From the Governor

Dear Friends:

I invite you to read about the latest accomplishments of the Maryland Department of Planning in its 2014 annual report.

In the past year, the agency continued to advance the issues of smart growth, rural and agricultural preservation, and revitalization of Maryland’s downtowns and suburban centers. In collaboration with many partners, MDP worked on many levels to help create a sustainable and prosperous quality of life for Marylanders.

Among the highlights of 2014 was the release of the Reinvest Maryland report, which I and the lieutenant governor requested as a way to re-focus on the potential of downtown revitalization. Reinvest Maryland sets the stage for no small number of initiatives that can reinvigorate Maryland’s towns and cities.

The agency also produced a resource to advance transit-oriented development and contributed to a number of prominent issues, from the Purple Line to the Baltimore City schools initiative to a new policy plan guiding restoration efforts in the Patuxent River watershed.

MDP has been a tireless advocate for smart growth and, by extension, preservation of natural resources and revitalization of our built areas. The agency has worked ably over the last year – and, indeed, over the full eight years of my governorship – to carry out the goals of my administration and the laws of the General Assembly. Their work has paid off by helping improve our communities, with coordinated planning an important part of that work.

Sincerely,

Martin O’Malley, Governor
From the Secretary

Dear Friends:

This annual report highlights the work of the Maryland Department of Planning throughout 2014 as it worked to promote community revitalization and natural resource protection in Maryland.

Over the last 12 months, the agency focused much of its work on the flip side of the two-headed coin that is smart growth – the side focused on redevelopment and revitalization of Maryland’s downtowns and suburban centers. Staff supported the Maryland Sustainable Growth Commission on researching, writing and producing Reinvest Maryland: Accelerating Infill, Redevelopment & Community Revitalization, helping draft more than 60 recommendations to spur reinvestment in communities. Directing growth to communities saves money by requiring fewer services, unlike development in rural areas, and improves quality of life for residents. Moreover, retrofitting downtowns fits the growing trend of young professionals to seek urban areas, from Baltimore to Salisbury to Hagerstown.

The agency focused on many other issues during the year, including aiding in the effort to help Somerset County recover from Hurricane Sandy, participating in a project to repurpose vacant historic buildings in a Baltimore with the Urban Land Institute and National Trust for Historic Preservation, updating the Patuxent River Policy Plan, helping Charles County leaders comply with the Septics Law and providing technical assistance throughout the state.

I’m proud of MDP’s work in 2014, as well as the years during my leadership as secretary. We thought big and accomplished much.

Sincerely,

Richard Eberhart Hall, AICP
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Highlights

The Maryland Department of Planning (MDP) envisions and implements smart growth policies by working with policy-makers on the state and local levels throughout Maryland to create and perpetuate greener, sustainable communities.

Throughout 2014, MDP continued those efforts, providing guidance, analysis, outreach and support to county and municipal leaders to ensure that they target development and redevelopment in strategic areas, protect natural and historic resources and capitalize on public assets. Some highlights of 2014 include:

- Securing reauthorization of the Sustainable Communities Tax Credit, including a new small commercial component, during the 2014 Legislative Session
- Developing an online resource, Planning Tools for Transit-Oriented Development, the 30th installment in MDP's Models and Guidelines series
- Supporting the Sustainable Growth Commission's second annual awards contest, which recognized eight projects and/or individuals across Maryland
- Publishing PreserveMaryland to guide the work of the public and private-sector historic and cultural resource preservation community through 2018

The Maryland Sustainable Growth Commission, working closely with MDP, crafted a series of recommendations that make up the bulk of a comprehensive report, Reinvest Maryland: Accelerating Infill, Redevelopment and Community Revitalization. The recommendations were based on months of extensive outreach and analysis, including outreach to communities and the public. The report contains Maryland best practices highlighting what the public and private sectors are doing to spur reinvestment, case studies exploring challenges, strategies and successes in 10 Maryland communities, and national models identifying good ideas from around the nation.

The report proposes a new vision for reinvestment in Maryland communities, through targeted investments and increased funding in ways that will benefit Marylanders of all incomes and backgrounds. It proposes development and implementation of leading-edge financial tools, such as infrastructure and investment funds as well as a robust set of recommendations to accelerate transit-oriented development in Maryland. The report features the Smart Growth Toolbox, a searchable online database of federal and state programs advancing redevelopment.
MDP played a role in the first phase of implementing the 21st Century Building Plan, the $1.1 billion state investment in renovating or replacing Baltimore City Public Schools. Over the first year of the ambitious project, the city, the Interagency Committee on School Construction (IAC), of which MDP is a member, and the Maryland Stadium Authority (MSA) approved an 86-percent district-wide utilization rate by the 2019-20 school year, approved the City Schools Comprehensive Maintenance Plan and approved the first two schools: the renovation of Frederick Elementary School and the replacement of Ft. Worthington Elementary. Architects were selected and design began in September.

To leverage the impacts, the Baltimore Planning Department enacted a planning program for the neighborhoods around each of the new or renovated schools. The program, Investing in Neighborhoods and Schools to Promote Improvement, Revitalization, and Excellence (INSPIRE), will guide private investment and identify transportation, housing and open space improvements within a quarter-mile radius surrounding each school. MDP and the Baltimore Planning Department developed complementary mapping applications to support INSPIRE. MDP’s application focuses on mapping areas of existing state investment and programs around the schools to help inform and encourage private and public investment.

Department staff supported the Maryland Planning Commissioners Association (MPCA) with its annual conference, which featured information on offshore wind energy, conflict resolution, running efficient meetings and sustainable planning for rural and small town economies. More than 70 commissioners and local planners attended. The conference also included planning commissioners training and a special session on new developments in planning law.

MDP, in partnership with MPCA, offered three live planning commissioner and board of appeals training classes in 2014. Training sessions were held during the Maryland Municipal League convention in June, the Maryland Association of Counties in August and during the fall MPCA conference in Calvert County.
PlanMaryland Implementation

PlanMaryland provides a place-based, interagency cooperative framework to advance smart growth statewide. The plan aims to achieve the best practices in smart growth that protect the environment, enhance communities and realize the visions for a positive, sustainable future for Maryland set forth by the Governor and General Assembly.

As a statewide policy, PlanMaryland sets a course to grow where it makes sense while protecting resources such as waterways, farmland and forests. It asks Maryland’s counties and municipalities to identify growth and preservation areas and, together with state agencies, align plans and programs to achieve sustainable growth and conservation goals that cannot be successfully addressed without such collaboration.

Implementing the plan involves state agencies and local governments as partners to collaboratively target their resources to planning areas for growth, revitalization, preservation and resource conservation and develop coordinated strategies to better align state programs and policies to support planning area objectives.

In 2014, the Smart Growth Subcabinet endorsed Planning Areas for three municipalities; another dozen local governments are working with state agency staff on their applications. The collaboration between the Subcabinet and the jurisdictions has helped improve and streamline the application process and produced state-local reference documents and metrics that can be used to implement PlanMaryland goals – as well as measure their effectiveness in the future.

The most notable PlanMaryland accomplishment in the last year has been the improved capital budget review process that uses the PlanMaryland map as a coordinating tool to evaluate future state capital investments. PlanMaryland continues to facilitate improved coordination among state agencies by providing context and framework for new collaborations and effective decision-making to promote smart growth.
Septics Law

MDP continued to provide significant technical and policy assistance to local governments to implement the Sustainable Growth and Agricultural Preservation Act of 2012, which limits development on septic systems. MDP data analysts and planners reviewed draft tier maps, analyzing local designations of tier areas and providing comments about how to comply with the law. Sixteen counties and 70 municipalities now have adopted tier maps.

In 2014, most of MDP’s technical and policy assistance focused on Charles, Calvert and Talbot counties. In response to Cecil County’s adopted tier map that does not comply with the statutory mapping criteria, Maryland Department of the Environment took action to provide additional oversight of local approvals for major subdivisions outside of Tier I and Tier II, and the Rural Legacy Board denied funding for the county’s Rural Legacy Area for the second year in a row.

Charles County Growth

MDP served in an advisory role to Charles County to help resolve growth issues that arose during the county’s update of its Comprehensive Plan and preparation of a septic tier map. In 2012, the Charles County Planning Commission recommended a map that did not meet the requirements of the Septics Law. Large areas of the county that should have been designated as Tier IV based on their classification in the county’s adopted comp plan for agricultural or resource protection were instead designated as Tier 3. Tier 3 areas are primarily areas where major subdivisions on septic systems can be built.

After a letter from the Maryland Smart Growth Subcabinet expressing concern about the potential loss of vast areas of resource lands in the county as well as the lack of focus on development in existing communities, and the persistent efforts by advocates for good planning in Charles County, the county appointed a work group, including MDP Secretary Richard E. Hall, to develop a new map for consideration by the Board of County Commissioners.

The work group prepared a septic tier map with assistance from Charles County planning staff and MDP staff. After many months of preparation, negotiation, revision and deliberation, a new was adopted by the Board of County Commissioners in April 2014 that satisfies the requirements of the Septics Law. The new map has been used to help guide planners drafting the county’s Comprehensive Plan, which is still under consideration.
Sustainable Communities

Tax Credit program

The Maryland Historical Trust-administered tax credit program provides an effective tool to both renovate historic buildings and revitalize communities throughout Maryland. The Sustainable Communities Tax Credit program has invested close to $360 million since it began in 1996, reaching into all of Maryland’s 23 counties and the city of Baltimore.

The state’s investment supports the rehabilitation of structures that contribute to attractive, livable, sustainable communities. In the 18-year history of the program, it has helped restore more than 3,995 residential and 616 commercial historic structures. In December 2014, state officials joined MDP and MHT to announce the nine recipients of the latest round of Sustainable Communities Tax Credits at Ellicott City’s historic Post Office, a block from one of the tax credit projects.

