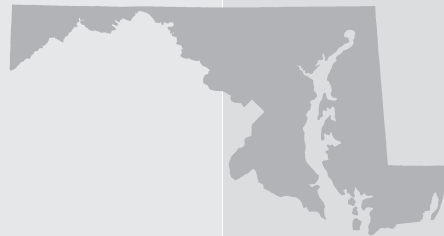
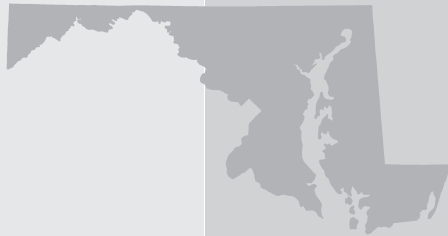




Maryland Smart Growth Sub-Cabinet

2008 Annual Report on the
Implementation of the
Smart Growth Areas Act

December 2008





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2008 Annual Report on the Implementation of the Smart Growth Areas Act,
Maryland Smart Growth Sub-Cabinet

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Maryland Smart Growth Sub-Cabinet

2008 Annual Report on State Spending in Priority Funding Areas

Richard E. Hall, Chair

Compiled by the Maryland Department of Planning

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Introduction

During the rapid development of suburban communities and highways in the 1950s, 1960s and 1970s, we in Maryland, as in much of the nation, treated our natural resources as if they were unlimited and our older, established communities as if they were expendable. Suburban sprawl consumed valuable open space; devoured massive amounts of public funds for new infrastructure; spawned unrelenting traffic congestion; contributed to poor air and water quality; and all but destroyed our sense of community.

The steady move in population and later businesses out of core cities and town centers led to a chronic disinvestment and underutilization of infrastructure, housing stock, public schools and community amenities such as recreation centers and parks in Maryland's older communities. Most Marylanders now live in suburban communities where they must rely on their cars to commute to work or make a trip to the cleaners or grocery store, a lifestyle which has undermined residents' health as well as the basic character of our neighborhoods. Furthermore, the increased development of previously undeveloped lands has meant a loss of forest and agricultural lands as well as harmful impacts on the state's waterways, wetlands and the Chesapeake Bay.

In 1997, responding to the corrosive impact of sprawl, Maryland began to recast its growth management policies and practices with a series of laws aimed at spurring reinvestment in older communities, protecting agriculture and natural resources, and making more efficient use of limited state funds for highways, sewer systems, and other growth related needs. Entitled Smart Growth, these laws and associated efforts sought to balance Maryland's critical needs for economic growth and environmental protection by using the state budget to encourage local governments and developers to build in a more sustainable, quality of life enhancing manner. The State sought to curb sprawl, preserve valuable open space, and revitalize its older communities by emphasizing incentives over regulation.

The cornerstone of the Smart Growth effort was the 1997 Smart Growth Areas Act, which required that all "growth related" State funds be spent only in Priority Funding Areas (PFAs), to be designated by counties in consultation with the State. The law defined as "growth related" certain programs in five state agencies: Business and Economic Development (DBED), General Services (DGS), Housing and Community Development (DHCD), Environment (MDE), and Transportation (MDOT).¹ In addition, several agencies chose to voluntarily limit programs to the PFAs.

The Smart Growth Areas Act required these agencies to report yearly to the Office of Planning on their implementation of the act. The 1998 executive order which established the Smart Growth Sub-Cabinet – and the 2001 law which codified it – further defined the requirements of these reports and made them a responsibility of the Sub-Cabinet.²

The Smart Growth Areas Act also allows for these agencies to seek exemptions for individual projects through one of two avenues: the Board of Public Works³ or the Smart Growth Coordinating Committee⁴. The Smart Growth Sub-Cabinet is required to report yearly on these exemptions, and traditionally they have been included in the Maryland Department of Planning's Annual Report. All Exemptions approved in FY 2008 are included at the end of this report.

