MDP

Maryland Department of Planning

Office of Smart Growth

2005 Annual Report

Maryland's smart growth efforts are carried out through the diverse programs and regulatory responsibilities of ten state agencies, ranging from the Departments of Planning and Transportation to the Maryland Higher Education Commission. The Office of Smart Growth (OSG) was created in 2001 to coordinate and promote these efforts, and it continues to play that role. OSG staff have worked directly with local officials and developers and with staff from other state agencies to advance various smart growth initiatives, such as the State's efforts to promote transit-oriented development in Baltimore City and Prince George's County.

This annual report details OSG's work during 2005, a year in which Governor Ehrlich's new Priority Places initiative commenced and the State's transit-oriented development work gained considerable momentum. OSG staff played key roles in both, while also working with Maryland Department of Planning staff to lay the groundwork to launch new efforts in 2006, such as a workforce housing task force and continued "Reality Check" events that will address growth challenges in different regions of Maryland in 2006.

Coordinating Maryland's Smart Growth Efforts

The Office of Smart Growth directs the monthly meetings and joint activities and work of the State's Interagency Coordinating Committee, which represents all of the state agencies that make up the Smart Growth Subcabinet.

Priority Places

In 2005, OSG led the Coordinating Committee in implementing Priority Places, a new initiative in which the Governor designates outstanding development projects and plans for heightened State assistance. After years of progress on land preservation, Priority Places focuses on the development side of the smart growth coin, which has been far more challenging.

Local officials and developers often struggle to get development projects off the ground in established neighborhoods, as community opposition, difficulties with financing, and other factors work against them. With Priority Places, Maryland is helping local government and private sector partners work through challenges on projects that have the potential to serve as catalysts for broad-based revitalization. The goal is to promote economic development and restore quality of life in older cites, towns and suburbs.

The Priority Places program is not tied to a single state agency; instead, designated Priority Places are given priority treatment by all of the Subcabinet agencies that have the resources they need. OSG, having overseen the development of the application and evaluation criteria for the initiative, now is coordinating funding, and technical and regulatory assistance from these agencies.

In 2004, the Coordinating Committee reviewed thirty-six proposals in the first two application rounds and made recommendations to the Smart Growth Subcabinet. The Subcabinet, in turn, made its recommendations to the Governor, and he designated the first four Maryland Priority Places in 2005. The 2005 Priority Places designees include the Poppleton neighborhood of Baltimore City, the Leonardtown Wharf project in St. Mary's County, Hyattsville's Route 1 corridor, and Crisfield on the Eastern Shore. The four proposals, which take a variety of approaches, share similar revitalization goals.

OSG staff planned the events and prepared materials for the Governor's announcement of the first four designations in separate events in Annapolis and Hyattsville. In addition to developing publications and content for the Priority Places Web site, the Office created an Internet tracking system to monitor State assistance and oversaw the creation of work plans and project management teams for the first four designees in 2005.

The State is still in the early stages of rolling out this initiative, and state agencies have provided some initial assistance. In Leonardtown, the Maryland Department of Environment expedited a joint permit process that had to be completed before work could begin on the Wharf project. In addition, OSG and MDP staff members have been collaborating to help the town analyze how to integrate a large new development project known as Tudor Hall into the downtown and Washington Street corridor. The town is moving through the design-development phase of the Tudor Hall project, and it is expected to have a significant impact on both Leonardtown Wharf and downtown.

In Poppleton, the Office of Smart Growth has been facilitating a discussion on job training in conjunction with the new University of Maryland, Baltimore, BioPark, and the existing and new residents of the Poppleton community. OSG also has committed to assisting the City with evaluating the Hollins Market area in order to submit a plan to the Ford Foundation for a program that supports capital

improvements for urban public markets. Additionally, OSG staff members have attended meetings with the developer and staff from the Departments of Natural Resources and Housing & Community Development, and the Maryland Historical Trust.

PFA Exceptions

In addition to administering the Priority Places initiative, OSG has led the Coordinating Committee in its reviews of requests for special exceptions to Maryland's smart growth law. The law requires the State to direct all funding for highway construction, water and sewer systems, economic development and other growth-related needs to designated growth areas known as Priority Funding Areas (PFAs).