Sustainable Communities Designations

This place-based community revitalization designation offers a comprehensive package of resources. To participate, local governments identify areas in need of revitalization and create a comprehensive revitalization strategy guiding investment. Applications for Sustainable Communities designation are reviewed by an interagency panel and approved by the Governor’s Smart Growth Subcabinet. MDP partnered with the state Department of Housing & Community Development and other state agencies to assist in reviewing dozens of applications for Sustainable Communities designations from every corner of the state.

Eastern Pumping Station/Baltimore Food Hub
Credit: $3 million; Est. jobs created: 218

Florence Crittenton Home, Baltimore
Credit: $520,000; Est. jobs created: 38

State Senator Edward Kasemeyer speaks at the December tax credit announcement event in Ellicott City.
Fells Point Recreation Pier, Baltimore
Credit: $3 million; Est. jobs created: 218

Carrollton Hall, Ellicott City
Credit: $780,480; Est. jobs created: 57

Footer’s Dye Works, Cumberland
Credit: $1.9 million; Est. jobs created: 144

Eastwick Motor Company, Baltimore
Credit: $453,968; Est. jobs created: 33

Doughoregan Manor Work House, Ellicott City
Credit: $60,000; Est. jobs created: 4

Taylor’s Furniture Store, Ellicott City
Credit: $150,000; Est. jobs created: 11

511 Poplar Street, Cambridge
Credit: $45,000; Est. jobs created: 3
Patuxent River Commission

The Patuxent River Commission (PRC), staffed by MDP, is required by state law to evaluate and periodically update the Patuxent River Policy Plan, which directs the efforts of local jurisdictions, state agencies and community representatives in river restoration. The original 1984 Policy Plan was last updated in 1997. In 2014, the PRC drafted an update to take effect in 2015, if approved by the Maryland General Assembly.

Although many of the previous plan recommendations have been implemented or become the subject of national and state regulations, the Patuxent River remains in poor ecological condition and needs renewed interest to support its restoration. The 2015 Policy Plan Update draft provides policies and strategies to preserve and restore the river and the land within its watershed, encourage advocacy for the river among the general public and local and state officials, and create excitement about river-based recreational and educational opportunities.

The 2015 Policy Plan Update has been approved by the local jurisdictions in the Patuxent River Watershed represented on the PRC – the counties of Anne Arundel, Calvert, Charles, Howard, Montgomery, Prince George’s and St. Mary’s, as well as the City of Laurel.

The priorities in the 2015 Patuxent River Policy Plan Update are the same as the 1984 plan and 1997 plan update. Incorporating those goals, recommendations and guidelines into a more flexible, streamlined and strategic framework will reinvigorate Patuxent River restoration efforts by better guiding local and state actions. By streamlining policies and guidelines and requiring an annual action plan, the 2015 plan ensures the PRC seeks action from local and state agencies on the most important Patuxent River issues.

In addition to facilitating development of the PRC’s Annual Action Plan, MDP supports regular and interim PRC meetings, ensures state river assessments inform the PRC’s work, and increases state agency coordination to expedite progress.

Implementing the 2015 Patuxent River Policy Plan Update will help make significant progress in reducing stormwater pollution to the river; promote fishing, boating and other river-based tourism throughout the watershed; improve sewage spill notification and signage; and communicate the ecological and economic value of the Patuxent River to the general public and elected officials.
Local Government Planning

Somerset County Hurricane Sandy Recovery Effort

Since January 2013, MDP has been the coordinating agency for the Hurricane Sandy State Agency Recovery Response Team. MDP is responsible for coordinating ongoing state assistance efforts and grant opportunities, as well as participating in all nonprofit and federal, state, and local government meetings and workshops related to the region’s recovery efforts. This has enabled Somerset County and the state to better organize, coordinate and expedite assistance efforts as well as to eliminate potential roadblocks in the recovery process.

MDP is a non-voting member of the grassroots Somerset County Long Term Recovery Committee, which is comprised of representatives from faith-based and nonprofit organizations, and government and citizen groups charged with assisting Somerset County recover from the impacts of Hurricane Sandy and providing a gateway to a better future for the county and its residents.

In addition, MDP serves on the Steering Committee for the consultant-driven, state-funded Smith Island Visioning Project that began in September 2014 and is expected to conclude a year later. The community-based planning and visioning process will help Smith Island residents and other stakeholders decide how it wants to look, feel and thrive in the coming decades.

MDP will continue to partner with local groups, federal and county government, and state agencies on the recovery effort on issues such as housing redevelopment and rehabilitation, economic development, coastal resiliency, infrastructure and hazard mitigation efforts.

More than $350,000 in federal funds as part of a National Park Service grant will be directed to disaster relief and resiliency planning in Somerset County. The Maryland Historical Trust is administering the grant. (Learn more on page 19) The Maryland Emergency Management Agency estimates that of the 1,068 houses damaged in Maryland, 927 of them are located in Somerset County. Especially impacted is the old waterfront city of Crisfield, once the center of the state’s oyster industry, which has a large historic district dating back to 1870 containing about 260 historic buildings.
Partnership for Building Reuse

Working with the Urban Land Institute (ULI), MDP participated in a project aimed at removing the barriers to the adaptive reuse of buildings in Baltimore. ULI Baltimore, partnering with the National Historic Trust and the Trust’s Green Lab, led a year-long effort to build on national efforts to increase the recycling of older buildings. The project brought together architects, realtors, developers, planners and historic preservationists. Collaborating in six workgroups and an advisory committee, the effort culminated in a detailed report that highlighted recommendations for financing, regulatory change, planning and targeted public and private sector efforts to bring these older building back into product re-use. The timing coincided with research on and the release of the Reinvest Maryland report.

Comprehensive Plan Review and Coordination

Local Planning Assistance staff continued to review and comment on local comprehensive plans, an important effort to provide guidance on state land use policies. During the year, MDP coordinated the review of more than a dozen plans or plan elements and established pre-plan coordination meetings as well as followed up after the 60-day review periods ended. MDP reviewed complex county plans, including those of Charles County and Carroll County, beyond the initial review period and coordinated with local county planning staff as the plans progressed toward adoption.

Special Projects

MDP served in a key liaison role to the Baltimore Metropolitan Council’s Opportunity Collaborative, an effort to develop a plan for sustainable development for the region. Staff provided data and analysis to the HUD-funded project to assist in integrating and coordinating housing, transportation and workforce development in the region.

MDP staff participated in Joint Land Use Studies on the Eastern Shore and Southern Maryland, looking at ways in which changes in operations on military bases and the growth and development in surrounding neighborhoods can be communicated and coordinated and where potential conflicts are recognized and resolved ahead of time.
Technical Assistance

In 2014, MDP staff continued to assist local governments by collaborating on sustainable communities applications, updating zoning codes, and drafting applications for state funding assistance.

Maryland Planning Directors Roundtable

MDP hosts quarterly meetings of planning directors from Maryland’s counties and municipalities. This year, more than 150 people attended sessions featuring presentations and discussions about land protection strategies such as environmental conservation easements and urban land acquisition; infill, redevelopment and revitalization; and integrating environmental education and natural resource protection into elementary and secondary school curriculum and practices.

September 2014 Maryland Planning Directors Roundtable meeting
Placing Jobs

Placing Jobs, an online Models and Guidelines (M&G) document about incorporating economic development into local comprehensive plans, was published late in the year. The compendium of local government best practices for economic development elements is intended to guide the preparation of economic development elements in local comprehensive plans.

Business and job growth work best when planning lays the groundwork for economic activity where resources, infrastructure, services, as well as human capital, already exist. Maryland's economic development can be most effective when it is integrated with land use planning that both encourages activities in targeted growth areas, such as our cities and towns, and also enhances places linked to resource-based activities, services and industries. Placing Jobs promotes local economic development strategies among planners, economic development professionals, elected officials, the business community and others at the state, regional and local levels.

The resource builds on state and local efforts in economic development and elevates planning as an economic strategy. Placing Jobs provides a framework for local jurisdictions to integrate land use and economic strategies that preserve resource-based industries, promote tourism, and direct investment toward infill, redevelopment and revitalization in local comprehensive plans. The resource contains an outline for crafting an economic development element in a comprehensive plan as well as an inventory of resources, policies and incentives that can be considered for identifying economic development strategies.

Browse the resource at planning.maryland.gov/PlacingJobs
National Collaborative of State Planners

Developed by the American Planning Association’s Division of Regional and Intergovernmental Planning, the National Collaborative of State Planners is supported by MDP. Established in 2013, the collaborative provides a network that facilitates the discussion of best practices at the state level and to serve as a space where planners may share the planning initiatives of their home states. Prior to its creation, there existed no place within any planning association for state planners in all 50 states to collaborate.

MDP developed a website featuring examples of best practices for state-level planning. In 2014, MDP developed two national webinars on climate change and drought response planning, as well as a facilitated discussion at the national American Planning Association conference in April. The webinars, featuring experts from California, Florida, Maryland, Colorado and Pennsylvania, drew hundreds of participants.
Maryland State Clearinghouse for Intergovernmental Assistance

The State Clearinghouse for Intergovernmental Assistance is Maryland’s one-stop shop for the intergovernmental review and coordination of state and federal development, financial assistance and real property projects. It coordinates and transmits the views of federal, state and local officials on proposed projects in Maryland via E-MIRC (Electronic Maryland Intergovernmental Review and Coordination) and facilitates project consistency with principles of federal, state and local land use planning and development management, reducing duplication and encouraging intergovernmental cooperation.

Clearinghouse projects and letters are transmitted to state, local and regional reviewers electronically, and comments are entered into the E-MIRC database by state, local and regional reviewers. New in 2014, state agencies were given the capability to enter projects and proposals for intergovernmental review electronically directly into the Clearinghouse database. This innovation continues the Clearinghouse’s commitment to timeliness, transparency and cost effectiveness. Clearinghouse staff are working toward a goal of all online applications by the end of 2016.