This report summarizes the budgetary commitments of the relevant agencies in partial fulfillment of the requirements of the Smart Growth Areas Act. Based on the data provided, it in FY 2008 \$1,633,058,418 in state funding was subject to the law. Of this, \$1,252,871,731 (77%) was devoted to projects and programs within PFAs, \$273,324,800 (17%) was devoted to MDOT projects that

¹ Maryland Annotated Code, State Finance and Procurement, §§ 5-7B-01

² Maryland Annotated Code, State Government, §§ 9-1406 (H) (3)

³ Maryland Annotated Code, State Finance and Procurement, §§ 5-7B-05

⁴ 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.

were not place specific, and the remaining \$106,884,687 (7%) amount was associated with projects that were exempt from the PFA requirements or met the legal criteria set out for granting exceptions to the law. The table below shows the breakdown by department:

| Agency | Total Funding | Inside PFA | Not Place Specific | Outside PFA |
|---------------|------------------------|------------------------------|----------------------------|---------------------------|
| DHCD | \$633,320,911 | \$608,591,518 (96%) | \$0 (0%) | \$24,729,393 (4%) |
| DGS | \$72,828,750 | \$72,713,442 (100%) | \$0 (0%) | \$0 (0%) |
| DBED | \$25,812,685 | \$25,618,942 (99%) | \$0 (0%) | \$193,744 (1%) |
| MDE | \$82,587,071 | \$74,767,521 (91%) | \$0 (0%) | \$7,819,550 (9%) |
| MDOT | \$818,509,000 | \$471,065,000 (58%) | \$273,324,800 (33%) | \$74,142,000 (9%) |
| Total | \$1,633,058,418 | \$1,252,756,423 (77%) | \$273,324,800 (17%) | \$106,884,687 (7%) |

In Fiscal Year 2008 the requirements of the Smart Growth Areas Act were met by state agencies, both in letter and spirit. The vast majority of “growth related” funding was spent in the Priority Funding Areas. The few exceptions to the law that were made followed the procedures prescribed in the law and did not violate the spirit of smart growth.

Department of Housing and Community Development (DHCD)

| Program | Total Projects | Total Funding | Projects in PFA | PFA Funding | Projects outside PFA | Funding Outside PFA |
|--|--------------------|----------------------------|-----------------|----------------------|----------------------|---------------------|
| CDA – MMP | 2,877 ⁵ | \$585,030,120 ⁵ | 2,771 | \$560,300,727 | 106 | \$24,729,393 |
| Multifamily Housing | 32 | \$36,359,578 | 32 | \$36,359,578 | 0 | 0 |
| Community Legacy | 73 | \$7,000,000 | 73 | \$7,000,000 | 0 | 0 |
| Community Investment Tax Credit | 53 | \$1,000,000 | 53 | \$1,000,000 | 0 | 0 |
| Neighborhood Business Works | 18 | \$3,931,213 | 18 | \$3,931,213 | 0 | 0 |
| Total | 3,021 | \$633,320,911 | 2,947 | \$608,591,518 | 106 | \$24,729,393 |

The Department of Housing and Community Development (DHCD) programs defined as “Growth Related” and thus limited to PFAs are:

1. The “construction or purchase of newly constructed single family homes” by The Community Development Administration’s (CDA) Maryland Mortgage Program (MMP); which provides low interest mortgages to qualified first time homebuyers;
2. The “acquisition or construction of newly constructed multifamily rental housing” by CDA; and
3. “State funded neighborhood revitalization projects”, which include the Community Legacy program, the Community Investment Tax Credit, and the Neighborhood Business Works program.

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

106 CDA MMP loans were granted for projects outside of PFAs. All of these were for projects that are exempt from the Smart Growth Areas Act and none required an exemption from the Board of Public Works or the Smart Growth Coordinating Committee. This is because the Law requires that for home purchases financed by CDA, only homes that are new construction must be located in PFA's. Existing homes are exempt. Even for new construction, there is an exception for loans financed by CDA "on behalf of" a county when CDA uses the bond allocation of the county.