This incentive-based system is the cornerstone of smart growth in Maryland, where local governments retain ultimate authority of land-use decisions. The Smart Growth Subcabinet must approve any requests for State support to meet growth-related needs outside PFAs, and the Coordinating Committee performs an initial review of such requests.

During 2005, the Office of Smart Growth oversaw the committee's review of the following PFA exception requests:

I. Maryland Department of Business and Economic Development – Mid-Atlantic Farm Credit (MAFC) – March, 2005

A PFA exception was sought to insure $271,000 on a $775,000 Term Loan to MAFC. The purpose of the loan was to assist with the construction of two 66' x 600' center brood roaster houses on a 46-acre farm located outside of a PFA in Dorchester County. The Committee voted to approve it based on the Smart Growth Areas Act, which allows exceptions "based on 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."   No further action was required.

II. Maryland Department of Business and Economic Development Maryland Industrial Development Financing Authority (MIDFA) – May, 2005

A PFA exception was sought from the Department's MIDFA program to insure $199,000 on a $995,000 Term Loan to Far Away Farm, LLC. The purpose of the loan was to assist Donald L. Campbell and Scott K. Lloyd with the purchase of an existing poultry farm located outside a PFA in Caroline County. The purchase price of the farm was $970,000 but required $120,000 in improvements to the existing poultry houses. The Committee voted to approve the exception based on the Smart Growth

Areas Act, which allows exceptions "based on 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." No further action was required.

III. Maryland Department of Business and Economic Development – MEDFA and MEDCO – July, 2005

A. PFA exception was sought from the Department's Maryland Economic Development Assistance Fund (MEDFA) to provide funding to the Maryland Economic Development Corporation (MEDCO) to comply with the Base Realignment and Closure (BRAC) list released in May 2005. The BRAC announcement identified the need for MEDCO to broaden the scope of an earlier feasibility study to include the Aberdeen/ Edgewood Arsenal in Harford County. The study would help determine the economic impact of environmental issues and potential costs for cleaning up contamination caused by military activities.

Consistent with the previously granted special exception for the first five sites, the Committee voted to approve the exception based on the Smart Growth Areas Act, which allows exceptions "based on 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." No further action was required.

IV. Maryland Department of Business and Economic Development – MEDAF – July, 2005

A PFA exception was sought from the Department's Maryland Economic Development Assistance Fund (MEDFA) to provide funding to the Maryland Angus Association (MAA) to enlist the Summit Food Group to conduct a beef production feasibility study. The study would help determine whether Maryland has the capacity to handle expansion of meat packing operations and whether it is plausible for beef production to remain in the State. It would identify the market for premium beef products; quantify potential demand from these markets; determine quantity and quality of management practices for regional feedlots to supply product; analyze existing processing facilities and the need to construct new facilities to service potential demand at various production levels.

Consistent with the previously granted special exception for the first five sites, the Committee voted to approve the exception based on the Smart Growth Areas Act, which allows exceptions "based on 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." No further action was required.

V. Maryland Department of Transportation – InterCounty Connector (ICC) – August, 2005

A PFA exception was sought by the Maryland Department of Transportation for the proposed InterCounty Connector (ICC) Project, which is expected to link the Priority Funding Areas between the I-270 and I 95/US 1 corridors within central and eastern Montgomery County and northwestern Prince George's County, with approximately 64 percent of the Preferred Alternative (Corridor 1) within a PFA.

The Committee voted to approve the exception as authorized in the Smart Growth Areas Act. The basis for the approval parallels the logic expressed in Section 5-7B-03, which allows exceptions for 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." No further action was required.

VI. Maryland Department of Business and Economic Development – Mid-Atlantic Farm Credit's ("MAFC") – October 13, 2005

A PFA exception was sought to approve MAFC's request for $248,055 (23 percent) of MIDFA insurance on a $1,078,500 Term Loan. The purpose of the loan was to assist William L. Robinson III and Connie Robinson with the construction of three 66'x 600' center brood roaster houses, state-of-the-art production facilities designed to meet grow-out standards of all poultry integrators. The roaster houses will be built on the Robinson's 67-acre farm in Queen Anne's County, Maryland.