In 2014, the Clearinghouse received and coordinated the review of 966 projects, achieving 99 percent project consistency and 100 percent concurrence by approving and funding authorities with Clearinghouse recommendations. The projects received for review can be viewed online via the Intergovernmental Monitor. In 2014, the Monitor website received 1,528 page views from public and private users. The Clearinghouse’s Twitter site which provides information on grants availability and proposed rule changes has over 500 followers.

The Clearinghouse receives many projects that help improve quality of life in Maryland and promote economic and community development. Projects reviewed promoted sustainability, encouraged revitalization of existing communities, improved federal facilities, enhanced transportation and transit-oriented development, economic development, sensitive area protection, federal and state real property and more. For example, Clearinghouse staff facilitated review of a Frostburg Enterprise Zone Application that incentivizes the location, expansion, or investment of local businesses. Since the area is served by city roads, water, and sewer infrastructure, redevelopment and investment aligns with the city’s Comprehensive Plan as well as smart growth principles. Business growth in these areas will provide additional employment opportunities for Frostburg residents within walking distance, providing opportunities for city residents who lack other means of transportation.
Analysis/Imagery

3D Mapping

To support revitalization efforts, MDP continued to deploy software from ESRI known as CityEngine. The program uses a range of GIS resources, including imagery, LiDAR and planimetric data with local development regulations to model a potential built environment. MDP used CityEngine to create imagery that bolsters local redevelopment efforts and generates support for continued economic growth, including in downtown Salisbury and Baltimore’s Remington neighborhood.

Septics Law

MDP has deployed a number of GIS resources to support the local mapping of growth tiers under the Septics Law, including an interactive online guidance map and data layers to monitor and support implementation. MDP provided technical assistance to many organizations in the development of tier maps. MDP also deployed an implementation status mapping application for the Septics Law.

Sustainable Communities

Maryland’s Sustainable Communities designation is a place-based community revitalization
designation offering a comprehensive package of resources. To participate, municipal and county governments are asked to identify local areas in need of revitalization and create a comprehensive revitalization strategy guiding investment in accordance with the principles of sustainability. Applications for Sustainable Communities designation are reviewed by an interagency panel and approved by the Governor’s Smart Growth Subcabinet. MDP helps with applications by providing guidance for local “action plans” through its regional planning staff as well as mapping assistance, including developing GIS boundary files and preparing maps and profiles of geographic and demographic indicators.

Maryland Orthoimagery Program

MDP played an active role in acquiring and producing new high resolution orthophotography in partnership with the Maryland Department of Information Technology and funded by the Emergency Systems Numbers Board. As part of this project, high resolution (6”) and high accuracy (2’) multi-spectral orthoimagery was delivered to many state agencies and Eastern Shore GIS and emergency response departments. MDP drafted the technical specifications and led a major procurement for a five-year orthoimagery maintenance program. The program started with imagery acquisition in the spring for the 14 western shore counties and Baltimore City. This procurement provides for optional elevation, oblique imagery, land use/land cover, and impervious surface mapping.

MDP Open Parcel Initiative and MDiMAP 2.0

In 2014, MDP initiated an Open Data Initiative to make its core property data products – MDPROPERTY VIEW, FINDER Quantum (MDP’s open source data solution) and FINDER Online – available to all Marylanders via an open data portal hosted by MDP. The Open Data Initiative is intended to provide consistent and up-to-date data and streamline the process
for users to access data. In the few months since the release, our analysis has shown that there is almost a 400-percent increase in users accessing our data versus the number of data products shipped to subscribers.

MDP also undertook an extensive application and data migration program to support MDiMAP 2.0 implementation. The effort involved converting over 25 applications and more than 30 datasets to a new format and structure. MDP now provides more than 25 online interactive mapping applications, ranging in scope from the neighborhood scale to statewide scale, on a variety of different smart growth and planning related topics. These applications can be used as technical assistance tools (Septics Law mapping guidance), complex data visualization tools (Census and ACS mapping tools), as well as story telling (online Spotlight Communities story maps). Other major applications developed in 2014 included a Preserve Maryland web map, a Scenic Byways application for SHA, and a Transportation Oriented Development (TOD) application done in collaboration with MDOT.

Between July 1 and December 30, MDP’s data was downloaded 5,000 times, a 400% increase over the entire previous year.
The Maryland Sustainable Growth Commission

Since 2010, the Sustainable Growth Commission has promoted smart growth. Commission members, who represent local and state government, business and nonprofit organizations, consider how to help implement laws and regulations concerning Maryland’s growth and development.

Much of the commission’s attention in 2014 focused on the request from Governor Martin O’Malley and Lt. Governor Anthony Brown to investigate and recommend ways to accelerate Maryland’s infill, redevelopment and revitalization efforts. In response, the commission produced Reinvest Maryland: Accelerating Infill, Redevelopment & Community Revitalization, which sets forth dozens of recommendations to help communities across Maryland improve their downtowns, strengthen their economies and add housing.

Commission members collaborated on growth initiatives occurring throughout the state, including Baltimore’s Partnership for Building Reuse effort to increase market-driven building reuse in major cities. At the request of State House Speaker Michael Busch, the commission, with the Department of Housing and Community Development, facilitated an assessment of the financial crisis on historically owner-occupied neighborhoods and identified strategies and recommendations to preserve their stability and promote homeownership. The Neighborhood Stabilization and Homeownership Workgroup will make recommendations in January.

The commission held its second annual Sustainable Growth Forum on February 5 in Annapolis, with a focus on how millennials and baby boomers are shaping what and where we build, grow and invest. The commission recognized eight individuals, organizations and projects that have contributed to sustainability and smart growth in Maryland with Sustainable Growth Awards. The commission expanded the appeal and interest of the annual forum and awards ceremony by including the Sustainable Growth Challenge, a collegiate competition engaging students from across the state in planning and sustainability issues. Commission members recognized four teams from a dozen submissions from undergraduate and graduate student teams conducting community planning exercises.
Models & Guidelines #30: Tools for Transit-Oriented Development

As communities look to accommodate demand for growth with high-quality, sustainable development, many are making big plans around transit. Transit-oriented development (TOD) may not be a new concept, but planning for and implementing walkable, mixed-use areas where communities and transit systems build on each other’s benefits remains challenging.

MDP developed Planning Tools for Transit Oriented Development as a comprehensive online planning and implementation resource to support state and local TOD efforts. The resource provides tools for planners, developers, elected officials and residents to advance TOD in their jurisdictions. An interactive map features a TOD profile tool that enables users to delve into demographics, employment data, transit use, land use and development projects around every Metro, Light Rail and MARC station in Maryland. For those researching potential TOD sites, the profile tool provides a detailed snapshot of conditions around each station.

The resource also details TOD policies, programs and implementation efforts around the state, describing each rail and subway line along with their progress and potential. Rounding out the resource are summaries of best practices to support creative development projects. From Aberdeen’s downtown to Washington, D.C.’s Columbia Heights neighborhood, the best practice summaries describe how local officials and planners created – or are in the process of creating – an optimal environment for TOD.

The benefits of TOD go beyond getting people out of cars and onto transit. The best TOD makes better communities through great design, improves public health by increasing options for walking and cycling, maximizes return on public investment in transit, reduces air pollution and energy consumption, and promotes compact development on less land.

Planning Tools for Transit Oriented Development is the 30th installment in MDP’s Models & Guidelines series that educates local government officials and planners about managing Maryland’s growth.
Maryland Historical Trust

Maryland Historical Trust (MHT) programs promote the preservation and interpretation of historic resources and cultural traditions throughout the state. Throughout the year, MHT staff continued emphasizing growth management, neighborhood revitalization, and economic development through heritage tourism as agency priorities. Noteworthy activities for 2014 are:

PreserveMaryland

In March, MHT published the statewide plan, *PreserveMaryland*, to guide the work of the public and private-sector preservation community through 2018. Developed in close consultation with the public, the plan calls upon public agencies, private organizations and individuals involved in preservation to work together toward five goals:

- Connect with Broader Audiences
- Improve the Framework for Preservation
- Expand and Update Documentation
- Build Capacity and Strengthen Networks
- Collaborate Toward Shared Objectives

*PreserveMaryland* goals and actions build on the work of MHT and the statewide preservation community, as well as the State of Maryland’s special commitment to preservation through heritage tourism, promoting sustainable communities and protecting places of importance to Maryland’s diverse heritage. The plan and its recommendations will inform MHT’s annual work plans and annual reporting to the National Park Service.

Hurricane Sandy

In 2013, the National Park Service awarded more than $7.6 million to eight East Coast states to help stabilize or repair historic properties damaged by Hurricane Sandy. The October 2012 storm brought high winds, heavy rain, snow and flooding to Maryland. The
state received $1.47 million, of which $909,250 was competitively awarded to 12 projects, including the Lower Eastern Shore, 1908 Baltimore Harbor Lighthouse, the last lighthouse constructed in the Chesapeake Bay; and the Hessian Barracks in Frederick that held captured German soldiers during the Revolutionary War, later becoming the Maryland School for the Deaf. In addition to the sub-grants, the federal funds will be directed toward disaster relief and resiliency planning, conducting survey activities, and developing a Cultural Resource Hazard Mitigation Program within the Maryland Historical Trust.

**Jefferson Patterson Park and Museum**

Jefferson Patterson Park and Museum (JPPM) connects people to the past through history and archaeology and supports the preservation of Maryland’s cultural resources. Located on 560 acres on the Patuxent River in Calvert County, JPPM encompasses approximately 70 documented archaeological sites spanning 9,500 years. With events, tours, lectures, school visits and workshops, JPPM hosts more than 125 programs annually.

In 2014, more than 65,000 people visited the site. Children’s Day on the Farm took place in early June with an attendance of approximately 3,500. A week later, JPPM celebrated the Patuxent River Wade-In with 150 visitors and several elected officials who joined former State Senator Bernie Fowler for this annual water quality test. JPPM held a two-day 1812 Fair and Re-enactment to celebrate the bicentennial of the Battle of St. Leonard Creek. The event attracted more than 4,800 visitors and included a fireworks display as well as a battle re-enactment with tall ships.

