



MAYOR AND COUNCIL

MEETING NO. 29-20
Monday, September 14, 2020 – 6:00 PM

AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Any person who requires assistance in order to attend a city meeting should call the ADA Coordinator at 240-314-8108.

Rockville City Hall is closed due to the state directives for slowing down the spread of the coronavirus COVID-19 and continue practicing safe social distancing.

Viewing Mayor and Council Meetings

To support social distancing, the Mayor and Council are conducting meetings virtually. The virtual meetings can be viewed on Rockville 11, channel 11 on county cable, livestreamed at www.rockvillemd.gov/rockville11, and available a day after each meeting at www.rockvillemd.gov/videoondemand.

Participating in Community Forum & Public Hearings:

If you wish to submit comments in writing for Community Forum or Public Hearings:

- Please email the comments to mayorandcouncil@rockvillemd.gov by no later than **10:00 a.m.** on the date of the meeting.
- All comments will be acknowledged by the Mayor and Council at the meeting and added to the agenda for public viewing on the website.

If you wish to participate virtually in Community Forum or Public Hearings during the live Mayor and Council meeting:

1. Send your **Name, Phone number, the Community Forum or Public Hearing Topic and Expected Method of Joining the Meeting (computer or phone)** to mayorandcouncil@rockvillemd.gov no later than **9:00 am on the day of the meeting**.
2. On the day of the meeting, you will receive a confirmation email with further details, and two Webex invitations: 1) Optional Webex Orientation Question and Answer Session and 2) Mayor & Council Meeting Invitation.
3. Plan to join the meeting no later than 5:40 p.m. (approximately 20 minutes before the actual meeting start time).
4. Read for <https://www.rockvillemd.gov/DocumentCenter/View/38725/Public-Meetings-on-Webex>
5. meeting tips and instructions on joining a Webex meeting (either by computer or phone).
6. If joining by computer, **Conduct a WebEx test:** <https://www.webex.com/test-meeting.html> prior to signing up to join the meeting to ensure your equipment will work as expected.
7. Participate (by phone or computer) in the optional Webex Orientation Question and Answer Session at 3 p.m. the day of the meeting, for an overview of the Webex tool, or to ask general process questions.

Participating in Mayor and Council Drop-In (Mayor Newton and Councilmember Pierzchala)

Drop-In Sessions will be held by phone on Monday, September 14 from 5:30-6:00 p.m. **Please sign up by 2 p.m. on the meeting day using the form at:** <https://www.rockvillemd.gov/formcenter/city-clerk-11/sign-up-for-dropin-meetings-227>

6:00 PM **1. Convene**

2. Pledge of Allegiance

3. Agenda Review

6:05 PM **4. City Manager's Report**

6:10 PM **5. Approval of Resolution to Appoint Acting City Attorney**

A. Adoption of Resolution to Appoint Cynthia Walters as Acting City Attorney

6:15 PM **6. COVID-19 Update**

6:30 PM **7. Proclamation**

A. Proclamation Declaring September as National Preparedness Month (CM Myles)

B. Proclamation Declaring September 22, 2020 as National Voter Registration Day (CM Pierzchala)

6:40 PM **8. Community Forum**

Any member of the community may address the Mayor and Council for 3 minutes during Community Forum. Unless otherwise indicated, Community Forum is included on the agenda for every regular Mayor and Council meeting, generally between 7:00 and 7:30 pm. Call the City Clerk/Director of Council Operation's Office at 240-314-8280 to sign up to speak in advance or sign up in the Mayor and Council Chamber the night of the meeting.

9. Mayor and Council's Response to Community Forum

7:00 PM **10. Consent**

- A. Award of Montgomery County Contract #1097622 for Fencing Services to Kiara’s Landscaping Inc. and Montgomery County Public Schools (MCPS) Contract #9300.6 for Fencing Services to Hercules Fence of Maryland, LLC

- B. Award of Sourcewell (NJPA) Rider Contract #081716-NVS, for One Dump Truck with Snowplow and Salt Spreader, to K. Neal International Trucks, Inc. of Hyattsville, Maryland in the Amount Not to Exceed \$166,211.32

- C. Introduction and Possible Adoption of an Ordinance to Extend the Temporary Suspension of the Requirement that Current Tenants of Rental MPDUs Recertify Their Eligibility to Participate in the City's MPDU Program Before Renewing Leases through December 31,2020, Which Date May be Further Extended by the City Manager in Up to Three Month Increments through July 31, 2021.

- 7:05 PM 11. Public Hearing on Community Needs: FY 2022 CDBG Grant Funding

 - 7:25 PM 12. Introduction, and Possible Adoption, of a Bond Ordinance to Authorize the Competitive Sale Of: Tax-Exempt 2020B General Obligation Bonds in an Amount Not to Exceed \$24,000,000 for the Purpose of Financing the Construction of Water and Sewer Improvements as Reflected in the City's FY 2021 Capital Improvements Program (CIP); Taxable 2020C General Obligation Refunding Bonds in an Amount Not to Exceed \$26,000,000 for the Purpose of Refunding Outstanding Debt Previously Issued in 2011, 2013, and 2014; and Related Issuance Costs

 - 7:35 PM 13. Presentation of Proposed Updates to the Montgomery County Growth Policy, and Consideration of Testimony to the County Council on the Growth Policy

 - 8:05 PM 14. Financial Advisory Board FY 2020 Annual Report and FY 2021 Action Plan

 - 8:35 PM 15. Diversity Hiring Strategy

 - 9:05 PM 16. Consideration of a Police Advisory Commission

 - 10:05 PM 17. Vacancy Report/Hiring Freeze Status
-

10:15 PM **18. Review and Comment - Mayor and Council Action Report**

A. Action Report

19. Review and Comment - Future Agendas

A. Future Agendas

20. Old/New Business

10:30 PM **21. Adjournment**

The Mayor and Council Rules and Procedures and Operating Guidelines establish procedures and practices for Mayor and Council meetings, including public hearing procedures. They are available at: <http://www.rockvillemd.gov/mcguidelines>.



Mayor & Council Meeting Date: September 14, 2020
Agenda Item Type: Adoption
Department: City Clerk/Director of Council Operations Office
Responsible Staff: Anita McCombs

Subject

Adoption of Resolution to Appoint Cynthia Walters as Acting City Attorney

Recommendation

Adopt Resolution.

Discussion

Upon the resignation of the City Attorney, the Mayor and Council appointed Deputy City Attorney Cynthia Walters as Acting City Attorney.

Attachments

Attachment 5.A.a: Resolution (PDF)


Sara Taylor-Ferrell, City Clerk/Director of Council Operations 9/9/2020

Resolution No. ___ RESOLUTION: To designate Cynthia Walters as Acting City Attorney

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, that Cynthia Walters, be and she is hereby designated Acting City Attorney of the City of Rockville, to serve in that capacity from August 10, 2020, until such time as the Mayor and Council shall appoint a new City Attorney.

AND BE IT FURTHER RESOLVED, that this resolution supersedes all prior resolutions designating general counsel and/or city attorney for the City of Rockville.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Mayor and Council at its meeting of _____.

Sara Taylor-Ferrell, City Clerk/Director
Of Council Operations

Attachment 5.A.a: Resolution (3311 : Resolution to Appoint Acting City Attorney)



Mayor & Council Meeting Date: September 14, 2020
 Agenda Item Type: Proclamation
 Department: Police
 Responsible Staff: Victor Brito

Subject

Proclamation Declaring September as National Preparedness Month

Recommendation

Staff recommends that the Mayor and Council read, approve, and present the proclamation to Dr. Mark Landahl, Emergency Manager, Rockville Police Department.

Recommendation

Staff recommends that the Mayor and Council read, approve, and present the proclamation to Dr. Mark Landahl, Emergency Manager, Rockville Police Department.

Discussion

National Preparedness Month (NPM), recognized each September, provides an opportunity to remind us that we all must prepare ourselves and our families now and throughout the year. The theme for the 2020 NPM is: *Disasters Don't Wait. Make Your Plan Today.*

2020 has been an unprecedented year for disasters with the COVID-19 pandemic. Other hazards have not paused because of the pandemic. In early August, Rockville felt the minimal effects of Hurricane Isaias while continuing to engage the pandemic. It provides a strong reminder of the varied nature of the hazards that can impact us, some simultaneously. While Rockville was spared serious impacts, other communities in Maryland were affected by flooding, tornados, and damage from sustained winds associated with the Hurricane, while still managing COVID-19.

