less than the general levy; now to be assessed 25% less than the general levy.

In the yet-to-be implemented Clarksburg Development District, new housing would continue to be assessed 60% more than the general levy.

++Largely based on estimates of how many vehicle trips each building type generates, except for hospitals and bioscience facilities which are exempted.

New buildings in Metro Station areas were assessed 50% less than the general rate; now to be assessed 25% less than the general rate. In the yet-to-be implemented Clarksburg Development District, new buildings would continue to be assessed roughly 20% more than the general rate, except for places of worship and private schools which would continue to be assessed roughly 33% more than the general rate.

be created that was more closely aligned with the county's master plan process.

Councilman Michael J. Knapp (D-Dist. 2) of Germantown proposed delaying an increase in the recordation tax until after the county's operating budget is finalized in the spring. With uncertainty of how the state's \$1.5 billion budget deficit will affect the county, Knapp said trying the county's hands with the recordation increase now was unwise. His proposal failed.

Opponents of the tighter restrictions have argued that with the county's growth rate at about 1 percent annually, increased fees and restrictions are unnecessary. They predicted that growth will stagnate and higher fees and more restrictions will drive developers to other jurisdictions.

"The council today imposed what averages up to a 100 percent increase in taxes," said Raquel Montenegro, associate director of the Maryland National Capital Building Industry Association. "Given the current conditions, this will force a number of builders who have been building communities in the county to rethink their developments to see if they are economically viable."

Councilwoman Valerie Ervin, who voted for the new policy, said she hopes people have not placed too much hope in it.

"We've created this whole regulatory morass at Park and Planning," said Ervin (D-Dist. 5) of Silver Spring. "It's fine to talk in theory, but we've created a bigger mess for them to deal with."

The new policy also does not do enough to address affordable housing and could make it harder for developers to build affordable housing units, she said.

"What the council just voted for was growth around the edges," Ervin said. "We didn't deal with the growth in the infill [Metro areas]."

Still others say the tightened policies are not enough.

"There is still no pacing tool to control the rate of growth in the county," said Jim Humphrey, land use committee chairman with the county's Civic Federation.

Humphrey said the civic group would have liked the council to delay a decision on a portion of the transportation tests until a clearer policy can be created.

Councilman George L. Leventhal (D-At large) of Takoma Park missed Tuesday's meeting after sustaining extensive injuries in a car accident more than a week ago.

Staff Writer C. Benjamin Ford contributed to this report.