⁵ Each project is one single family mortgage loan.

Department of General Services (DGS)

| Program | Total Leases/ Projects | Total State Funding | Projects in PFA | PFA Funding | Projects Outside PFA | Funding Outside PFA |
|-------------------|---------------------------|---------------------|-----------------|---------------------|----------------------|---------------------|
| Leased Facilities | 432 ⁶ | \$72,828,750 | 430 | \$72,713,442 | 0 | 0 |
| Land Acquisitions | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 432 | \$72,828,750 | 430 | \$72,713,442 | 0 | 0 |

While it has no capital budget itself, the Department of General Services 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 the following:

1. Leases of Property by the State; and
2. 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.”

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

⁶ State rents two properties outside of Maryland: Governor’s Office at 400 N. Capitol St, Washington DC and the Comptroller’s Office at 8 Meadowlands Pkwy, Secaucus, New Jersey.

Department of Business and Economic Development (DBED)

| Program | Total Projects | Total Funding | Projects in PFA | PFA Funding | Projects Outside PFA | Funding Outside PFA |
|----------------|----------------|------------------------|-----------------|------------------------|----------------------|---------------------|
| MSBDFA | 27 | \$8,478,133.90 | 27 | \$8,478,133.90 | 0 | 0 |
| MEDAAF | 36 | \$12,968,790.07 | 35 | \$12,775,046.22 | 1 | \$193,743.85 |
| Sunny Day Fund | 3 | \$4,265,761.58 | 3 | \$4,265,761.58 | 0 | 0 |
| MEAF | 2 | \$100,000.00 | 2 | \$100,000.00 | 0 | 0 |
| Total | 68 | \$25,812,685.55 | 67 | \$25,618,941.70 | 1 | \$193,743.85 |

The DBED programs defined by the Smart Growth Areas Act as “growth related” have all subsequently been renamed and/or consolidated. Currently the programs subject to the law’s restrictions are:

1. The Maryland Small Business Development Financing Authority (MSBDFA), which provides financing for small businesses that are not able to qualify for financing from private lending institutions or owned by socially and economically disadvantaged persons;
2. The Maryland Economic Development Assistance Authority And Fund (MEDAAF), which provides both loans and grants to businesses and local jurisdictions;
3. 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. ; and
4. Maryland Economic Adjustment Fund (MEAF), which assists business entities in the state with modernization of manufacturing operations, the development of commercial applications for technology, and exploring and entering new markets.

The lone project outside of a PFA funded by DBED in FY 08 was a MEDAAF loan to the Heron Farm in Cecil County. It received an exception from the Smart Growth coordinating committee prior to FY 08 as 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”.⁷ The statute explicitly defines agriculture as such an activity.

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

Maryland Department of the Environment (MDE)

| Program | Total Projects | Total Funding ⁸ | Projects in PFA | PFA Funding | Projects outside PFA | Funding Outside PFA |
|---------------------|----------------|----------------------------|-----------------|---------------------|----------------------|---------------------|
| MWQRLF | 13 | \$59,240,800 | 12 | \$58,473,000 | 1 | \$767,800 |
| Water Supply | 11 | \$3,639,844 | 8 | \$2,487,094 | 3 | \$1,152,750 |
| Supplemental | 12 | \$5,425,427 | 10 | \$4,866,427 | 2 | \$559,000 |
| MDWRLF | 6 | \$14,281,000 | 3 | \$8,941,000 | 3 | \$5,340,000 |
| Total | 42 | \$82,587,071 | 33 | \$74,767,521 | 9 | \$7,819,550 |

The following MDE Programs are subject to PFA restrictions:

1. The Maryland Water Quality Revolving Loan Fund (MWQRLF), which provides financial assistance to local governments and private citizens for a wide variety of projects to protect or improve the quality of Maryland's rivers, streams, lakes, the Chesapeake Bay and other water resources;
2. The Drinking Water Supply Financial Assistance Program, which provides financial assistance to local governments for the acquisition, construction, rehabilitation, and improvement of publicly owned water supply facilities throughout the State;
3. The Supplemental Assistance Program, which provides grants to local governments for planning, design, and construction of needed wastewater facilities; and
4. Maryland Drinking Water Revolving Loan Fund (MDWRLF) which provides financial assistance to local governments and private citizens to protect or improve the quality of community water systems and ensure their compliance with national primary drinking water standards.