The 2020 National Preparedness Campaign focus on activities in the four weeks of the month of September.

Week 1 (September 1-5) *Make A Plan*

- Talk to your friends and family about how you will communicate before, during, and after a disaster. Make sure to update your plan based on the Centers for Disease Control recommendations due to the coronavirus.

Week 2 (September 6-12) *Build a Kit*

- Gather supplies that will last for several days after a disaster for everyone living in your home. Don't forget to consider the unique needs each person or pet may have in case you have to evacuate quickly. Update your kits and supplies based on recommendations by the Centers for Disease Control.

Week 3 (September 13-19) *Prepare for Disasters*

- Limit the impacts that disasters have on you and your family. Know the risk of disasters in your area and check your insurance coverage. Learn how to make your home stronger in the face of storms and other common hazards and act fast if you receive a local warning or alert.

Week 4 (September 20-26) *Teach Youth About Preparedness*

- Talk to your kids about preparing for emergencies and what to do in case you are separated. Reassure them by providing information about how they can get involved.

Take time to learn or enhance your lifesaving skills such as taking classes in CPR and first aid. Check your insurance policies and coverage for the hazards you may face, such as floods, earthquakes and tornadoes. Make sure to consider the costs associated with disasters and save for an emergency. Also, know how to take practical safety steps like shutting off water and gas in your home and workplace.

The many disasters that our nation has endured over the last several years including the most recent pandemic, devastating hurricanes, wildfires, other weather emergencies, and active shooting events remind us of the importance of preparing. Often, the survivors will be the first ones in communities to take action after a disaster strikes and before first responders arrive, so it is important to prepare in advance to help yourself and your community. Remember that you are the help until the help arrives. *Disasters Don't Wait. Make Your Plan Today.*

- Be Informed, Plan Ahead, and Take Action are the core activities of preparedness; Sign up for City of Rockville's **Alert Rockville** System.
- Use the ready.org website to build a family plan and practice it.
- Build a disaster supply kit.
- Attend training to enhance your knowledge and skills.

Preparing your family for an emergency can start as simple as a conversation over dinner; don't wait.

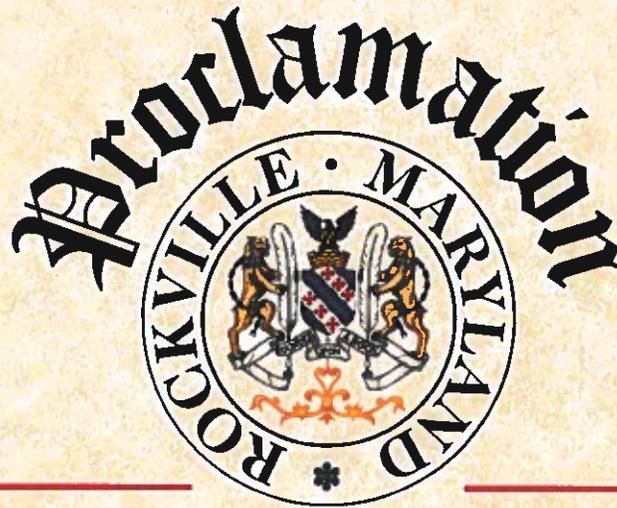
Next Steps

This is an annual recognition by the Mayor and Council

Attachments

Attachment 7.A.a: 2020 National Preparedness Month(PDF)


Rob DiSpirito, City Manager 9/9/2020



WHEREAS, the City of Rockville is dedicated to promoting preparedness for its citizens; and

WHEREAS, emergencies come in many forms including fire, heat wave, drought, flood, hurricane, winter storm, and more; and

WHEREAS, a plan before an emergency arises will speed the recovery process. Some ways to plan ahead include preparing an emergency kit, practicing for an evacuation or sheltering in place, developing a communication plan, and signing up for emergency messages through "Alert Rockville;" and

WHEREAS, we commend first responders who courageously put themselves in harm's way to ensure our safety and recognize that the community can assist by taking steps to prepare for a disaster before one occurs.

NOW, THEREFORE, the Mayor and Council of Rockville do hereby proclaim September 2020 as National Preparedness Month and urge the Rockville community to prepare for emergencies and spread the word regarding the importance of having a plan.



Bridget Donnell Newton

Bridget Donnell Newton, Mayor

Monique Ashton

Monique Ashton, Councilmember

Beryl L. Feinberg

Beryl L. Feinberg, Councilmember

David E. Myles

David Myles, Councilmember

Mark Pierzchała

Mark Pierzchała, Councilmember

September 14, 2020



Mayor & Council Meeting Date: September 14, 2020
 Agenda Item Type: Proclamation
 Department: City Clerk/Director of Council Operations Office
 Responsible Staff: Sara Taylor-Ferrell

Subject

Proclamation Declaring September 22, 2020 as National Voter Registration Day

Recommendation

Staff recommends that the Mayor and Council read, approve and present the Proclamation to Dr. Lois Neuman, Chair of Rockville Board of Supervisors of Elections.

Discussion

National Voter Registration Day occurs on the fourth Tuesday each September. Hundreds of local, state and national organizations help to coordinate nationwide events to bring awareness to elections, ballot initiatives, voter registration and voter registration updates.

Maryland residents can use Maryland's Online Voter Registration System (OLVR) or submit a voter registration application to their local Board of Elections or the State Board of Elections. Application must be postmarked by the voter registration deadline on October 13, 2020 in order to vote in the 2020 Presidential General Election.

One can also register to vote during early voting. To make the voting process quicker, registering to vote by the close of voter registration is encouraged. If one cannot register by the date, one can go to an Early Voting Center in the County. Additional information for Early Voting or Request for Absentee Ballot can be found at http://www.elections.state.md.us/voting/early_voting.html. Montgomery County, MD voter information can be found at www.777vote.org or by calling 240.777.VOTE (8683).

Mayor and Council History

This is the second time this item has been brought before the Mayor and Council.

Public Notification and Engagement

September 17, at 7pm, National Voter Registration Day Prep Party!! We're joining forces with HeadCount and Participant Media to get you amped up and ready to go ahead of the big day! HeadCount is one of the organizations behind the founding of National Voter Registration Day in 2012, and they'll bring us back in time for a look at how some of their artists have

participated in the holiday over the years — and how they're planning to pull out all the stops for this year's holiday.

We'll also feature some of the everyday heroes from our partner network who are getting voters registered in new and innovative ways this year despite all the challenges.

https://us02web.zoom.us/webinar/register/WN_MiWxY096QymLF1O_yfmYA

Attachments

Attachment 7.B.a: 2020 National Voter Registration Day (PDF)



Sara Taylor-Ferrell, City Clerk/Director of Council Operations 9/9/2020



WHEREAS, the right to vote is a cornerstone of what it means to be a free people: it represents the bedrock tenets of equality and civic participation upon which our Nation was founded and many have fought to obtain and protect; and

WHEREAS, every year millions of Americans do not claim their right to vote because they miss a deadline, do not know how to register or do not know they need to update their voter registration information if they change their name or change their address; and

WHEREAS, the City of Rockville is committed to strengthening democracy by encouraging voter registration and increasing participation in all elections; and

WHEREAS, the strength of our democracy depends on the willingness of citizens to participate in the election process, by choosing our leaders and by voicing their opinions on important matters that come before the voters on Election Day; and

NOW, THEREFORE, the Mayor and Council of Rockville do hereby proclaim September 22, 2020 as **National Voter Registration Day** and encourage everyone to register to vote, review their voter registration information or update their registration information and hence be able to exercise their most basic American right – the right to vote.



Bridget Donnell Newton
Bridget Donnell Newton, Mayor

Monique Ashton
Monique Ashton, Councilmember

Beryl L. Feinberg
Beryl L. Feinberg, Councilmember

David E. Myles
David Myles, Councilmember

Mark Pierzchala
Mark Pierzchala, Councilmember

September 14, 2020



Mayor & Council Meeting Date: September 14, 2020

Agenda Item Type: Award

Department: Rec & Parks - Parks & Facilities

Responsible Staff: Steve Mader

Subject

Award of Montgomery County Contract #1097622 for Fencing Services to Kiara's Landscaping Inc. and Montgomery County Public Schools (MCPS) Contract #9300.6 for Fencing Services to Hercules Fence of Maryland, LLC

Recommendation

Staff recommends that the Mayor and Council award Montgomery County Contract #1097622 for fencing services to Kiara's Landscaping Inc. of Damascus, Maryland, for the contract period ending September 19, 2021, with the option to renew for two (2) additional one (1) year periods; and Montgomery County Public Schools (MCPS) contract #9300.6 for chain link fencing, gates, backstops and other miscellaneous fencing to Hercules Fence of Maryland, LLC of Jessup, Maryland, for the contract period ending April 9, 2021, with the option to renew for two (2) additional one (1) year periods, in the total annual amount of \$180,000. Future years are subject to annual appropriation by the Mayor and Council.