JPPM’s commitment to serving area schools continued through two on-site programs, one designed for fourth graders and the second aimed at students in the sixth grade. In total, more than 2,500 children participated in these two programs in 2014. With assistance from JPPM staff members, Huntingtown High School’s Introduction to Archaeology
class analyzed the contents of a mid-19th century privy from Baltimore’s Federal Reserve site, prepared an exhibit and designed several posters. Their work earned them an award from the Maryland Historical Trust Board of Trustees. In addition, the JPPM education department worked with students from Mill Creek Middle School in Lusby to produce three short videos on 1812-related themes.

The Maryland Archaeological Conservation (MAC) Lab at JPPM houses the state’s archaeological collection, which includes over eight million objects collected over the past 100 years. In 2014, lab staff conserved artifacts from clients throughout the tri-state region and received 55 new archaeological collections. The lab provided tours to 626 people and conducted outreach and activities in local schools. As part of JPPM’s Public Archaeology Program, 232 participants spent 684 hours digging at the Smith’s St. Leonard site or processing artifacts in the lab. Maryland State Highways awarded the lab a grant to create a searchable database of the lab’s collections.
Outreach

The Communications Division supports and promotes the projects and initiatives of the agency through multiple channels to diverse audiences. Communications staff focused on promoting Reinvest Maryland as well as the Sustainable Communities Tax Credit, with an emphasis on the new small commercial component.

Web communication and social media, important planks of the department’s outreach strategy, are on the rise.

- Planning.Maryland.gov received more than 427,000 page views in 2014, with more than 68,800 visitors entering the site during just under 103,000 user sessions. Average time on the site was 2½ minutes and four pages per session.
- Interactive Maps, a portal to all of MDP’s online maps, was the site’s no. 1 page, having 24,558 page views and more than 5,900 page entrances.
- Even though MDP’s open parcel data program – providing free downloads of the state’s digital GIS property maps – went live eight months into the year, downloadable GIS Files was our fourth highest-viewed page, attracting 14,000 page views. Altogether, these files for the 23 counties and Baltimore City received 6,164 downloads.
- MDP staff posted 50 entries to its Smart Growth Maryland blog, an important outlet for publicizing a host of issues. In 2014, the site received about 16,619 views. Unique visitors increased by 26% over 2013 to 9,745.
- Facebook fans numbered 1,042 (+18%) for MDP and 759 (+31%) for MHT.
- Growth to MDP’s Twitter following was 24% over end of 2013. 2014 ended with 4,337 followers on MDP’s feed.
- MDP began its Pinterest page in mid-2014. With 16 boards covering a wide array of topics of interest to planners, preservationists and advocates, we achieved 106 followers by year-end.
- The thrice-weekly newsletter Maryland Planning Today, which provides links to planning-related news clips around Maryland as well as relevant national stories, is read more than 8,700 times per year by 850 recipients.
- MDP kicked off its LinkedIn presence and now has 189 followers.
Growth Report

The 2009 Smart Green & Growing Legislation requires MDP to report on smart growth goals, measures and indicators on an annual basis. The report is intended to assemble a representative set of metrics that track progress toward sustainable growth and conservation objectives. MDP tracks the amount of growth and development that supports existing communities, provides positive economic development, and does not harm the land, water and other environmental resources on which Maryland’s quality of life depends.


Development

Accommodating the vast majority of development in Priority Funding Areas (PFAs), and minimizing market demand on resource and environmentally sensitive lands is the basic premise of smart growth and of the 12 adopted Planning Visions. Progress toward achieving this goal can be shown by looking at the following:

Trends in residential development inside / outside PFAs

Smart growth directs new development inside PFAs, existing communities and places where local governments want state investment to support future growth.

This chart shows where residential parcels have located with respect to PFAs between 1940 and 2012. The long-term trend shows a decline of residential parcels being built within PFAs. However, the trend changes when you look more recently. Between 1997 and 2012, nearly 70 percent of residential parcels were built inside PFA; in 2009 the proportion of residential parcels built inside PFAs exceeded 72 percent and topped 75 percent in 2012. Not coincidentally, the uptick in residential parcels built within PFAs coincided with the 1997 Priority Funding Act.
Looking forward, of the jurisdictions reporting new residential permits in relation to PFAs, approximately 82 percent were approved within PFAs in 2012, an increase from 80 percent reported in 2011.
Growth within PFAs is more compact, using less land to accommodate residential growth. Since 1997, for every acre of land developed inside the PFA, more than three acres of land was developed outside. The average residential parcel built between 1997 and 2012 consumed just one-quarter of an acre inside the PFA compared to almost two acres outside the PFA.

Accommodating expected residential growth

To plan for growth, local jurisdictions need to know how much development capacity exists (location, size, density, etc.). MDP provides these estimates to help local jurisdictions evaluate land use options and weigh important planning decisions such as needed infrastructure and facilities and assessments of whether a jurisdiction has an adequate supply of land for future residential growth.

Also, state and local jurisdictions determine whether the supply is being put to the best and most efficient use within targeted growth areas. In Maryland, an abundant supply of low-density residential development remains within PFAs. Statewide, more than 10 percent of land in PFAs is low-density residential development. Among the state’s counties, the range
spans from a low of just over 1 percent in Baltimore City to a high of nearly 21 percent in Somerset County. Furthermore, 330,000 residential properties, including single-family and multi-family homes, exist with land values exceeding the value of structure improvements. This indicates the potential to redevelop underutilized properties for infill and redevelopment at higher densities.

In addition to underdeveloped land, PFAs contain significant amounts of undeveloped land. Statewide, 28 percent of PFAs – or 280,000 acres – is used as agricultural, forested and barren land. These “greenfields” within targeted growth areas are prime for development.

In 2014, MDP’s analysis found capacity for 511,042 housing units within PFAs, enough to accommodate the 391,700 new households projected through 2035. For the last two decades, MDP has worked with local jurisdictions on development capacity, or build-out analyses. These analyses are heavily informed by local information.
Underutilized Commercial Land Types in PFAs

A wide range of uses occur within PFAs. To assess the strength of these uses, Maryland PropertyView data was used to identify parcels whose land value exceeds the value of improvements. On these parcels, the values of the structures are lower than the land value, meaning there is potential for redevelopment. Among commercial and industrial properties, retail stores, automotive locations (including stores, parking lots, etc.), office buildings and warehouses are the top underutilized uses. These properties could be redeveloped to incorporate a mix of uses and support more development opportunities.
**Capital Budget Spending Inside & Outside PFAs**

In 2013, the majority of the state’s capital budget spending was targeted toward projects in PFAs. A full 91.7 percent of Maryland’s capital budget spending was for projects inside PFAs.

![2013 Capital Budget Spending Per Capita by County Inside Vs. Outside PFAs]

**Agricultural and Environmental Resources**

Outside of PFAs development and preservation is best directed toward minimizing residential fragmentation of resource lands and vulnerability from additional subdivision and development, and to maximizing land use stability.

*Land Fragmentation, Vulnerability and Threats*

The map and graph below shows the overall stability of resource lands as of 2012. In those parts of the state where resource lands are shown to be unstable, that can be attributed to several factors, including local land use regulations that allow greater residential densities on resource lands, less local financial support for land and easement acquisition, and variability due to market conditions and development pressure.
Overall Stability of Resource Lands, 2012

Fragmentation, Vulnerability and Threat are considered together to estimate land use stability through zoning, preservation and land use tools, in light of development threat and conservation goals. Implementation of Septic Growth Tier IV areas in Garrett, Somerset, Harford, and possibly Prince George’s counties may significantly reduce vulnerability and increase stability of rural lands from what is shown.
**Agricultural Trends**

As shown in the charts below, between the 2007 and 2012 Agricultural Census, several jurisdictions lost farms and farmland, while others increased their agricultural areas.
Jurisdictional Annual Reporting

The 2009 Smart, Green & Growing legislation requires MDP to report on smart growth goals, measures and indicators submitted by each jurisdiction with planning and zoning authority. The indicators provide an annual snapshot of growth-related changes and the amount of permit activity within the state’s identified investment areas – Priority Funding Areas (PFA) – along with remaining development potential and local farmland preservation. Jurisdictions that issue more than 50 new residential permits within the reporting year must also report on the amount, share, net density and location of new residential and intensity of commercial development.

Background

2014 marks the sixth year for counties and jurisdictions to submit annual reports, which are required to be filed by July 1 and include data from the previous calendar year. In 2014, MDP received 70 annual reports reflecting activity in 16 of 23 counties and 54 municipalities. In 2013, MDP received 100 annual reports reflecting activity in 21 of the 23 counties and 79 municipalities. This is a 30-percent decrease in the amount of annual reports received despite efforts to streamline the annual reporting process.

In 2015, MDP staff will continue to work with local governments to improve the consistency of the data and increase the level of participation.

Residential building permits

Counties and jurisdictions issuing more than 50 new residential building permits within the calendar year must provide data on prescribed measures and indicators, which includes the amount, net density and share of residential and non-residential growth in
relation to PFAs, the locally adopted land use percentage goal, and the amount of any locally funded agricultural land preservation. Of the 16 counties reporting, three had fewer than 50 permits. Of the 54 municipalities reporting, only seven reported more than 50 new residential permits in the period.

Based upon the data reported, 11,903 new residential permits were approved in 2013 by the 70 jurisdictions submitting annual reports, of which 10,914 were issued in unincorporated areas and 989 in municipal areas. That total is 776 higher than the 11,127 new residential permits issued in 2012 by 100 jurisdictions reporting, and the 9,707 new residential permits issued in 2011 by 66 reporting jurisdictions. Of the jurisdictions reporting new residential permits in relation to PFAs, approximately 81 percent were approved within PFA areas in 2013, a decrease from 82 percent reported in 2012, but an increase from 80 percent reported in 2011.