All MDE exceptions were approved by the Smart Growth Coordinating Committee for health reasons (generally failed septic or water systems) or as industrial purposes (Wastewater Treatment plants physically located outside of the PFA but serving areas inside the PFA).

⁸ Loan amount approved by the Board of Public Works, actual loan may be smaller.

Maryland Department of Transportation (MDOT)

FY 2008 CTP: Major Transportation Projects⁹

| | Total Projects | Total Funding | Projects In PFA | Funding In PFA | Projects Not Place Specific | Funding Not Place Specific | Projects Outside PFA | Funding Outside PFA |
|--------------|----------------|----------------------|-----------------|----------------------|-----------------------------|----------------------------|----------------------|---------------------|
| SHA | 63 | \$409,569,000 | 35 | \$335,427,000 | 3 | \$22,800,00 | 25 | \$74,142,000 |
| MTA | 33 | \$92,031,000 | 16 | \$69,760,000 | 17 | \$22,271,000 | 0 | 0 |
| MAA | 6 | \$47,686,000 | 6 | \$47,686,000 | 0 | 0 | 0 | 0 |
| MPA | 6 | \$89,996,000 | 5 | \$18,192,000 | 1 | \$71,804,000 | 0 | 0 |
| MVA | 3 | \$4,579,000 | 0 | 0 | 3 | \$4,579,000 | 0 | 0 |
| TSO | 1 | \$5,450,000 | 0 | 0 | 1 | \$5,450,000 | 0 | 0 |
| WMATA | 3 | \$169,198,000 | 0 | 0 | 3 | \$169,198,000 | 0 | 0 |
| Total | 115 | \$818,509,000 | 62 | \$471,065,000 | 28 | \$273,324,800 | 25 | \$74,142,000 |

For the Maryland Department of Transportation, "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."¹⁰ MDOT lists such projects in its Consolidated Transportation Program (CTP) as "Major Projects" and details the PFA status of each project as part of that report. The modal administrations of MDOT for which major capital projects are subject to PFA Restrictions include the State Highway Administration (SHA), the Maryland Transit Administration (MTA), the Maryland Aviation Administration, the Maryland Port Administration, the Motor Vehicle Administration (MVA), The Secretary's Office (TSO), and payments to the Washington Metro Area Transit Authority (WMATA).

Transportation projects that are explicitly excluded from the Smart Growth Areas Act are: existing Maryland Transportation Authority (MDTA) facilities projects, project planning, initial project planning, and "Minor Capital Projects", projects for the preservation and rehabilitation of existing facilities or services that do not increase capacity.¹¹ It should also be noted that a number of MDOT's capital projects are not location-specific, meaning that they involve system-wide improvements, such as local transit assistance programs and transit vehicle acquisition by MTA, and facility management system improvements by MVA.

25 major capital projects funded in the 2008 CTP are located outside the PFA: 5 were begun before the Smart Growth Areas Act was passed and are thus exempt (grandfathered); 3 went before the board of public works and received an exception to the PFA law based on the criteria set forth in the law (BPW); The remaining 17 were replacements of existing projects, generally bridges, that did not add significant capacity and are thus exempt from the law. MDOT, in consultation with MDP has developed criteria for such projects to ensure that the law is met and final approval must be given by the MDOT Secretary.

⁹ Reported figures reflect committed funding as set out in the FY2008 – FY2013 Consolidated Transportation Program. Actual expenditures on given projects may vary.