Discussion

The contract will be used for replacement, installation, repair, and maintenance of fencing at various Parks and Facilities.

Mayor and Council History

This is the first time this item has been brought before the Mayor and Council.

Procurement

Staff believes that these contracts are the best for the City because:

- Awarding to two contractors affords staff the ability to choose best pricing depending on the task;
- The diversity of fencing projects ranges from split rail fences to 15-foot backstops;
- Having two contractors for fencing services citywide will save both time and money by utilizing a multiyear contract;
- The scope fits the City's needs;
- Both contracts were very recently competitively bid and reflect current service pricing;

- Montgomery County and MCPS contracts have multiple line items with estimated quantities larger than the City's and, as such, provide more competitive pricing based on higher volumes.

Kiara's Landscaping Inc. is a local small business headquartered in Montgomery County. The company is not a Minority, Female, or Disabled-owned business. However, staff reached out to the vendor and discussed the MFD certification process, including the various certifying agencies, and it appears that Kiara would qualify. Staff then sent an email with the appropriate links and is encouraging the vendor to pursue MFD certification.

Hercules Fence of Maryland, LLC is not a Minority, Female, or Disabled-owned business.

In accordance with Section 17-71 of the Rockville City Code, Cooperative Procurement; (b) The City may contract with any contractor who offers goods, services, insurance or construction on the same terms as provided other state or local governments or agencies thereof who have arrived at those terms through a competitive procurement procedure similar to the procedure used by the City.

In accordance with Section 17-39 of the Rockville City Code, Awarding Authority, (a) All contracts involving more than one hundred thousand dollars (\$100,000.00) shall be awarded by the Mayor and Council.

Fiscal Impact

Funds are available in the following Recreation and Parks operating accounts: Horticulture, West Parks, Athletic Fields, East Parks, and Athletic Courts. Capital funds are available in the Asphalt/Concrete Improvements CIP project.

Funding in future years is subject to Mayor and Council appropriation.

Next Steps

Procurement will issue contracts to Kiara's Landscaping Inc. and Hercules Fence of Maryland, LLC.

Attachments

Attachment 10.A.a: ATTACHMENT A (PDF)



Rob DiSpirito, City Manager

9/9/2020



Asphalt/Concrete Improvements: FY21-FY25 (RA21)



Description: This project funds improvements to the infrastructure of the city's parks and buildings, including roadways, sidewalks, pathways, parking lots, retaining walls, plazas, drains, culverts, curbs and gutters, railings, fences, light fixtures, bollards, line striping, and related ADA compliance repairs and renovations. Projects are identified in a five year plan that is updated annually.

Changes from Previous Year: None.

Current Project Appropriations

Prior Appropriations:	-
Less Expended as of 4/17/20:	-
Total Carryover:	-
New Funding:	425,000
Total FY 2021 Appropriations:	425,000

Critical Success Factor: Stewardship of Infrastructure and Env.

Mandate/Plan: ADA; PROS Plan

Anticipated Project Outcome: Infrastructure and safety improvements to the asphalt and concrete within and around City parks and buildings.

Project Timeline and Total Cost by Type: No change.

Type	Estimated Start		Estimated Completion		Estimated Cost (FY 2021 through FY 2025 only)			
	Original	Current	Original	Current	Original	Current	\$ Change	% Change
Planning / Design	FY 2021	FY 2021	FY 2025	FY 2025	52,500	52,500	-	-
Construction	FY 2021	FY 2021	FY 2025	FY 2025	2,177,500	2,177,500	-	-
Other (contract inspections)	FY 2021	FY 2021	FY 2025	FY 2025	25,000	25,000	-	-
Project Total (\$):					2,255,000	2,255,000	-	-

Project Funding: This project is fully funded. This project is considered a routine capital maintenance project and is funded in five year increments.

Source	Prior	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Future	Total
Paygo (Cap)	-	425,000	420,000	460,000	465,000	485,000	-	2,255,000
Total Funded (\$)	-	425,000	420,000	460,000	465,000	485,000	-	2,255,000
Unfunded (Cap)	-	-	-	-	-	-	-	-
Total w/Unfunded (\$)	-	425,000	420,000	460,000	465,000	485,000	-	2,255,000

Operating Cost Impact: No measurable impact.

Fund	Prior	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Future	Total
General	-	-	-	-	-	-	-	-

Project Manager: Mauricio Daza, Parks and Facilities Development Coordinator, 240-314-8608.

Notes: FY 2021 work includes repairs and modifications at multiple city locations and facilities as prioritized based on current conditions. Budget based on cost estimates for specific asphalt/concrete improvements as identified and prioritized in a five year plan that is updated annually.



Mayor & Council Meeting Date: September 14, 2020
Agenda Item Type: Consent
Department: PW - Fleet Services
Responsible Staff: John Davis

Subject

Award of Sourcewell (NJPA) Rider Contract #081716-NVS, for One Dump Truck with Snowplow and Salt Spreader, to K. Neal International Trucks, Inc. of Hyattsville, Maryland in the Amount Not to Exceed \$166,211.32

Recommendation

Staff recommends that the Mayor and Council award a contract to K. Neal International Trucks, Inc. of Hyattsville, Maryland, in the amount of \$178,520 for the purchase of one heavy-duty dump truck equipped with power angle snowplow and material spreader in accordance with NJPA Rider Contract #081716-NVS.

Discussion

The purchase of this truck and attachments was approved in the Fiscal Year 2021 budget (Attachment A). The new truck will replace Unit #486 (2005 Chevrolet) as well as one (1) snowplow and one (1) salt spreader. This vehicle has met the replacement criteria for the age of 15 years-old or more. As it relates to condition, the truck has extensive rust on the cab, frame, hydraulic valves, fuel tank mounting brackets, and toolboxes which will need to be replaced in the very near future if not replaced. The repair and operating costs are high and parts are difficult to obtain.

Heavy-duty, single-axle dump trucks are front-line vehicles used by the Public Works, Operations Maintenance Division for hauling debris and street maintenance materials. This truck will be equipped with a snowplow and salt spreader for snow and ice operations during inclement weather events.

The vehicle and attachments being replaced will be disposed in accordance with City standard procedures via online auction.

Mayor and Council History

This is the first time this agenda item has been brought before the Mayor and Council.

Procurement

This is a rider contract through the Sourcewell (formerly known as NJPA), which serves as a municipal contracting agency throughout the nation with competitively awarded contracts. The City's Procurement Division has used the Sourcewell contract for the purchase of goods and services in the past.

Purchasing off a Sourcewell contract gives the City of Rockville the best pricing, as these contracts are for a large number of vehicles that are purchased nationwide. By using the Sourcewell contract, the City is able to benefit from the volume pricing that is offered instead of issuing a competitive solicitation for only one (1) vehicle.

In accordance with Section 17-71(b) of the Rockville City Code - Cooperative Procurement, the City may contract with any contractor who offers goods, services, insurance, or construction on the same terms as provided other State or local governments or agencies thereof who have arrived at those terms through a competitive procurement procedure similar to the procedure used by the City.

K. Neal International Trucks, Inc. is a non-Minority, Female, or Disabled (non-MFD) business.

Fiscal Impact

The budgeted amount in Fiscal Year 2021 for one (1) heavy duty truck equipped with power angle snowplow and material spreader is \$178,520. There is adequate funding in the Department of Public Works, Fleet Services Division, vehicle replacement General Fund account for this award. The remaining \$12,308.68 will remain in this account line to be used if additional funding is required for any of the other approved FY21 General Fund vehicle purchases.

Next Steps

Procurement will issue a Purchase Order to K. Neal International Trucks, Inc. for the purchase of the heavy duty truck, equipped with a power angle snowplow and material spreader.