Counties reporting new residential building permits inside and outside of PFAs continue to demonstrate mixed results for the reporting year. Howard County reported the most new residential permits with 2,317, of which 91 percent were within the PFA. Two counties – Anne Arundel (1,394) and Prince George’s (1,184) – reported 1,000 or more new residential building permits for 2013, with each reporting 88 percent and 63 percent, respectively, of new residential permits within PFAs. Other counties with a high percentage of residential permitting inside PFAs include Baltimore (98%), Harford (90%), Montgomery (84%) and Cecil (81%). Allegany, Dorchester and Garrett counties issued 33, 41 and 16 new residential permits, respectively, but only reported 19 new residential permits inside PFA boundaries. Of the counties issuing at least 50 new residential permits, Charles reported 41 percent and Carroll 61 percent of new residential permits inside their PFAs.
Counties reporting their share of new residential lots created inside and outside PFAs also demonstrate mixed results. Anne Arundel, Charles and Howard counties reported more than 1,000 new residential lots for the year, located 70 percent, 94 percent and 88 percent within their PFAs. Collectively, nearly 82 percent of all newly approved lots were within the PFA.

Commercial building permits

Commercial development also was reported by counties and municipalities, although significantly limited. Commercial development totals often include all non-residential development rather than typical commercial uses. Reporting counties had 13,523,712 square feet (SF) of non-residential development in 2013, of which 11,490,542 SF was located in the PFA. That is double the amount reported in 2012 (5,865,247 SF) and 2011 (5,714,809 SF). Of the counties reporting, the amount of non-residential development approved within PFAs was approximately 85 percent, up from 71 percent in 2012. Reporting municipalities had 1,419,116 SF of non-residential development permitted, a doubling from the 748,807 SF reported in 2012.
Adequate Public Facilities Ordinance Report

Local jurisdictions, with Adequate Public Facilities Ordinances (APFOs) are required to submit a report to MDP every two years to detail whether a local APFO has halted development or redevelopment in a Priority Funding Area (PFA). The reporting requirement was approved by the Maryland General Assembly in 2009.

Local jurisdiction biennial reports on the impact of APFO restrictions in the PFA must include information about:

- the location of the restriction
- infrastructure affected by the restriction
- the proposed resolution of the restriction, if available
- estimated date for resolving the restriction, if available
- date a restriction was lifted, as applicable
- terms of the resolution that removed the restriction

MDP collected the first set of APFO biennial reports in 2010, reflecting APFO activity in calendar years 2008 and 2009. The second set of APFO reports were submitted in 2012 for calendar years 2010 and 2011. The third set of APFO report were due in 2014 for activity in calendar years 2012 and 2013.

Fourteen counties and 26 municipalities have APFOs. Of those, MDP received reports of APFO restrictions within PFAs from seven counties and one municipality. See a summary of the APFO data below.

MDP’s report on the statewide impact of APFOs identifies: (1) geographic areas and facilities within PFAs that do not meet local adequate public facility standards; and (2) scheduled or proposed improvements to facilities in local capital improvement programs.

MDP coordinates APFO reporting with the Maryland Sustainable Growth Commission, which established a work group to review local APFO reports and assess whether and to what extent they further the goals of state economic growth, resource protection and planning policies.
### Summary of Reported Restrictions for 2012 - 2013

<table>
<thead>
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<th>Jurisdiction</th>
<th>Notes/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Counties</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Charles      | **2012:** There were reported restrictions in 12 elementary school districts, three middle school districts and three high school districts. In 2008, the county amended the APFO for schools to phase in a capacity rating at each school from Local "Core" Capacity, which included re-locatable classrooms, to State-Rated Capacity, which only includes permanent building capacity. The phase-in was to occur over six years, but in 2011/2012 the county reduced this schedule. Additionally, the allocation formula was modified to require capacity at all three levels of schools. If development is restricted, developers may proffer mitigation and pay into a fund for school construction.  
One sewer restriction was reported at the Zekiah Sewer Pump Station, with capital improvements scheduled in the 2013 CIP to resolve the restriction. This includes over $2.6 million for design and construction through FY 2018. The Zekiah Sewer Pump Station will be fully replaced and the capacity increased from 3 MGD to 10.5 MGD. There is no information provided to indicate how many projects in the PFA were impacted.  
In 2012, the Zekiah Sewer Pump Station reached its maximum functional capacity and serves development within the north-eastern quadrant of Waldorf between MD 5 (Mattawoman–Beantown Road) to the east, US 301 (Crain Highway) to the west, Acton Lane to the north, and MD 5 Business (Leonardtown Road) to the south. The Zekiah Sewer Pump Station was determined to be the most limiting factor with the Redevelopment Corridor of the Waldorf Urban Design Study (WUDS) area. It was also noted that this sewer infrastructure capacity restriction would prohibit even small-scale projects from moving forward.  
**2013:** The Zekiah Sewer Pump Station continues to be at capacity. The county indicates that a Capital Improvement Program has been approved but a timetable for completion is not reported. |
|              | **2012:** There were no APFO restrictions reported.  
**2013:** There were no APFO restrictions reported. |
<p>| Carroll      |                |</p>
<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Notes/Comments</th>
</tr>
</thead>
</table>
| Frederick    | **2012:** Frederick City and Frederick County reported restrictions in seven elementary school districts, two middle school districts and one high school district. All seven elementary schools and one of the middle schools were located in Frederick City. The Yellow Springs Elementary School boundary is identified as being mostly outside the PFA. The county does not indicate the number of projects within the PFA affected by these restrictions. The county identifies that an additional 4,475 new seats are scheduled in the 2012-2018 Educational Facilities Master Plan. In 2012, a renovation was completed at Lincoln Elementary School and a 240-seat addition completed at Oakdale Elementary School.  

**2013:** Frederick County reports 14 elementary schools and four middle schools at or over 100% of the State Rated Capacity. If capacity is between 100% and 120%, then projects in these districts may choose the School Construction Fee Option in addition to the normal school impact fee. Three elementary school districts and one middle school district are over 120% of the State Rated Capacity. Seven of the affected elementary schools and two middle charter schools are in the City of Frederick. Five new elementary schools and three elementary school renovations are included in the 2013 Educational Facilities Master Plan, with an estimated increase of over 3,800 seats. A middle school addition and a high school replacement are also planned. Four elementary school and one middle school addition are programmed in the 2014-2019 CIP. |
| Harford      | **2012:** There was a reported restriction in one elementary school district. Although major subdivisions will not be approved until these restrictions are resolved, the county did not indicate the number of projects within the PFA affected by this restriction. The county identifies 12 sewer pump stations that do not have capacity. The county did not indicate the number of projects, within the PFA, affected by these capacity issues.  

**2013:** No restrictions were reported. |
| Howard       | **2012:** There were reported restrictions in five elementary school districts and two middle school districts. The county reports that four plans and 12 units are affected within the "Established Communities Allocation Area" and five projects with 133 units are affected by the closed schools. The county did not provide a timetable for resolving these capacity issues.  

**2013:** Howard County reports that one, out of 41 elementary schools was closed. Two plans and 22 residential units were immediately on hold. Two plans with 682 residential units are on future hold. Four out of 18 middle schools are reported as closed. A new middle school was anticipated to be opened for the fall 2014. |
<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Notes/Comments</th>
</tr>
</thead>
</table>
| Montgomery   | **2012:** There were reported eight elementary school districts, six middle school districts and eight high school districts with restrictions and one elementary and one middle school districts with moratoria. School Fee Payments are required for the 22 schools that exceed 105% of capacity. The county did not indicate the number of projects required to provide School Fee Payments, nor did the county identify the number of projects, within the PFA, that were affected by the moratorium. Montgomery County also reported inadequacies in two roadway policy districts and 16 transit policy districts. Projects can be mitigated through fees.  

**2013:** Montgomery County does not report any school districts to be in moratorium unless they exceed 120% of the State Rated Capacity. However, multiple schools are reported to be within the 105%-120% School Facility Payment range. The county reports that two of its 30 Transportation Policy Area Review districts are inadequate to meet the road test (Fairland/White Oak and Gaithersburg City). Sixteen Transportation Policy Area Review districts for transit are inadequate. |
| Queen Anne's | **2012:** Reported one restriction at the intersection of Route 18/Route 552 but did not indicate the number of projects affected by this restriction or a timetable for remedy.  

**2013:** No report was received. |
| Municipalities |  |
| Frederick     | **2012:** Frederick City and Frederick County reported restrictions in seven elementary school districts, two middle school districts and one high school district. All seven elementary schools and one of the middle schools were located in Frederick City. The Yellow Springs elementary school boundary is identified as being mostly outside the PFA.  

**2013:** Seven of the affected elementary schools and two middle charter schools are in the City of Frederick. |
| Rockville     | **2012:** The City of Rockville reports the continuation of one elementary and one middle school moratorium for Twinbrook Elementary School and the Julius West Middle School. This moratorium has affected the 240-unit Avalon Bay Apartments, at the Twinbrook Transit-Oriented Development site since 2009. The Montgomery County Public Schools Capital Improvements Program (CIP) includes recommended capital funds beginning in FY2014 for construction of the middle school addition, as well as recommended funds in FY2015 for construction of the new elementary school. The schools would be available for occupancy in FY2016 and FY2017 respectively, which could allow a conditional approval to be granted by the City of Rockville.  