Poultry is Maryland's top agricultural industry, providing a half billion dollars in Maryland farm income last year and employing 15,000 people in the Delmarva region. Responding to the Governor's recommendation from the Poultry Issues Action Team, DBED has agreed to provide MIDFA insurance to improve capital access and strengthen the industry. The Maryland Department of Agriculture (MDA) projects 125 new Delmarva poultry houses totaling $31 million this year, with up to 50 percent needing some level of credit enhancement. DBED expects MIDFA's assistance to eventually be replaced by programs of the MDA-sponsored Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), established in the 2005 legislative session.

The Committee voted to approve this exception as authorized in the Smart Growth Areas Act. The basis for the approval parallels Section 5-7B-06, which states:

> (a) The State may provide funding for a growth-related project not in a priority funding area without receiving approval from the Board of Public Works as provided under § 5-7B-05 of this subtitle for:
>
> (3) 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, including:
>
> (ii) An industry related to:
>
> (1) Agricultural Operations.

Transit-Oriented Development

Transit-oriented development creates compact, walkable neighborhoods around transit stations, with a mix of housing, offices, restaurants and shops. It increases transit ridership by creating a constant of round-the-clock activity within a short walk of stations. Maryland has substantial TOD potential, with more than 75 rail, light rail and subway stations and dozens more proposed for the next twenty years. Despite the State's substantial investment in transit infrastructure, much of the land surrounding Maryland's transit stations has not yet been fully developed to support transit use.

The Office of Smart Growth is working with the Maryland Department of Transportation to promote transit-oriented development, with a particular focus on Baltimore City and Prince George's County. The goal is to surround stations with vibrant neighborhoods where people can live, work and shop or eat out, all within a safe and pleasant walk of trains, subways and buses. TOD supports smart growth in many ways. It increases transit ridership and helps relieve road congestion, improving quality of life and access to jobs. It also often stimulates broad-based community reinvestment and increases property values.

OSG and MDOT staff have collaborated to analyze the market readiness of station areas to identify those with the greatest TOD potential, evaluating existing land use and physical characteristics, the perspective of surrounding communities, regulations, market strength and other issues.
At the same time, they have been building relationships with local officials, developers and others with a stake in TOD to develop work plans tailored to individual communities and station areas.

State Center

In West Hyattsville, New Carrollton and Baltimore, the State has completed a detailed analysis of each site and hosted charrettes to help stakeholders "design" transit-area development. In 2005, the focus was on the State Center office complex in Baltimore. OSG,

MDP and MDOT hosted a five-day State Center charrette at MDP's offices at 301 W. Preston Street in January. In the charrette, they worked with staff from Baltimore City, private consultants and various stakeholders to create a strategy for redeveloping the State Center area to better support its subway, light rail and bus transit stations.

The State Center strategy is spelled out and illustrated in a document available online at http://www.mdp.state.md.us/pdf/statecenter0302051.pdf. The strategy will be refined into more detailed plans after the State chooses a development partner in 2006. The State released a Request for Qualifications (RFQ) in September, with plans to select a master developer that would assemble a team to design, entitle, finance, construct and market mixed-use, mixed-income TOD on twenty-five acres of state-owned property in the area.

OSG's role on State Center, as with some of the other station-area projects, has been in the day-to-day management of the project, including planning issues, decisions on the project process, and working with stakeholders, including city agencies, institutions, businesses and residents.

Red Line

In addition to looking at specific station areas, OSG is working with MDOT on big-picture TOD planning that supports the expansion of transit service, as with Baltimore City's Red Line planning. The Red Line would add a new east-west light rail or rapid bus line to Baltimore's transit system, connecting the Canton area in eastern Baltimore City with the Woodlawn area to the west, in Baltimore County.

When states apply for federal funding to expand transit systems, they receive a more favorable review if they can demonstrate they have prepared for transit-oriented development, which supports strong ridership. In Baltimore, the State has been working to boost its prospects for federal funding of the Red Line by laying the groundwork for pedestrian-friendly TOD around the line's proposed station areas, to meet the federal funding expectation.