Attachments

Attachment 10.B.a: FY21 Fleet Replacement Schedule Dump Truck Plow Spreader (PDF)


Rob DiSpirito, City Manager 9/9/2020



Fleet Replacement Schedule

The City's Fleet Services Division continually monitors and maintains the City's fleet to ensure maximum useful life. Staff review the fleet each year and recommend replacement for vehicles meeting specific age, mileage, meter hours, condition, and usefulness criteria. When possible, vehicles will be reassigned within or between departments in order to maximize full unit life under the replacement criteria. Factors such as serviceability and technological life are also taken into consideration when making recommendations for replacement. The vehicles shown below are scheduled for replacement in FY 2021. In addition to these replacements, the City will purchase one new piece of equipment (a rubber track skid loader, \$80,200 SWM Fund). The FY 2021 budget also includes funding to lease an additional 35 vehicles (34 in lieu of purchasing replacements, plus 1 additional vehicle for the new 1.0 FTE Police Officer position) as part of the lease program that began in FY 2020.

Fund	Depart.	Unit	Est. Cost
General	R&P	06 Chevrolet Enclosed Utility	\$47,290
General	R&P	06 Ford F550 CC Landmaster	\$63,060
General	R&P	05 NewHolland TN70D	\$51,000
General	PW	05 Chevrolet C8500 Dump	\$156,090
General	PW	LD Saltbox (Pickup)	\$8,490
General	PW	HD Saltbox (HD Dumps)	\$15,000
General	PW	HD Plow (Dumps)	\$7,430
Water	PW	05 TrafCo Arrow Board	\$5,700
Water	PW	10 WACH TM-7 Valve Exerciser	\$91,000
Refuse	PW	06 Chevrolet C8500 Solid Side Dump Truck	\$67,000
Refuse	PW	06 Crane Carrier / Leach	\$268,000
Refuse	PW	03 ODB SCL800 - 25	\$65,000
SWM	PW	NEW Rubber Track Skid Loader	\$80,200



Mayor & Council Meeting Date: September 14, 2020
 Agenda Item Type: Consent
 Department: Housing and Community Development
 Responsible Staff: Crystal Gorham

Subject

Introduction and Possible Adoption of an Ordinance to Extend the Temporary Suspension of the Requirement that Current Tenants of Rental MPDUs Recertify Their Eligibility to Participate in the City's MPDU Program Before Renewing Leases through December 31, 2020, Which Date May be Further Extended by the City Manager in Up to Three Month Increments through July 31, 2021.

Recommendation

Staff recommends that the Mayor and Council introduce and possibly adopt the ordinance at its September 14, 2020 meeting.

If the Mayor and Council wish to introduce the ordinance and proceed to adoption at its September 14, 2020 meeting, the ordinance should:

- (1) Be removed from the consent agenda;
- (2) Be introduced; and
- (3) A motion should be made to waive the layover period. If the Mayor and Council, by an affirmative vote of four or more members, votes to waive the layover period, a motion to adopt the ordinance can then proceed.

Change in Law or Policy

Under the City's Moderately Priced Dwelling Unit ("MPDU") program and pursuant to Chapter 13.5 of the City Code, households that meet certain eligibility requirements may purchase or rent MPDUs at below-market prices. Households renting MPDUs must recertify annually for eligibility to participate in the program. Tenants who refuse to provide recertification information or who no longer meet eligibility requirements are required to vacate their MPDUs.

On May 4, 2020, in response to the COVID-19 pandemic, the Mayor and Council adopted Ordinance 7-20 (Attachment A), which:

- (1) Suspended the MPDU program eligibility requirements for all households renting MPDUs in the city that would be subject to eligibility recertification during the pendency of Ordinance No. 7-20; and

- (2) Directed the City Manager or his designee to promptly inform all owners, managers, and leasing agents of MPDUs in the City that:
- a. During the pendency of Ordinance No. 7-20, an owner, manager, or leasing agent may renew the lease of a current MPDU tenant under the terms of the MPDU program, including, but not limited to, MPDU rent limits, for up to one (1) year without recertifying the eligibility of that tenant to participate in the MPDU program;
 - b. During the pendency of Ordinance No. 7-20, an owner, manager, or leasing agent must not send any MPDU tenant a notice to vacate an MPDU due to a failure to submit information necessary to recertify MPDU program eligibility or due to the tenant's ineligibility to participate in the MPDU program; and
 - c. Within fourteen (14) days of the date of enactment of Ordinance No. 7-20, all owners, managers, and leasing agents must revoke, in writing, any outstanding notice to vacate an MPDU due to a failure to submit information necessary to recertify MPDU program eligibility or due to the tenant's ineligibility to participate in the MPDU program.

Ordinance 7-20 expires on October 1, 2020.

If the Mayor and Council adopts the attached ordinance (Attachment B), the result would be:

- (1) An extension of the suspension of the requirement that current MPDU tenants undergo recertification before renewing their leases until December 31, 2020.
- (2) Authorization for the City Manager, in his discretion, to further extend the suspension of the requirement that current MPDU tenants undergo recertification before renewing their leases through July 31, 2021. Under the ordinance, the City Manager could extend the suspension in up to three-month increments, and any extension authorized by the City Manager must be in writing.
- (3) A requirement that the City Manager promptly notify all owners, managers, and leasing agents of MPDUs in the city of (a) all extensions to the suspension of recertification requirements under the ordinance and (b) a prohibition against owners, managers, and leasing agents sending MPDU tenants a notice to vacate an MPDU due to failure to meet recertification requirements during such suspensions.

Discussion

To help alleviate the hardships of COVID-19, for both MPDU program participants and landlords, staff recommends that the Mayor and Council extend the temporary suspension of

the MPDU program recertification requirements through December 31, 2020, and authorize the City Manager to further extend the suspension through July 31, 2021. This action can help reduce stress for property managers and families and help maintain Rockville residents' safety. This ordinance does not amend any City Code provision. Instead, it temporarily suspends the application of certain requirements in the City's Program Guide, which implements Chapter 13.5.

Other Jurisdictions

Extending the temporary suspension of MPDU recertification would align with similar directives issued by Montgomery County and the City of Gaithersburg. Both the County and Gaithersburg announced an extension period until December 31, 2020, for their respective MPDU programs.

Mayor and Council History

The Mayor and Council previously adopted an ordinance suspending the MPDU recertification requirements on May 4, 2020, set to expire on October 1, 2020.

Public Notification and Engagement

Landlords and residents renting MPDUs have asked staff whether the City would be extending the MPDU suspension of certification as Montgomery County did.

Next Steps

Staff recommends that the Mayor and Council introduce the ordinance.

If the Mayor and Council wish to introduce the ordinance and proceed to adoption at its September 14, 2020 meeting, the ordinance should:

- 1) Be removed from the Consent Agenda;
- 2) Be introduced; and
- 3) A motion should be made to waive the layover period. If the Mayor and Council, by an affirmative vote of four or more members, votes to waive the layover period, a motion to adopt the ordinance can then proceed.

A vote to adopt the ordinance needs a simple majority to pass.

Should the Mayor and Council adopt the ordinance, the City Manager or his designee will promptly issue a letter to owners, managers, and leasing agents of properties containing MPDU units; and provide information to the general public and tenants.

Attachments

Attachment 10.C.a: Ordinance 7-20 Temporary Suspend MPDU_Attch A(PDF)

Attachment 10.C.b: Ordinance to Extend MPDU Recertification Suspension_FINAL_Attch. B (DOCX)


Rob DiSpirito, City Manager 9/9/2020

ORDINANCE NO. 7-20

ORDINANCE: To temporarily suspend the requirement that current tenants of rental MPDUs recertify their eligibility to participate in the City's MPDU program before renewing leases

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND as follows:

SECTION I.

WHEREAS, the City administers a Moderately Priced Dwelling Unit ("MPDU") program pursuant to Chapter 13.5 of the City Code, under which individuals meeting certain eligibility requirements may rent or purchase dwelling units at below-market prices; and

WHEREAS, under City Code Section 13.5-4, the City Manager has established eligibility standards for participants in the MPDU program through adopted regulations; and

WHEREAS, pursuant to its adopted regulations and City Code Chapter 13.5, the City has promulgated a City of Rockville Moderately Priced Dwelling Unit (MPDU) Program Guide for Leasing Agents (the "Program Guide"), under which leasing agents of rental MPDUs are directed to verify the income eligibility of households seeking to rent MPDUs and to re-certify the eligibility of current tenants of MPDUs annually for each leasing period; and

WHEREAS, under the Program Guide, MPDU tenants who fail to provide the information required for recertification or who provide the required information and are found to be no longer eligible to rent the MPDU due to income or household size must be issued a notice to vacate the MPDU; and

WHEREAS, on March 5, 2020, Maryland Governor Lawrence J. Hogan, Jr. proclaimed a state of emergency and a catastrophic health emergency for the entire State of Maryland pursuant

to Title 14 of the Public Safety Article of the State Code, due to the impending threat and continuing impact of the contagious disease known as COVID-19; and

WHEREAS, transmission of COVID-19 poses an immediate and serious threat to the health, safety, and welfare of the residents, businesses, and employees of the City of Rockville, and it is in the interest of the City to ensure that current tenants of MPDUs within the City are able to maintain their housing during and for a period of time after the COVID-19 state of emergency and catastrophic health emergency.