**2013:** The City of Rockville reports that the moratorium at Twinbrook Elementary School continues. Montgomery County is studying the feasibility of capacity improvements at Twinbrook Elementary. |
Maryland Smart Growth Subcabinet


Richard E. Hall, Chair
Maryland Department of Planning

The Smart Growth Subcabinet

Secretary Richard E. Hall, Department of Planning (Chair)
Secretary Earl F. “Buddy” Hance, Department of Agriculture
Secretary T. Eloise Foster, Department of Budget and Management
Secretary Dominick E. Murray, Department of Business and Economic Development
Secretary Robert M. Summers, Department of the Environment
Secretary Alvin C. Collins, Department of General Services
Secretary Joshua M. Sharfstein, Department of Health & Mental Hygiene
Secretary Raymond A. Skinner, Department of Housing and Community Development
Assistant Secretary Carol Anne Gilbert, Department of Housing and Community Development, Office of Neighborhood Revitalization
Secretary Leonard J. Howie III, Department of Labor, Licensing, & Regulation
Secretary Joseph P. Gill, Department of Natural Resources
Secretary James T. Smith, Jr., Department of Transportation
Acting Secretary Catherine M Shultz, Higher Education
Director Abigail R. Hopper, Maryland Energy Administration
Executive Director Gerrit J. Knaap, National Center for Smart Growth (ex officio)

The report summarizes the FY 2014 growth-related program commitments of the following state agencies to fulfill the requirements of The Smart Growth Areas Act (Annotated Code of Maryland, State Government Article §§ 9-1406). The law defines as “growth related” certain capital projects and funding activities of these state agencies.

- Business and Economic Development
- General Services
- Housing and Community Development
- Environment
- Transportation

There is no statutory requirement that funding for the Maryland Historical Trust (MHT) and the Public School Construction (PSC) program be located within Priority Funding Areas (PFAs). These two agencies chose to voluntarily limit programs to the PFAs and expenditures are included separately for informational purposes only.

**Introduction**

The State of Maryland, through the Smart Growth Subcabinet, is committed to making more efficient and effective investments of taxpayer dollars for infrastructure while preserving the state’s rural landscape from urban sprawl. Subcabinet coordination has reduced development pressures on critical farmland and natural areas and increased the availability of more dollars to spend on roads, schools and infrastructure to sustain Maryland towns, cities and rural areas.

In Fiscal Year 2014, the statutory framework set out by the Maryland General Assembly in the Smart Growth Areas Act was met by the Smart Growth Subcabinet agencies whose programs are subject to PFA restrictions. The Smart Growth Areas Act allows agencies to seek exceptions to the law for individual projects through one of two avenues: the Board of Public Works (BPW) or the Smart Growth Coordinating Committee (SGCC) and requires the Smart Growth Subcabinet to report annually on those exemptions.

Five projects were granted exceptions by the SGCC in FY 2014 in accordance with the procedures prescribed in the Smart Growth Areas Act (see Appendix A) and did not violate the intent of smart growth. There were no exemptions sought by agencies from the Board of Public Works.
Priority Funding Areas

Recognizing that state investments are the most important tool state agencies have to influence growth and development, the 1997 Priority Funding Areas Act (the Smart Growth Act) law establishes Priority Funding Areas (PFAs) as the mechanism to direct the use of state funding for roads, water and sewer plants, economic development and other growth-related needs. PFAs are growth areas designated and mapped by local jurisdictions for targeting state investment in infrastructure. The criteria for PFAs are defined in the Annotated Code of Maryland, State Finance and Procurement Article (SF&P), §5-7B-02 and §5-7B-03. Priority Funding Areas were established to meet three goals:

1) to preserve existing communities;

2) to make the most efficient and effective use of taxpayer dollars for infrastructure by targeting state resources to build on past investments; and

3) to reduce development pressure on critical farmland and natural resource areas by encouraging projects in already developed areas.

The Priority Funding Areas and Schools regulation was approved in 2011 as an amendment to COMAR 23.03.02 Regulations for the Administration of the Public School Construction Program. Local Educational Agencies (LEAs) seeking state funding to construct new schools and replacement schools that increase capacity outside the PFA must undergo a PFA review. A waiver option is available to LEAs as part of the PFA review process. The new regulations are restricted to school construction projects seeking school site, planning and funding approvals in the Capital Improvement Program (CIP) for Fiscal Year 2013 and beyond.

FY 2014 Expenditures

FY 2014 growth-related spending on PFA restricted projects and programs totaled $1,277,825,586, as reported to the Department of Planning by the Departments of Housing and Community Development, General Services, Business and Economic Development, Environment and Transportation.

Of that amount, $769,982,151, or 60 percent, of growth-related spending was devoted to projects and programs within Priority Funding Areas; $112,230,435, or 9 percent, was devoted to projects outside PFAs; and $395,613,000, or 31 percent, was devoted to projects that were not place-specific associated with the Maryland Department of Transportation.

It should be noted that $110,352,000 (98 percent) of the $112 million spent outside PFAs was associated with state transportation projects that were exempt, or grandfathered, from the PFA requirements or met the criteria for granting exceptions to the law, as reported by MDOT. Most of the $110 million in transportation expenditures spent outside PFAs was to complete the Inter-County Connector between Montgomery and Prince George’s counties.
The remaining $1,878,435 (1.67 percent) spent outside PFAs was devoted to two MDE projects that received exceptions to the PFA requirement because the drinking water system improvements were located outside of the PFA, even though the entire area served by each project is located within a PFA.

### FY 2014 Expenditures by Agency for Growth-Related Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Funding</th>
<th>PFA Funding</th>
<th>Funding Outside PFA</th>
<th>Not Place Specific Funding</th>
</tr>
</thead>
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<tr>
<td>DHCD</td>
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<tr>
<td>DGS</td>
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<tr>
<td>Total</td>
<td>$ 1,277,825,586</td>
<td>$ 769,982,151</td>
<td>$ 112,230,435</td>
<td>$ 395,613,000</td>
</tr>
</tbody>
</table>

### FY 2014 Agency Growth-Related Expenditures within Priority Funding Areas
The Department of Housing and Community Development

The Department of Housing and Community Development (DHCD) programs defined as growth-related and thus limited to PFAs are:

- The construction or purchase of newly constructed single family homes by the Community Development Administration (CDA)'s Maryland Mortgage Program (MMP), which provides low interest mortgages to qualified first time homebuyers;
- The acquisition or construction of newly constructed multifamily rental housing (NMRH) by CDA; and
- State funded neighborhood revitalization projects, which include funding from Community Legacy (CL), Community Investment Tax Credit (CITC), Maryland Capital Access Program (MCAP), Neighborhood Business Works (NBW), and Strategic Demolition and Smart Growth Impact Fund (SGIF).

It should also be noted that, although it is not required by the Smart Growth Areas Act, DHCD also requires that Community Development Block Grants be limited to PFAs. The program is not covered by this act because it consists solely of federal funds and the law covers only state-funded projects.

### Department of Housing and Community Development

**FY 2014 Expenditures by Growth-Related Program**

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Projects</th>
<th>Total Funding</th>
<th>Projects in PFA</th>
<th>PFA Funding</th>
<th>Projects Outside PFA</th>
<th>Funding Outside PFA</th>
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<tbody>
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<td><strong>294</strong></td>
<td><strong>$196,694,684</strong></td>
<td>0</td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>
The Department of General Services

While it has no capital budget, the Department of General Services (DGS) is responsible for acquiring, leasing and maintaining most of the state’s facilities. Thus, it is responsible for ensuring that the state’s growth-related funding is limited to PFAs for state leases of property and land acquisition. However, the law explicitly exempts projects for “maintenance, repair, additions or renovations to existing facilities, acquisition of land for telecommunications towers, parks, conservation and open space, and acquisition of agricultural, conservation, and historic easements.”

DGS sends every lease and project to the Maryland Department of Planning’s State Clearinghouse for Intergovernmental Assistance to ensure it complies with the Smart Growth Areas Act.

Department of General Services
FY 2014 Expenditures by Growth-Related Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Projects</th>
<th>Total Funding</th>
<th>Projects in PFA</th>
<th>PFA Funding</th>
<th>Projects Outside PFA</th>
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</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td></td>
<td></td>
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<td>Total</td>
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<td>77</td>
<td>$8,660,024</td>
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<td>$ 0</td>
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</tbody>
</table>
The Department of Business and Economic Development programs defined by the Smart Growth Areas Act as growth-related have been renamed and/or consolidated. Programs subject to the law’s restrictions include:

- The Maryland Small Business Development Financing Authority, which provides financing for small businesses that do not qualify for financing from private lending institutions or owned by socially and economically disadvantaged persons
- The Maryland Economic Development Assistance Authority and Fund, which provides loans and grants to businesses and local jurisdictions
- The Economic Development Opportunities Fund (Sunny Day Fund), which promotes Maryland’s participation in extraordinary economic development opportunities that provide significant returns to the state through creating and retaining employment as well as the creation of significant capital investments in Priority Funding Areas
- The Maryland Economic Adjustment Fund, which assists businesses with modernization of manufacturing operations, the development of commercial applications for technology, and exploring and entering new markets

Department of Business and Economic Development

FY 2014 Expenditures by “Growth Related” Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Projects</th>
<th>Total Funding</th>
<th>Projects in PFA</th>
<th>PFA Funding</th>
<th>Projects outside PFA</th>
<th>Funding outside PFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>MSBDFA</td>
<td>24</td>
<td>$4,249,818</td>
<td>24</td>
<td>$4,249,818</td>
<td>0</td>
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</tr>
<tr>
<td>MEDAAF</td>
<td>39</td>
<td>$17,647,983</td>
<td>39</td>
<td>$17,647,983</td>
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<td>$0</td>
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<tr>
<td>SDF</td>
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<td>$2,671,613</td>
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</tr>
<tr>
<td>MEAF</td>
<td>1</td>
<td>$60,000</td>
<td>1</td>
<td>$60,000</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
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<td>$24,629,414</td>
<td>67</td>
<td>$24,629,414</td>
<td>0</td>
<td>$0</td>
</tr>
</tbody>
</table>
The following Maryland Department of the Environment (MDE) programs are subject to PFA restrictions:

- The Maryland Water Quality Revolving Loan Fund, which provides financial assistance to public entities and local governments for wastewater treatment plant upgrades and other water quality and public health improvement projects, and to public or private entities for nonpoint source pollution prevention projects
- The Drinking Water Supply Financial Assistance Program, which provides financial assistance to local government entities for the acquisition, construction, rehabilitation, and improvement of publicly owned water supply facilities
- The Supplemental Assistance Program, which provides grants to local governments for planning, design, and construction of needed wastewater facilities
- The Maryland Drinking Water Revolving Loan Fund, which provides financial assistance to publicly and privately owned community water systems and nonprofit, non-community water system for projects that address public health, public safety, environmental or regulatory issues.