¹⁰ Maryland Annotated Code, Transportation, §§ 2-103.1 (A) (4),

¹¹ Maryland Annotated Code, State Finance and Procurement, §§ 5-7B-01 (D) (1) (I)

Maryland Historical Trust (MHT) Programs Voluntarily Restricted to PFAs

While they are not required to do so by the Smart Growth Areas Act or any other law, the Maryland Historical Trust, a division of the Maryland Department of Planning, voluntarily limits certain of their programs to the Priority Funding Areas in order to further the aims of Smart Growth.

| Program | Total Projects | Total Funding | Projects in PFA | PFA Funding | Projects outside PFA | Outside PFA Funding |
|--------------------------|-----------------------|------------------------|------------------------|------------------------|-----------------------------|----------------------------|
| Capital HP Grants | 20 | \$819,117 | 16 | \$644,117 | 4 | \$175,000 |
| RTC – Residential | 308 | \$6,389,766.23 | 301 | \$6,291,166 | 7 | \$98,600 |
| RTC – Commercial | 69 | \$23,927,794.65 | 67 | \$23,683,794.65 | 2 | \$244,000 |
| Total | 397 | \$31,136,677.88 | 384 | \$30,619,077.65 | 13 | \$517,600.00 |

MHT requires that recipients of Capital Historic Preservation (HP) grants be located inside PFAs, and has a formal exemption process for applicants that do not. The program assists nonprofit organizations, local Governments, businesses and individuals in the acquisition, rehabilitation or restoration of historic property in Maryland.

MHT gives preference to applicants for the Maryland Heritage Structure Tax Credit (RTC) that are located within the PFAs. The program provides Maryland income tax credits equal to 20% of the qualified capital costs expended in the rehabilitation of a “certified heritage structure”.

Exceptions to the PFA Law Approved by the Smart Growth Coordinating Committee in FY 2008

The Smart Growth 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”.¹²

The Smart Growth Coordinating Committee, the staff level working group of the Smart Growth Sub-Cabinet, is tasked with approving exceptions based on these criteria. In FY 2008, the Coordinating Committee approved 19PFA Exceptions.

August 2007 – DBED – Maryland Cattleman's Association, Inc.: Biogas Digester Feasibility Study

1. DBED sought an exception to help fund a feasibility study to evaluate alternative uses of energy produced by biogas digesters and examine the potential cost and benefits of implementing the technology on large scale animal operations in Carroll County

Funding: \$ 7,850 MEDAF Grant

Grounds for exception: Commercial or Industrial activity, which must be located away from other development (Agricultural Operations)

October 2007 – MDE – Boonsboro Alternative Route 40 Water Line Extension - Washington County

2. MDE sought an exception to extend public water service to approximately 49 existing homes, 2 schools, and 9 businesses north of Boonsboro. It is further understood that after a dye study was performed that determined that the groundwater in this area was vulnerable to bacteriological contamination, the Washington County Health Department and MDE asked the Town to supply water to the affected area.

Funding: \$ 677,000 Grant

Grounds for exception: Health and public safety

October 2007 – MDE – Glenn Heights Water Line Extension - Harford County

3. The proposed project will provide water service to approximately 87 existing lots, 77 of which are improved with single-family homes in the Glenn Heights Community. This will be accomplished through the extension of approximately 7,300 linear feet of water main from the existing main in Titan Terrace and the proposed main in Telstar Way within the existing roads in the community.

Funding: \$1,000,000 Grant

Grounds for exception: Health and public safety

October 2007 – MDE- Mt. Aetna – Washington County

4. MDE sought funding for the design and construction of a water storage to supplement the existing underground concrete storage tank. The proposed tank is expected to increase the system’s storage capacity by 110, 000 gallons in order to maintain the system pressure during periods of high demand, and fire protection.