NOW, THEREFORE, under its authority under Article IV, Section 1 of the Rockville City Charter to pass ordinances for the protection and promotion of the health, safety, and welfare of the residents of the City, the Mayor and Council of Rockville hereby:

- (1) Suspends the MPDU program eligibility requirements for all households renting MPDUs in the City that would be subject to eligibility recertification during the pendency of this ordinance; and
- (2) Directs the City Manager or his designee to promptly inform all owners, managers, and leasing agents of MPDUs in the City that:
 - a. During the pendency of this ordinance, an owner, manager, or leasing agent may renew the lease of a current MPDU tenant under the terms of the MPDU program, including, but not limited to, MPDU rent limits, for up to one (1) year without recertifying the eligibility of that tenant to participate in the MPDU program;
 - b. During the pendency of this ordinance, an owner, manager, or leasing agent must not send any MPDU tenant a notice to vacate a MPDU due to a failure to submit information necessary to recertify MPDU program eligibility or due to the tenant's ineligibility to participate in the MPDU program; and
 - c. Within fourteen (14) days of the date of enactment of this ordinance, all owners, managers, and leasing agents must revoke, in writing, any outstanding notice to vacate a MPDU due to a failure to submit information necessary to

recertify MPDU program eligibility or due to the tenant’s ineligibility to participate in the MPDU program.

SECTION II – This ordinance will expire on October 1, 2020. All households renting MPDUs in the City subject to eligibility recertification on or after October 1, 2020, must undergo recertification in accordance with the Program Guide.

SECTION III – All leases entered into in accordance with this ordinance will remain valid after the expiration of this ordinance.

SECTION IV - This ordinance shall become effective immediately upon adoption.

I hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the Mayor and Council of Rockville at its meeting of May 4, 2020.


Sara Taylor-Ferrell
City Clerk/Director of Council Operation

ORDINANCE NO.

ORDINANCE: To extend the temporary suspension of the requirement that current tenants of rental MPDUs recertify their eligibility to participate in the City's MPDU program before renewing leases through December 31, 2020, which date may be further extended by the City Manager in up to three month increments through July 31, 2021

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND as follows:

SECTION I.

WHEREAS, on May 4, 2020, the Mayor and Council of Rockville adopted Ordinance No. 7-20, which:

- (1) Suspended the MPDU program eligibility requirements for all households renting MPDUs in the City that would be subject to eligibility recertification during the pendency of Ordinance No. 7-20; and
- (2) Directed the City Manager or his designee to promptly inform all owners, managers, and leasing agents of MPDUs in the City that:
 - a. During the pendency of Ordinance No. 7-20, an owner, manager, or leasing agent may renew the lease of a current MPDU tenant under the terms of the MPDU program, including, but not limited to, MPDU rent limits, for up to one (1) year without recertifying the eligibility of that tenant to participate in the MPDU program;
 - b. During the pendency of Ordinance No. 7-20, an owner, manager, or leasing agent must not send any MPDU tenant a notice to vacate an MPDU due to a failure to submit information necessary to recertify MPDU program eligibility or due to the tenant's ineligibility to participate in the MPDU program; and
 - c. Within fourteen (14) days of the date of enactment of Ordinance No. 7-20, all owners, managers, and leasing agents must revoke, in writing, any outstanding notice to vacate an MPDU due to a failure to submit information necessary to

Ordinance No.

2

recertify MPDU program eligibility or due to the tenant's ineligibility to participate in the MPDU program; and

WHEREAS, Ordinance No. 7-20 expires on October 1, 2020; and

WHEREAS, due to the continuing impact of the COVID-19 pandemic, the Mayor and Council wishes to extend the suspension of the MPDU program eligibility requirements for all households renting MPDUs in the City that would be subject to eligibility recertification through December 31, 2020, which date may be further extended by the City Manager in up to three-month increments through July 31, 2021.

NOW, THEREFORE, under its authority under Article IV, Section 1 of the Rockville City Charter to pass ordinances for the protection and promotion of the health, safety, and welfare of the residents of the City, the Mayor and Council of Rockville hereby:

- (1) Suspends the MPDU program eligibility requirements for all households renting MPDUs in the City that would be subject to eligibility recertification until December 31, 2020; and
- (2) Authorizes the City Manager to further extend, in up to three-month increments, the suspension of the MPDU program eligibility requirements for all households renting MPDUs in the City that would be subject to eligibility recertification through July 31, 2021; any extension authorized by the City Manager under this Ordinance must be in writing; and
- (3) Directs the City Manager or his designee to promptly inform all owners, managers, and leasing agents of MPDUs in the City that:
 - a. Through December 31, 2020, and as may be further extended by the City Manager under this Ordinance, an owner, manager, or leasing agent may renew the lease of a current MPDU tenant under the terms of the MPDU program, including, but not limited to, MPDU rent limits, for up to one (1)

year without recertifying the eligibility of that tenant to participate in the MPDU program; and

- b. Through December 31, 2020, and as may be further extended by the City Manager under this Ordinance, an owner, manager, or leasing agent must not send any MPDU tenant a notice to vacate an MPDU due to a failure to submit information necessary to recertify MPDU program eligibility or due to the tenant’s ineligibility to participate in the MPDU program.

SECTION II – This Ordinance will expire on August 1, 2021.

SECTION III – All leases entered into in accordance with this Ordinance will remain valid after the expiration of this Ordinance.

SECTION IV - This Ordinance shall become effective immediately upon adoption.

I hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the Mayor and Council of Rockville at its meeting of _____.

Sara Taylor-Ferrell

City Clerk/Director of Council Operation

Attachment 10.C.b: Ordinance to Extend MPDU Recertification Suspension_FINAL_Attch. B (3306 : Introduction and Possible Adoption of an



Mayor & Council Meeting Date: September 14, 2020
 Agenda Item Type: Public Hearing
 Department: Housing and Community Development
 Responsible Staff: Asmara Habte

Subject

Public Hearing on Community Needs: FY 2022 CDBG Grant Funding

Recommendation

1. Receive a brief staff presentation on the upcoming CDBG funding cycle and application process;
2. Conduct a public hearing on community needs; and
3. Hold the public record open until September 28, 2020.

Discussion

Each year, the City of Rockville receives federal Community Development Block Grant (CDBG) funds through a cooperative agreement with Montgomery County. CDBG funds must be used for housing and community development projects that primarily benefit low- and moderate-income persons or neighborhoods. It is anticipated that Rockville will receive approximately \$260,000 in CDBG funding for federal Program Year 46, which is FY 2022.

In recent years, the Mayor and Council has targeted funds to capital improvements and physical improvements (public or social services are not funded) and instituted a minimum grant amount of \$15,000 for outside agencies. Unless otherwise directed, the staff will continue this policy when reviewing funding applications.

The City has focused much of its CDBG allocation to rehabilitating different types of housing. For example, for the FY 2021 funding application to the County, the Mayor and Council approved the following projects:

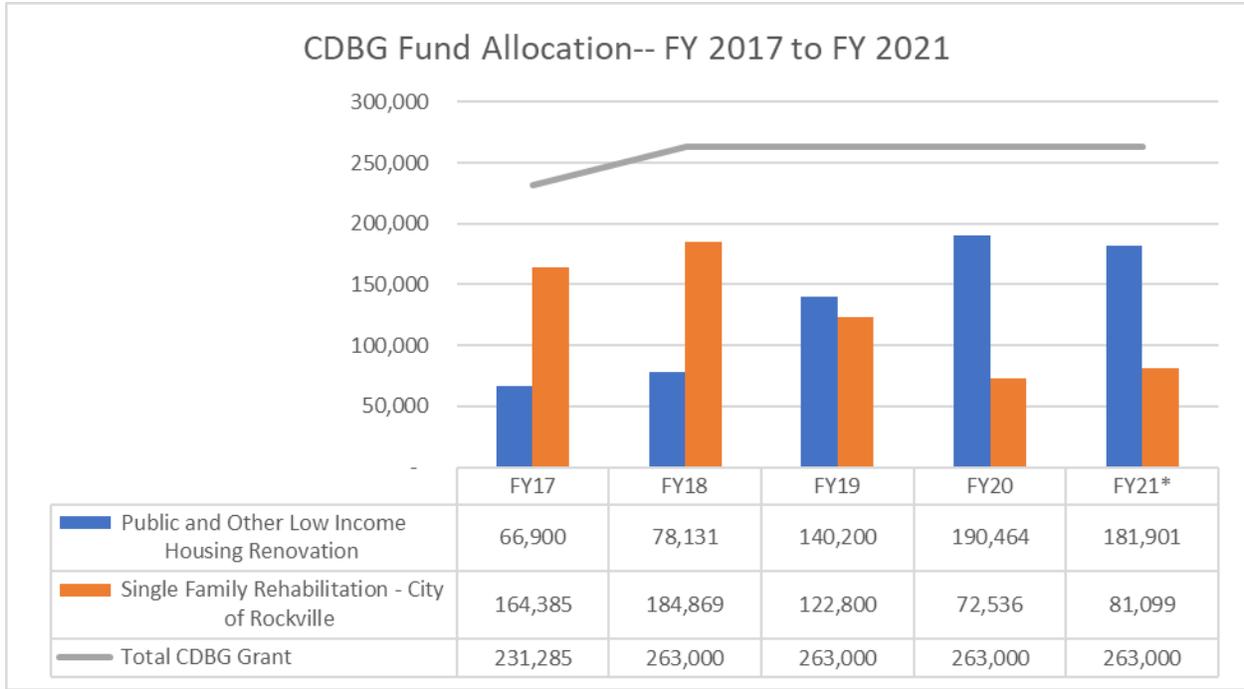
Table 1. Proposed FY 2021 CDBG Fund Allocation

Agency	Scope	Funding Level
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Community Reach of Montgomery County	Repair and maintenance of a group home. The specific proposed scope of work includes repair of front and side porch; tin roof; replacement of gutter; installation of ductless AC system; electrical work; repointing foundation; restoration of retaining wall/installation of walkway; and replacement of carpeting throughout the house. The fund recommendation doesn't fund the repair/replacement of the wooden shutters.	51,551
Cornerstone of Montgomery County	Make repairs and improvements at one of its residential Crisis Services homes to facilitate a safe living space for those in need. Specific work items include: Replacement of AC units; repair of flooring system in all bedrooms; reinforcing stairs to the basement and second floor; renovation of rear porch; replacement of shed; new windows and lighting in the basement. The recommended funding amount aligns with third party cost estimates submitted as part of the grant application.	61,650
Housing Unlimited	Rehabilitation of bathroom, including associated plumbing and the installation of an ADA-compliant toilet.	8,700
Rockville Housing Enterprises	The proposed recommended grant amount seeks to fund 50% or 13 roof replacements instead of the 26 RHE requested ¹ .	60,000
City of Rockville	Assist potential single-family applicants who may seek repair services.	81,099
TOTAL		263,000

The chart below shows CDBG allocations for the past five grant years, FY 2017 to FY 2021 (Federal Program Years 42 to 46).

Chart 1. CDBG Allocation by Use



Source: City of Rockville, HCD, 2020
 *Anticipated award amount

Public Hearing

This public hearing is a prerequisite to applying for CDBG funds. The purpose of the public hearing is to obtain public input on community needs and priorities. The applicants and their applications for CDBG funds should be focused on these community needs and priorities. The application period for external agencies began on August 15, 2020. Applications for funding are due to the City of Rockville on October 5, 2020.

After reviewing and scoring submitted applications, staff will recommend the use of the CDBG funds to the Mayor and Council for consideration and approval in November or December. The City's funding application will reflect the Mayor and Council's decisions and is due to Montgomery County by December 31, 2020, with funding becoming available in the fall of 2021.

Community Needs

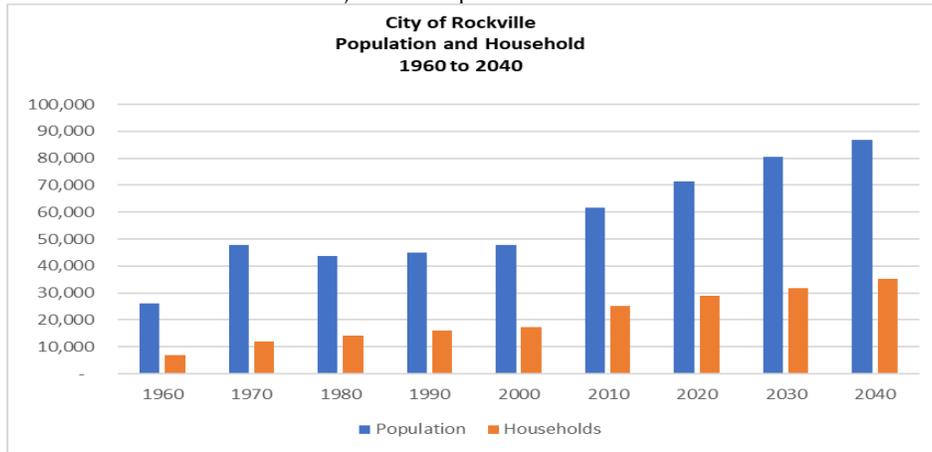
Federal guidelines require that CDBG activities be responsive to community needs. The section below is a summary of Rockville's population trends and housing needs.

Demographic and Other Characteristics Affecting Housing Needs and Trends

- Between 2019 and 2040, Rockville’s population is projected to increase from approximately 70,000 residents to approximately 82,000 residents, who would be housed in approximately 10,000 new housing units.

Below is a graphic illustration of the City’s historic and projected population and household growth.

Chart 2. Projected Population and Household Growth

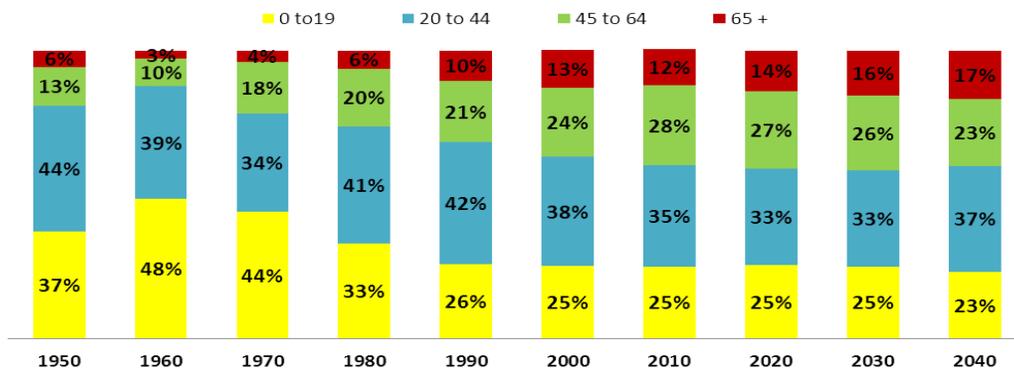


Sources: City of Rockville, CPDS, 2018; U.S. Census (Vintage 2015 Population Estimates and Intercensal Population Estimates) and MWCOC (Round 9.0); U.S. Census Bureau. Historical Decennial Census.

- Rockville’s population is aging, resulting in a need for different types of senior housing for residents who want to remain in Rockville in retirement. Below is a graphic illustration of the City’s current and projected population by age cohort.

Chart 3. Age Distribution

Existing and Projected Population by Age Cohort



Source: City of Rockville, PDS

- Census data shows Rockville’s area median household income to be \$105,376 in 2018.
- 2018 Census data shows that 6.6% of the city households live- below the federal poverty line. Poverty levels are higher for certain families—10% for female-headed households, and 14.7% for families with children under 18 years of age.

- Nearly 70% of the student body at one Rockville elementary school receives Free and Reduced Priced Meals (FARMs)¹, indicating that there are neighborhoods with higher concentrations of low-income households.
- Rockville anticipates that over 30,000 new jobs will be added between 2019 and 2040; most will be office jobs.
- The city is primarily built out. Future new development will occur through redevelopment of existing sites. This makes it very challenging to find available land within or immediately outside of Rockville city limits that would accommodate single-family development.