OSG has participated in regular meetings of a Technical Working Group with representatives of MTA, MTA's consultant team, MDOT, Baltimore City and Baltimore County. The group has been evaluating alignment, station areas and other key components of the Red Line from Security Square/I-70 to Canton. OSG staff has played an integral part in the evaluation of appropriate stations for TOD, and in planning, land use and market analysis.

Web site and Outreach

In 2005, OSG worked with MDOT to create a Maryland transit-oriented development Web site that will highlight TOD activity across the state. The Web site, to be launched in early 2006, has been designed to reach a broad audience, with content ranging from basic information on what TOD looks and feels like to detailed updates on State TOD projects and plans.

OSG staff members also are working with representatives from ULI-Baltimore, MDOT, MTA, Greater Baltimore Committee (GBC) and other state and local agency representatives to plan a TOD tour along Baltimore's Light Rail line. The goal of the tour is to gather local decision makers (elected officials, agency representatives, development and design professionals) and community leaders for a half day to discuss existing short-term and long-term TOD opportunities in the region The tour had to be rescheduled from Fall 2005 to Spring 2006 because of delays in the reopening of a northern section of the rail line that has been closed for track work. OSG will restart the planning process for the tour in early 2006, finalizing the invite list and the agenda.

Maryland Smart Sites

The Office of Smart Growth recognizes the need to reorient and effectively promote the Maryland Smart Sites Web site, which was created in 2003 as an on-line marketing tool for publicly owned properties ripe for redevelopment.

In addition to ensuring that the Web site's information was up-to-date and accurate, OSG worked to redesign the site in 2005 to make it consistent with other State Web sites and to enhance the site's navigation and functional capabilities.

The Office also formed a partnership with the Maryland Municipal League to re-energize the initiative. The goal is to inform municipalities that they can use Maryland Smart Sites to showcase and market their own public properties for redevelopment. OSG provided a booth display and fact sheets at MML's 2005 fall conference, and is preparing a report about Smart Sites for MML's monthly newsletter and Web site.

OSG already has received requests from the Baltimore Development Corporation and the City of Grantsville to post properties on Maryland Smart Sites, and the properties are being reviewed for inclusion. In addition, OSG staff members are planning to meet with representatives from the City of Frederick, Hagerstown, and Salisbury to discuss redevelopment opportunities in those cities that could be highlighted on the Web site, which is www.mdsmartsites.com.

Smart Growth Outreach

Office of Smart Growth staff members led a variety of outreach efforts across the state in 2005. In addition to general presentations on smart growth, staff spoke to groups about Priority Places and the State's TOD efforts.

The Office's 2005 outreach included the following:

- Teacher training sessions on smart growth in Fort Dietrich (July 19 and July 26, 2005) for the Maryland Agricultural Education Foundation's Ag in the Classroom conference,

- A presentation on smart growth to economic development professionals in a two-day land-use planning course hosted by the Maryland Economic Development Association, working with the Maryland Department of Planning and the University of Maryland (September 21, 2005),

- Exhibits at the Land Development Conference & Expo in Baltimore (May 3-5, 2005) and the Environmental Protection Agency's People, Prosperity and the Planet Awards event on the National Mall in Washington, D.C. (May 16-17, 2005),

- Presentations on Priority Places to the Maryland Downtown Development Association (May 20, 2005), the Greater Salisbury Committee (June 15, 2005), and local officials involved in the Hagerstown East End redevelopment project (August 4, 2005), and

- A one-hour work shop on smart growth at the Junior National Young Leaders Conference, a multi-day conference for high-achieving middle school students from across the country (June 16 and 24, 2005).

In addition to partnering with the Maryland Department of Transportation on the State's TOD efforts, the Office of Smart Growth worked closely with other agencies on a variety of programs related to smart growth. For example, OSG staff participated in training courses for local planning commissioners that were arranged by the Department of Planning and the University of Maryland, and they participated on teams assigned to review, rate and rank applications under The Department of Housing & Community Development's Community Legacy initiative. OSG also represented the State of Maryland in the Smart Growth Network, a national partnership.