Funding: \$200,000 Grant

Grounds for exception: Health and public safety

¹² Maryland Annotated Code, State Finance and Procurement, §§ 5-7B-06 (A)

November 2007 – DBED – Dredging Project - Somerset County

5. DBED sought an exception to fund the preliminary engineering work associated with dredging the Federal Channel that leads into Wenona Harbor (the “Project”). Total Project costs including the actual dredging work are expected to be approximately \$1,125,000. The Army Corp of Engineers (the “Corp”) assets are currently tied up in the War in Iraq and therefore accommodating Somerset’s request now would help to prevent any delay in the actual dredging work that is anticipated to begin by Spring 2008. Other funding sources for the actual dredging work are currently being pursued by Somerset.

Funding: \$125,000 from MEDAFF

Grounds for exception: Commercial or Industrial activity, which must be located away from other development (Natural resource based industry)

December 2007 – MDE – Delmar WWTP

6. The project entails planning and construction of Biological Nutrient Removal (BNR) and Enhanced Nutrient Removal (ENR) facilities at the existing wastewater treatment plant. The wastewater treatment plant is located in a Priority Funding Area, but has been commented by MDP as "an area not meeting criteria." Housing development has been discouraged within close proximity to the wastewater treatment plant and other industrial activities, which has resulted in low development density not meeting the State's PFA criteria.

Funding: \$2,000,000 Bay Restoration Fund, local Share/State Revolving Fund Loan

Grounds for exception: Commercial or Industrial activity, which must be located away from other development

February 2008 – MDE – Clarysville Water Project

7. The proposed project is the construction of a half-mile long water main from Clarysville to Eckhart, where it will connect to the Frostburg water system to provide drinking water to Clarysville. The Clarysville area is within a PFA. The line will not be.

Funding: \$200,000 MDE Grant

Grounds for exception: Public Safety

February 2008 – MDE – Worton WWTP Project - Kent County

8. The proposed project is to design and construct a new WWTP to include spray irrigation of the treated effluent from May 1 to Oct. 31, when the plant will not be allowed to discharge to the Morgan Creek because of a TMDL.

Funding: \$2,600,000 SRF loan

Grounds for exception: Public Safety

March 2008 – SHA – US 301/MD 304 Intersection Improvements

9. To improve traffic safety, operations, efficiency and truck improvement as well as reduce crash rates and traffic-related delays. Any improvements will comply with State Highway Administration’s long-range plan to upgrade US 301 to a fully controlled access roadway.

Funding: \$ 5,825,000 from the MD Consolidation Transportation Program

Grounds for exception: Public Safety

April 2008 – MDE – Madison-Woolford Sewer Extension

10. The purpose of this project is to extend sewer service to 347 parcels in areas of very high water table and poorly drained silt loam soils. It is further understood that of the 347 parcels, all are already developed except for 11 vacant lots in a PFA and of the developed parcels, 86 are in the PFAs and 250 are not in a PFA.

Funding: \$200,000 MDE grant

Grounds for exception: Public Health and Safety

May 2008 – MDE – Rockville Water Treatment Plant Expansion and Upgrade

11. This project will upgrade the plant to meet higher EPA standards, improve performance, and increase capacity. Rockville has a policy of providing water and sewer service only to properties located within the city limits, and has required property to be annexed into Rockville to receive public water and sewer. Rockville is a PFA. An exception is necessary because the Water Filtration Plant is not in a PFA.

Funding: \$12,000,000 MDE grant

Grounds for exception: Commercial or Industrial activity, which must be located away from other development

May 2008 – MDE – Dares Beach/ Chesapeake Heights: Replacement Well - Calvert Co.

12. Dares Beach community water system drew water from two wells. After the arsenic drinking water maximum contaminant level was reduced from 50 ppb to 10 ppb, one of the wells was found to exceed 10 ppb arsenic and was taken offline. Similarly, the Chesapeake Heights water system had two wells, one of which was discovered to exceed the new arsenic standard and taken off line. Thus, each system is operating on a single well with no backup. This project will establish a new well in a deeper aquifer that would be capable of supplying both the Dares Beach and Chesapeake Heights Water Systems.