Housing Characteristics²

- There were approximately 26,500 total housing units in 2018.
- Of the total housing units, 95% of them were occupied in 2018.
- Of the occupied units, 56% were owner-occupied and 43% were renter-occupied in 2018.
- Approximately 2,500 units are affordable (existing housing stock with or without income restrictions) for moderate- or low-income households.
- Over half of the housing stock was built between 1950 and 1980, and nearly 40% of the stock was built between 1990 and the present.
- Of the renter households, 48.3% of renters spend more than 30% of household income on rent or mortgage payments. Of these rent overburdened households, 80% spend more than 35% of household income.
- The City of Rockville has one of the highest average rents in the County. The average monthly rent in Rockville was \$1,909 in 2018 compared to a Montgomery County average of \$1,742.
- The median home value in 2018 was \$521,700 compared to \$476,500 for Montgomery County.

Housing Needs

- With Rockville's high cost of housing, there is an ongoing need for more affordable and workforce housing. This is demonstrated by the percentage of households with housing cost burdens — households paying 30% or more of their gross income on mortgage/rent and utilities. Below is an illustration of percent of households who are cost-burdened by income levels.
- There are currently about 800 rental units and approximately 400 homeownership units in the Moderately Priced Dwelling Unit (MPDU) program in the City.

¹ Source: Montgomery County, 2018-2019 academic year.

²https://data.census.gov/cedsci/table?q=0400000US24_1600000US2467675&d=ACS%205Year%20Estimates%20Data%20Profiles&tid=ACSDP5Y2018.DP04

- An aging population of homeowners on fixed incomes often cannot afford regular maintenance or to address emergency repairs in older single-family homes. About 2,500 households with members 65 and older are living in units that were constructed before 1970.
- Fourteen (14) households are currently on the waiting list for CDBG Single-Family Rehabilitation assistance; over the past three grant application cycles, the City has dedicated a larger portion of its CDBG funding to the program to address the needs on the waiting list than it did in prior years.
- Rockville has a high demand for low-income housing through Rockville Housing Enterprises (RHE), the City's Public Housing Authority.
 - RHE manages 108 public housing (David Scull and scattered site) units and 3,524 households are on the waitlist for these units.
 - RHE manages 419 rental vouchers and 4,458 households are on the waitlist for these subsidies.

Federal Requirements

Eligible CDBG activities are governed by federal regulations and requirements. Federal environmental review, federal labor standards (i.e., prevailing or Davis-Bacon wages) and compliance, lead-based paint regulations, and fair housing requirements may apply depending on the activity proposed. Staff will assist applicants in understanding which, if any, of these requirements will apply to the project.

Mayor and Council History

This is the first time in this funding cycle that this item has been brought before the Mayor and Council. The funding application and public hearing announcement was e-mailed to civic associations, homeowners associations, and community organizations, on August 12, 2020. Public notice announcing the public hearings was published in the *Washington Post* on September 3 and 10, 2020. As requested by the Mayor and Council in previous years, the City hosted Housing Providers Forum on August 24, 2020, where housing providers were notified of the upcoming funding cycle and provided with information on application submission process and requirements.

Next Steps

Funding applications from housing providers are due to the City on October 5, 2020. Applications are reviewed and scored by a cross-departmental staff review committee, which makes funding recommendations to the Mayor and Council. Staff anticipates returning to the Mayor and Council in November with a recommendation. Staff anticipates submitting the grant application to the County in December following the Mayor and Council approval of the application.


Rob DiSpirito, City Manager 9/9/2020



Mayor & Council Meeting Date: September 14, 2020
 Agenda Item Type: Introduction and Possible Adoption
 Department: Finance
 Responsible Staff: Stacey Webster

Subject

Introduction, and Possible Adoption, of a Bond Ordinance to Authorize the Competitive Sale Of: Tax-Exempt 2020B General Obligation Bonds in an Amount Not to Exceed \$24,000,000 for the Purpose of Financing the Construction of Water and Sewer Improvements as Reflected in the City's FY 2021 Capital Improvements Program (CIP); Taxable 2020C General Obligation Refunding Bonds in an Amount Not to Exceed \$26,000,000 for the Purpose of Refunding Outstanding Debt Previously Issued in 2011, 2013, and 2014; and Related Issuance Costs

Recommendation

Staff recommends that the Mayor and Council introduce the attached ordinance to authorize the competitive sale of tax-exempt 2020B General Obligation Bonds in an amount not to exceed \$24,000,000, taxable 2020C General Obligation Refunding Bonds in an amount not to exceed \$26,000,000, and related issuance costs

If the Mayor and Council wish to proceed with adoption of the ordinance at the same meeting, the ordinance should first be introduced and then a motion should be made to waive the layover period. If the motion to waive the layover period is approved by an affirmative vote of four or more members of the Mayor and Council, a motion to adopt the ordinance may then proceed.

Discussion

Introduction and adoption of the attached ordinance (Attachment A) will allow staff to proceed with the competitive sale of tax-exempt General Obligation Bonds to finance capital projects in accordance with the adopted FY 2021 Capital Improvements Program (CIP). The projects to be financed with the bond proceeds, and the source of repayment, are listed in TABLE 1.

TABLE 1

Project Name	Fund	Source of Repayment
Commercial Water Meter Replacements	Water	Water Rates and Charges
Water Main Rehabilitation and Improvements	Water	Water Rates and Charges
Water Treatment Plant Electrical, Roof, HVAC	Water	Water Rates and Charges
Blue Plains Wastewater Treatment	Sewer	Sewer Rates and Charges

The tax-exempt bonds sold will have 20 year terms, with level principal repayment schedules. The term is selected to mirror the useful life of the improvement. The level principal repayment schedules allow the outstanding principal to be repaid at a faster rate to minimize interest costs.

In addition to the new money bonds, the introduction and adoption of the attached ordinance will allow staff to proceed with the competitive sale of taxable General Obligation Refunding Bonds to refund outstanding debt previously Issued in 2011, 2013, and 2014.

The interest rates obtainable in the municipal bond market today are lower than when the bonds were issued in 2011, 2013, and 2014; consequently, the City can reduce its debt service payments by refinancing at today's lower interest rates.

The Mayor and Council's guidance for refinancing debt is set forth in the City's Financial Management Policies (FMP). The FMP states that, "In general, refinancings for economic benefit will be undertaken whenever net present value savings of at least five percent of the refunded debt can be achieved." The proposed taxable refunding of the 2011, 2013, and 2014 bonds exceeds this policy threshold as shown in TABLE 2.

TABLE 2

Issue	Gross Savings	NPV Saving	% NPV Savings
Series 2011B (Water and Sewer)	\$554,827.88	\$519,620.83	9.6%
Series 2013A (Water and Sewer)	\$819,524.33	\$757,100.49	7.9%
Series 2014B (Capital, Water, Sewer, and SWM)	\$709,987.29	\$653,226.90	8.7%

The proposal from the City's municipal advisor, Davenport, is attached (Attachment B). The proposal provides information relative to costs, debt service schedules, and the calendar for the upcoming bond sale.

The adoption of this ordinance also authorizes staff to proceed with bond ratings for the 2020B and 2020C bonds. The City's bonds will be rated by two credit rating agencies, Moody's and Standard and Poor's. The ratings help the market understand the City's credit worthiness and is an important factor when the underwriters price the bonds. Each rating is unique as the methodology utilized is proprietary to each firm.

Mayor and Council History

The Mayor and Council adopted the FY 2021 operating and CIP budgets on May 11, 2020. The FY 2021 budget reflects the bond proceeds referenced in this agenda item. The Mayor and

Council adopted a resolution to declare the official intent of the Mayor and Council to bond finance these projects under U.S. Treasury Income Tax Regulation Section 1.150-2 on May 11, 2020.

Fiscal Impact

Issuance costs for the transaction will equal approximately \$200,000 and will be paid from the proceeds of the bonds. The issuance costs cover the fees for the municipal advisor, bond counsel, underwriter, rating agencies, etc.

The bonds will be issued as General Obligation Bonds and will be backed by the full faith and credit of the City government. Although technically backed by the full faith and credit of the City government, the water and sewer bonds will be repaid through utility rates and charges.

Next Steps

Staff will work with bond counsel and the City's municipal advisor to market and sell the bonds. The bond sale is planned for September 22, 2020, and the closing is planned for October 6, 2020.