A PFA exception is required if any part of the project or area served by the project is outside the PFA. The two projects funded outside of the PFA in FY 2014 received PFA exceptions based on the public health and safety criteria of the PFA law for drinking water system improvements located outside of the PFA, even though the entire area served by each project is located within a PFA. The $1.9 million in expenditures outside of the PFA accounted for 1 percent of the total funding.

Maryland Department of the Environment (MDE)
FY 2014 Expenditures by “Growth Related” Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Projects</th>
<th>Total Funding</th>
<th>Projects in PFA</th>
<th>PFA Funding</th>
<th>Projects outside PFA</th>
<th>Funding outside PFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFQRLF</td>
<td>25</td>
<td>$160,659,484</td>
<td>25</td>
<td>$160,659,484</td>
<td>0</td>
<td>$0</td>
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<tr>
<td>DWSFAP</td>
<td>4</td>
<td>$1,829,935</td>
<td>3</td>
<td>$1,451,500</td>
<td>1</td>
<td>$387,435</td>
</tr>
<tr>
<td>SAP</td>
<td>6</td>
<td>$5,112,664</td>
<td>6</td>
<td>$5,112,664</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>MDWRLF</td>
<td>7</td>
<td>$15,400,382</td>
<td>6</td>
<td>$13,900,382</td>
<td>1</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>$183,002,465</td>
<td>40</td>
<td>$181,124,030</td>
<td>2</td>
<td>$1,878,435</td>
</tr>
</tbody>
</table>
**The Maryland Department of Transportation**

For the Maryland Department of Transportation (MDOT), “growth-related” projects include all major capital projects, defined as “any new, expanded, or significantly improved facility or service that involves planning, environmental studies, design, right-of-way, construction, or purchase of essential equipment related to the facility or service.” MDOT lists such projects in its Consolidated Transportation Program (CTP) as “Major Projects” and details the PFA status of each project in that report. The modal administrations of MDOT for which major capital projects are subject to PFA Restrictions include:

- The State Highway Administration
- The Maryland Transit Administration
- The Maryland Aviation Administration
- The Maryland Port Administration
- The Motor Vehicle Administration
- The Secretary’s Office
- Payments to Washington Metro Area Transit Authority

Transportation projects that are excluded from the Smart Growth Areas Act include existing Maryland Transportation Authority facilities projects, project planning, initial project planning, “Minor Capital Projects,” and projects for the preservation and rehabilitation of existing facilities or services that do not increase capacity. A number of MDOT's capital projects are not location-specific. This category is used to characterize system-wide improvements, including investment in local transit assistance programs, transit vehicle acquisition by MTA and facility management system improvements by MVA.

Of the 176 major capital projects in the Maryland Department of Transportation’s 2014 CTP, 26 were outside of the PFA. Of these, 4 were initiated before the Smart Growth Areas Act was enacted and are thus exempt (grandfathered). These are an MPA project for dredge disposal at Hart Miller Island and three SHA projects (two for upgrades for MD 404 and US 113 and one new interchange construction at MD 5 and MD 373).
The remaining 22 projects outside of the PFA had been granted exceptions in previous years in compliance with statute. These included an MTA project to enhance MARC service by adding a 4th track near the BWI train station (a short segment of which fell outside the PFA), a project related to the Inter-County Connector (ICC), 3 projects associated with the MD 32 Corridor Study, the MD 97 Brookeville Project, a project related to MD 24 (addressing a slope failure), and a new interchange project at US 301 and MD 304. The widening and rehabilitation of the I-70 bridge over Conococheague Creek and the replacement of the small structure that carries MD 68 over St. James Run had been granted exceptions as needed safety enhancements that would not add significant highway capacity. Finally, additional project exceptions had been granted for bridge replacement projects and the resurfacing of I-83, which did not add significant highway capacity. Expenditures related to the ICC are estimated to account for roughly 91% of this total expenditure outside the PFA.

One new exception was granted in 2014. This pertained to efforts by the Maryland Port Administration to work with the Maryland Department of the Environment and the U.S. Army Corps of Engineers in providing water quality improvements as part of the Pearce Creek Dredged Material Containment Facility project. FY2014 funding for this project was included within MPA’s Dredge Material Management Program.

For FY 2014, effort has been made again to subtract federal funding support from project expenditures to more accurately address the statutory requirement which pertains specifically to state support. As a result, figures will not be directly comparable with those reporting periods before FY 2012 which included federal funding support.
## FY 2014 MDOT Major Transportation Projects

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Projects</th>
<th>Total Funding</th>
<th>Projects in PFA</th>
<th>PFA Funding</th>
<th>Projects outside PFA</th>
<th>Funding outside PFA</th>
<th>Not Place Specific Projects</th>
<th>Not Place Specific Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHA</td>
<td>98</td>
<td>$58,717,000</td>
<td>73</td>
<td>$51,117,000</td>
<td>23</td>
<td>$5,590,000</td>
<td>2</td>
<td>$2,010,000</td>
</tr>
<tr>
<td>MdTA/SHA</td>
<td>1</td>
<td>$100,076,000</td>
<td>0</td>
<td>$0</td>
<td>1</td>
<td>$100,076,000</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>MTA</td>
<td>42</td>
<td>$270,474,000</td>
<td>18</td>
<td>$156,088,000</td>
<td>1</td>
<td>$1,007,000</td>
<td>23</td>
<td>$113,379,000</td>
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<tr>
<td>MAA</td>
<td>13</td>
<td>$115,958,000</td>
<td>13</td>
<td>$115,958,000</td>
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<td>$0</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>MPA</td>
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<td>$52,364,000</td>
<td>7</td>
<td>$24,911,000</td>
<td>1</td>
<td>$3,679,000</td>
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<td>$23,774,000</td>
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<td>MVA</td>
<td>2</td>
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<td>0</td>
<td>$0</td>
<td>2</td>
<td>$2,022,000</td>
</tr>
<tr>
<td>TSO</td>
<td>4</td>
<td>$10,800,000</td>
<td>4</td>
<td>$10,800,000</td>
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<td>$0</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>WMATA</td>
<td>6</td>
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<td>0</td>
<td>$0</td>
<td>0</td>
<td>$0</td>
<td>6</td>
<td>$254,428,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>176</strong></td>
<td><strong>$864,839,000</strong></td>
<td><strong>115</strong></td>
<td><strong>$358,874,000</strong></td>
<td><strong>26</strong></td>
<td><strong>$110,352,000</strong></td>
<td><strong>35</strong></td>
<td><strong>$395,613,000</strong></td>
</tr>
</tbody>
</table>
Maryland Historical Trust Programs Voluntarily Restricted to PFAs

While they are not required to do so by the Smart Growth Areas Act, the Maryland Historical Trust, a division of the Maryland Department of Planning, voluntarily limits certain of its programs to PFAs to further smart growth aims.

MHT assists nonprofit organizations, local governments, businesses and individuals in the acquisition, rehabilitation or restoration of historic property in Maryland. The agency requires that recipients of the Capital Historic Preservation (HP) grant be located inside PFAs and administers an exemption process for applicants that do not.

MHT gives preference to commercial applicants for the Sustainable Communities Tax Credit whose projects are located within PFAs. The program provides Maryland income tax credits equal to 20 percent of the qualified capital costs expended in the rehabilitation of a “certified heritage structure.” Beginning in FY2011, projects involving “certified historic structures” that are high-performance commercial buildings became eligible to receive a 25-percent credit.

Maryland Historical Trust FY 2014 Expenditures

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Projects</th>
<th>Total Funding</th>
<th>Projects in PFA</th>
<th>PFA Funding</th>
<th>Projects Outside PFA</th>
<th>Funding Outside PFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital HP Grants\textsuperscript{a}</td>
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<td>$0</td>
<td>0</td>
<td>$0</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>SCTC\textsuperscript{a} Residential</td>
<td>178</td>
<td>$1,870,375</td>
<td>167</td>
<td>$1,722,093</td>
<td>11</td>
<td>$148,282</td>
</tr>
<tr>
<td>SCTC Commercial</td>
<td>9</td>
<td>$10,001,035</td>
<td>9</td>
<td>$10,001,035</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>187</td>
<td>$2,871,410</td>
<td>176</td>
<td>$2,723,128</td>
<td>11</td>
<td>$148,282</td>
</tr>
</tbody>
</table>
The Public School Construction Program

While Maryland public schools are not required by statute to be located within PFAs, it is informative to know what level of funding secondary school construction is occurring inside and outside of PFAs. Established in 1971 as an independent agency, the Public School Construction Program (PSCP) provides assistance to local boards of education to maintain facilities by achieving design and performance standards that support an environment conducive to achieving academic excellence. PSCP funds are administered statewide for building replacements, renovations, additions, new construction, systemic renovations and other improvements. While the cost to acquire land and to design and equip public schools is a local responsibility, the state and local governments continue to share public school construction cost.

Factors considered during the evaluation of PSCP Capital Improvement Projects are whether the projects align with local board of education programs, state construction procedures and procurement practices, and state and local planning growth policies. Additionally, school site approval is a prerequisite for planning approval and is valid for five years. Planning approval is required prior to funding approval for most major projects. In FY 2015, one PFA waiver was requested to build a replacement school on the same site that would increase capacity outside of the Priority Funding Area.