Funding: \$ 552,200 MDE loan

Grounds for exception: Public Health and Safety

May 2008 – MDE – Chesapeake City new, larger WWTP - Cecil County

13. The town currently has two wastewater treatment plants, one north of the Chesapeake & Delaware Canal and one south of the Canal. The project is to construct a new 300,000 gpd WWTP on the north side of town to serve both the north and south sides of Chesapeake City.

Funding: \$ 5,056,989 MDE Grant

Grounds for exception: Commercial or Industrial activity, which must be located away from other development

May 2008 – MDE – Chesapeake City Water Storage Tank - Cecil County

14. This project involves the elimination of two existing storage tanks and the construction of a 300,000 gallon elevated storage tank on the south side of town to serve both sides of the town.

Funding: \$750,000 MDE loan or grant

Grounds for exception: Commercial or Industrial activity, which must be located away from other development

May 2008 – MDE – Chesapeake City water main from town to Delaware line - Cecil County

15. This project involves the installation of a water main from the Delaware/Maryland line to connect to the Chesapeake City water system. Most of the water main is outside the PFA.

Funding: \$500,000 MDE grant

Grounds for exception: Commercial or Industrial activity, which must be located away from other development

May 2008 – MDE – Edesville Lover’s Lane Wastewater Extension - Kent County

16. The project will extend the wastewater collection system approximately 0.5 miles along Lover’s Lane to provide sewer service to approximately 11 homes in an area found by the Health Department to have a history of failure of onsite disposal systems, i.e., failed perc tests, failed septic systems, and the use of holding tanks to correct existing failed septic systems.

Funding: \$600,000 MDE Grant

Grounds for exception: Public health and safety

May 2008 – MDE – Edesville Lover’s Lane Wastewater Extension - Kent County

17. The project will extend the wastewater collection system approximately 0.5 miles along Lover’s Lane to provide sewer service to approximately 11 homes in an area found by the Health Department to have a history of failure of onsite disposal systems, i.e., failed perc tests, failed septic systems, and the use of holding tanks to correct existing failed septic systems.

Funding: \$300,000 MDE Grant

Grounds for exception: Public health and safety

May 2008 – MDE – Hollywood Well: Arsenic Remediation - St. Mary’s County

18. The Hollywood water service area of 34 EDUs (27 residential, 7 commercial) is supplied by a well. The arsenic levels in this well have consistently exceeded the arsenic Maximum Contaminant Level that became effective in 2006. This project will connect the existing Hollywood water system to the greater Lexington Park water system, through the St. Mary’s Industrial Park, allowing the existing well to be taken off line.

Funding: \$516,000 MDE loan

Grounds for exception: Public health and safety

May 2008 – MDE – Whitaker Woods Water System - Cecil County

19. Whitaker Woods is a housing development with 171 homes and no vacant buildable lots. It is in a PFA comment area. Many of the homes have wells going dry, with low yield – less than 10 gallons per day. This project would construct a water distribution system for the Whitaker Woods Community. The County’s current plan is to purchase water in bulk from Mountain Hill Water Company, which has a water main just north of Whitaker Woods.

Funding: MDE grant (\$1,040,000) and loan (\$1,000,000) = \$2,040,000

Grounds for exception: Public health and safety

Exceptions to the PFA Law Approved by the Board of Public Works in FY 2008

The Board of Public Works may grant an exemption if it determines that: “extraordinary circumstances” exist, i.e. “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 providing control of access on existing highway, or “due to its operational or physical characteristics, must be located away from other development”.¹³

In FY2008, the Board of Public Works did not approve any exceptions to the Smart Growth Areas Act.

¹³ Maryland Annotated Code, State Finance and Procurement, §§ 5-7B-05 (A)



State of Maryland

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