Information on expenditures for public school construction for major construction projects for FY 2014 and FY 2015 is shown on the following chart. Generally, the amount of major construction expenditures in PFAs is far greater than outside PFAs. For FY2015, 79 percent of the total funds for major construction projects were spent within PFAs. It should be noted that the number of requests for projects in and out of PFAs varies widely from year to year and funding decisions are based on a wide variety of criteria and is often a result of decisions made in prior years.

In the last two fiscal years, the BPW has approved school construction dollars that are focused on additions and renovations to existing schools, rather than new school facilities outside of PFAs. However existing schools outside PFAs must be supported as well. For instance in FY 2015, 100 percent of the funds spent outside of the PFA was spent for renovations or replacements on the same site.
### Public School Construction Program FY 2014 & FY 2015

#### Expenditures by Project Type

<table>
<thead>
<tr>
<th>PSC FY 2014 – FY 2015 Projects</th>
<th>Project Types</th>
<th>PFA Funding</th>
<th>Funding Outside PFA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2014</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Major Construction Funding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$165,510,502</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New</td>
<td></td>
<td>$35,535,000</td>
<td></td>
</tr>
<tr>
<td>Replacement/Renovations with new classroom capacity</td>
<td></td>
<td>$58,063,731</td>
<td>$8,213,750</td>
</tr>
<tr>
<td>Other Renovation/Replacements</td>
<td></td>
<td>$57,578,021</td>
<td>$7,120,000</td>
</tr>
<tr>
<td>Sub-totals</td>
<td></td>
<td>$151,176,752</td>
<td>$15,333,750</td>
</tr>
<tr>
<td><strong>FY 2015</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Major Construction Funding</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>$224,210,000</td>
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<td></td>
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</tr>
<tr>
<td>New</td>
<td></td>
<td>$27,963,930</td>
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</tr>
<tr>
<td>Replacement</td>
<td></td>
<td>$60,355,048</td>
<td>$19,449,726</td>
</tr>
<tr>
<td>Renovation/Replacement Projects that do not add capacity</td>
<td></td>
<td>$67,839,530</td>
<td>$1,913,497</td>
</tr>
<tr>
<td>Renovation/Additions/Replaces that increase capacity</td>
<td></td>
<td>$28,962,952</td>
<td>17,726,070</td>
</tr>
<tr>
<td>Sub-totals</td>
<td></td>
<td><strong>$185,121,460</strong></td>
<td><strong>$39,089,293</strong></td>
</tr>
</tbody>
</table>

The figures represent the FY 2014 & FY 2015 allocation for major construction projects. PSC figures listed above do not reflect Total FY 2015 spending for Systemic Projects ($93.546 M). In addition, the figures exclude funding for the Air Conditioning Initiative and Systemic Projects.
APPENDIX A

Exceptions to the PFA Law

Approved by the Smart Growth Coordinating Committee in FY 2014

The Smart Growth Areas Act allows for growth related projects located outside the Priority Funding Areas to receive state funding if: “it is required to protect public health or safety;” the project involves federal funds and “compliance with [the Smart Growth Areas Act] would conflict or be inconsistent with federal law;” or it is a “growth-related project related to a commercial or industrial activity, which, due to its operational or physical characteristics, shall be located away from other development.”xi The Smart Growth Coordinating Committee, the staff level working group of the Smart Growth Subcabinet, is tasked with approving exceptions based on these criteria.

In FY 2014, the Coordinating Committee approved five PFA exceptions. PFA exception approval alone, however, does not ensure that projects will be funded. Specific details regarding the PFA exception approvals are as follows:

July 2013 – H.P. White Laboratory, Inc. (Harford County)

H.P. White Laboratory, Inc. requested assistance from the Maryland Economic Development Assistance Authority Fund ("MEDAAF") for a planned expansion of its corporate headquarters and operations located in Harford County, Maryland. The Company intends to add approximately 20,000 square feet of space to its existing operations, for a total of 40,000 square feet of space in a facility set on approximately 140 acres located on Scarboro Road in Street, Maryland.

This company is an independent ballistics and resistance laboratory with heavy ties to the Department of Defense, Department of Homeland Security and U.S. military branches. The Company has 9 indoor and 2 outdoor ballistic ranges to perform testing. Due to the nature of the Company’s business operations, it is necessary for it to be located away from other development in order to protect public health and safety.

<table>
<thead>
<tr>
<th>Agency Submitting Request:</th>
<th>DBED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grounds for Exception:</td>
<td>Growth-related project that must be outside PFA</td>
</tr>
<tr>
<td>Funding</td>
<td>Maryland Economic Development Assistance Authority Fund (MEDAAF) Cost: $100,000; Harford County has offered to provide the Company with a low interest loan in an amount up to $200,000 to assist with expansion costs and a $60,000 Training Grant.</td>
</tr>
</tbody>
</table>
September 2013 – Poultry Farmers/ Robert & Rose Murphy, Justin B. & Heidi Murphy, Brad R. & Megan Murphy (Dorchester County)

On behalf of the Murphy Poultry Farmers, the Mid-Atlantic Farm Credit ("MAFC") requested that the $196,708 in MIDFA insurance coverage on the existing combined loan balances of $2,791,639 to the Murphy's be extended to also include a new loan of $1,679,000 for the purchase of a third farm and the construction of six poultry houses.

Agency Submitting Request: DBED
Grounds for Exception: Growth-related project that must be outside PFA
Funding

April 2014 – Town of Cecilton Water Service for Areas in the Vicinity of the Pearce Creek Dredged Material Containment Facility (Cecil County)

The Maryland Port Authority (MPA) requested a PFA Exception to allow construction of new water transmission and supply infrastructure to serve areas outside the PFA in Cecil County. More specifically, the water supply is needed for properties impacted or likely to be impacted by off-site migration of contaminated groundwater from the Pearce Creek Dredged Material Containment Facility (DMCF) in Cecil County. Residential wells in this area are degraded, in part, due to contaminants from the Pearce Creek DMCF. Using funds provided by the MPA, the Town of Cecilton will provide water service to the affected properties.

Agency Submitting Request: MDOT (Maryland Port Authority)
Grounds for Exception: Public health or safety
Funding MPA Funding, estimated $15M +/-

April 2014 – Morris Mill Area Water Distribution (Wicomico County)

Maryland Department of the Environment requested a PFA exception for a drinking water project involving the Morris Mill Area Water Distribution system located along Morris Mill Road and Coulbourn Mill Road in the southern portion of Wicomico County. Existing wells in this area were discovered in 2012 to be contaminated with an industrial solvent. This project will provide public water service to existing developed and underdeveloped residential lots, as well as serve a limited number of unimproved lots and parcels. Neither the County nor the City of Fruitland intends to provide public sewerage to serve existing or future development (infill lots and open farmland). Based on a potential new housing capacity analysis, the estimated maximum number of future EDU's in the project area is 97. This is also the maximum number of new EDUs that could be developed on private wells.

Agency Submitting Request: MDE
Grounds for Exception: Public health or safety
Funding MDE Water Supply Financial Assistant Program (Grant), $3,000,000, USDA-RA (Grant) $3,000,000; USDA-RA (Loan) $2,000,000; for a total of $8 million
April 2014 – Town of Galena Wastewater Treatment Plant (Kent County)

This project is to build a new 110,000 gpd Enhanced Nutrient Removal WWTP to replace the existing WWTP. It will be located outside the PFA, as is the existing plant. The Town of Galena operates an 80,000 gallon per day (gpd) wastewater treatment Plant (WWTP). The Maryland Department of the Environment found the plant in Significant Noncompliance for permit violations and issued a Consent Order on October 21, 2011. The Order directed the Town to upgrade the plant and place it into service by October 31, 2013. The proposed plant will serve Galena and two small developments adjacent to the town. On June 17, 2013, MDE approved an amendment to the Kent County Water and Sewer Plan that is consistent with this PFA exception request.

Agency Submitting Request: MDE
Grounds for Exception: Public health or safety
Funding MDE SRF $2,235,588; USDA $ 1,300,000; County % $1,872,433; Total Cost: estimated $5,708,021
APPENDIX B

Exceptions to the PFA Law Approved by the Board of Public Works in FY 2014

The Board of Public Works may grant an exemption if it determines that: “extraordinary circumstance” exist, e.g., “the failure to fund the project in question creates an extreme inequity, hardship, or disadvantage that clearly outweighs the benefits from locating a project in a priority funding area”; or it is a transportation project that either maintains the existing system, serves to connect two PFAs, has as its sole purpose of providing control of access on existing highway, or “due to its operational or physical characteristics, must be located away from other development.” xii

In FY 2014, the Board of Public Works did not approve any exceptions to the Smart Growth Areas Act.
Endnotes

i Maryland Annotated Code, State Finance and Procurement, § 5-7B-01

ii Maryland Annotated Code, State Finance and Procurement, § 5-7B-05

iii The law calls for a process to be “established jointly by the applicable State agency and the Department of Planning”. Maryland Annotated Code, State Finance and Procurement Article, §5-7B-06. (See MDP publication No. 2010-009, “Priority Funding Area Exception and Extraordinary Circumstances Process” for more)

iv Maryland Annotated Code, State Government, § 9-1406 (H) (1)

v Maryland Annotated Code, Transportation, §§ 2-103.1 (A) (4).

vi Maryland Annotated Code, State Finance and Procurement, §§ 5-7B-01 (D) (1) (I)

vii Reported figures show committed funding as reflected in MDOT’s Consolidated Transportation Program. These figures present the best available approximation of actual fiscal year expenditures although final project figures may be slightly different

viii Federal funding has been subtracted from project expenditure totals. Figures shown may include some local as well as state funding support.

ix These figures represent FY 2014 Capital Historic Preservation Grant awards.

x Commercial and residential SCTC figures represent Part 2 approvals for FY 2014.

xi Maryland Annotated Code, State Finance and Procurement, § 5-7B-06 (A)

xii Maryland Annotated Code, State Finance and Procurement, § 5-7B-05 (A)