Attachments

Attachment 12.a: Rockville 2020B and 2020C Bond Ordinance (PDF)

Attachment 12.b: Rockville Proposal for Series 2020B and 2020C Bonds 8.31.20 (PDF)



Rob DiSpirito, City Manager

9/9/2020

THE MAYOR AND COUNCIL OF ROCKVILLE

Ordinance No. _____

AN ORDINANCE of The Mayor and Council of Rockville to authorize, pursuant to the authority of Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended, Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, the issuance and sale, upon its full faith and credit, of two series of its serial maturity general obligation, fully registered bonds, one series in an aggregate principal amount not to exceed Twenty-Four Million Dollars (\$24,000,000) to be designated as “The Mayor and Council of Rockville General Obligation Bonds, Series 2020B” and one series in an aggregate principal amount not to exceed Twenty-Six Million Dollars (\$26,000,000) to be designated as “The Mayor and Council of Rockville General Obligation Taxable Refunding Bonds, Series 2020C”; said bonds to be issued and sold for the public purpose of (i) refunding certain outstanding maturities of the General Obligation Bonds, Series 2011B, the General Obligation Bonds, Series 2013A and General Obligation Bonds, Series 2014B of the City of Rockville, as more fully set forth in Exhibit A attached hereto; (ii) financing and refinancing all or a portion of the costs of or related to certain Water Fund projects and Sewer Fund projects, all as more fully set forth in Exhibit B attached hereto; and (iii) paying the costs incurred by the City in connection with the issuance, sale and delivery of said bonds; prescribing the form and tenor of such bonds and determining other matters relating to the issuance and sale thereof; determining that the best interests of the City will be served by selling said bonds at a public (competitive) sale; determining all other details in connection with said sale; providing for the disbursement of the proceeds of said bonds; providing for the levy and collection of all *ad valorem* taxes necessary to provide for the payment of the interest on, and the principal of, said bonds as they become due, such taxes to be levied upon all property subject to assessment for unlimited municipal taxation within the corporate limits of the City of Rockville; providing that the proceeds of the Series 2020B Bonds, or any moneys which may be deemed to be proceeds, will not be used in a manner which would cause said bonds to be arbitrage bonds and making certain other covenants to assure the exclusion of interest on said General Obligation Bonds, Series 2020B from gross income for federal income tax purposes; appointing a paying agent and registrar for said bonds; and generally providing for the issuance, sale and delivery of all said bonds.

RECITALS

For convenience of reference, The Mayor and Council of Rockville, a municipal corporation of the State of Maryland, is hereinafter referred to as the “City.”

The authority for the powers herein exercised is contained in Article VII, Section 11 of the Charter of the City of Rockville (hereinafter sometimes referred to as the “Charter”), in Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended (the “City Enabling Act”), and in Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the “Refunding Act”), such authority being hereinafter sometimes referred to collectively as the “Enabling Act.”

The City Enabling Act and the Charter enable the City to issue bonds for the purpose of financing and refinancing the costs of capital projects. The Refunding Act and the Charter enable the City to issue bonds for the purpose of refunding any of its outstanding bonds.

The City finds it to be in the public interest to borrow money to (i) refund some or all of the maturities of the bonds of the City listed on Exhibit A attached hereto, (ii) financing and refinancing all or a portion of the costs of the projects listed on Exhibit B attached hereto; and (iii) pay the costs incurred by the City in connection with the issuance, sale and delivery of said bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, that:

Section 1: Acting pursuant to the authority of the Enabling Act, the City hereby determines that (A) the net proceeds from the sale of its General Obligation Bonds, Series 2020B, authorized to be issued and sold by this Ordinance (the “2020 New Money Bonds”), shall be used and applied to (i) financing and refinancing all or a portion of the costs of the projects listed on Exhibit B attached hereto, and (iii) pay the costs incurred by the City in connection with the issuance, sale and delivery of the 2020 New Money Bonds, and (B) the net proceeds from the sale of its General Obligation Taxable Refunding Bonds, Series 2020C, authorized to be issued and sold by this Ordinance (the “2020 Refunding Bonds” and, together with the 2020 New Money Bonds, the “2020 Bonds”), shall be used and applied to (i) refund some or all of the maturities of the bonds of the City listed on Exhibit A attached hereto, and (ii) pay the costs incurred by the City in connection with the issuance, sale and delivery of the 2020 Refunding Bonds. The City Manager of the City is hereby authorized and directed to determine to refund some, all or none of the bonds listed on Exhibit A, in order to further the best interests of the City.

Section 2: It is hereby determined that the City shall borrow money and incur indebtedness for the purposes set forth in this Ordinance. To evidence such borrowing and indebtedness and acting pursuant to the authority of the Enabling Act, the City shall issue

and sell, upon its full faith and credit, two series of its serial maturity general obligation, fully registered bonds, said issues of bonds to be known as “The Mayor and Council of Rockville General Obligation Bonds, Series 2020B” in an aggregate principal amount not to exceed Twenty-Four Million Dollars (\$24,000,000) and “The Mayor and Council of Rockville General Obligation Taxable Refunding Bonds, Series 2020C” in an aggregate principal amount not to exceed Twenty-Six Million Dollars (\$26,000,000), respectively. The City Manager of the City is hereby authorized and directed to determine the aggregate principal amount and the principal amount per maturity of the 2020 Bonds to be issued in order to further the best interests of the City.

Section 3: The 2020 Bonds shall all be dated as of the date of their issuance, shall be in the denominations of \$5,000 or any integral multiple thereof, shall be numbered from one (1) consecutively upwards in the order of their maturities and each such number shall be prefixed by the letter “R.” The Bond Registrar (hereinafter designated) may make such additional provision for numbering, including additional prefixes and suffixes, as it may deem appropriate. The 2020 Bonds shall mature on June 1 in such years and in such principal amounts as the City Manager shall determine in order to further the best interests of the City.

Section 4: (A) The 2020 Bonds maturing on or before June 1, 2030, shall not be subject to redemption prior to their respective maturities. The 2020 Bonds maturing on or after June 1, 2031 shall be subject to redemption prior to their respective maturities at the option of the City on or after June 1, 2030, either as a whole or in part at any time, in such order of maturity and within any maturity in such amount as directed by the City, at par plus accrual interest.

(B) If less than all of the 2020 Bonds of any one maturity are called for redemption, the particular 2020 Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its sole discretion may determine.

When less than all of a 2020 Bond in a denomination in excess of \$5,000 shall be so redeemed, then, upon the surrender of such 2020 Bond, there shall be issued to the registered owner thereof, without charge, for the unredeemed balance of the principal amount of such 2020 Bond, at the option of such owner, registered 2020 Bonds in any of the authorized denominations, the aggregate face amount of such 2020 Bonds not to exceed the unredeemed balance of the registered 2020 Bond so surrendered, and to bear the same interest rate and to mature on the same date as said unredeemed balance.

If, in accordance with the foregoing options, the City elects to redeem all outstanding 2020 Bonds, or less than all, it will give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of the 2020 Bonds to be redeemed at least thirty (30) days and not more than sixty (60) days prior to the redemption date, at the addresses of such owners appearing on the registration books kept by the Bond Registrar;

provided, however, that the failure to mail any such notice or any defect in the notice so mailed or the mailing thereof shall not affect the validity of any redemption proceedings. Such notice shall state for all 2020 Bonds being redeemed: maturity date, certificate numbers, redemption date, redemption price, whether the 2020 Bonds are being redeemed in whole or in part and shall also state that on the redemption date the interest on the 2020 Bonds so called shall cease to accrue and the redemption price shall become due and payable and shall require that the 2020 Bonds so called be presented for redemption and payment at the principal corporate trust office of the Paying Agent.

The City may also provide such further notices and take such further actions as it deems necessary in connection with such redemption, including any such notices or actions as are required by the Securities and Exchange Commission or by the Municipal Securities Rulemaking Board.

From and after the date fixed for redemption, if due notice has been given as herein provided, and the funds sufficient for payment of the redemption price and accrued interest shall be available therefor on such date, the 2020 Bonds so designated for redemption shall cease to bear interest. Upon presentation and surrender in compliance with said notices, the 2020 Bonds so called for redemption shall be paid by the Paying Agent (hereinafter designated) at the redemption price plus any accrued interest. If not so paid on presentation thereof, said 2020 Bonds so called shall continue to bear interest at the rates expressed therein until paid. All 2020 Bonds redeemed and paid hereunder will be canceled.

Section 5: All of the 2020 Bonds authorized by this Ordinance shall bear interest at such interest rate or rates as shall be approved by the City Manager upon receipt of competitive bids for the 2020 Bonds. Each 2020 Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date, or unless authenticated prior to the first interest payment date, in which event it shall bear interest from the date of the 2020 Bonds; provided, however, that if at the time of authentication of any 2020 Bond interest is in default, such 2020 Bond shall bear interest from the date to which interest has been paid. The interest on all 2020 Bonds shall be paid semi-annually on June 1 and December 1, beginning June 1, 2021, of each year in which any 2020 Bonds may be outstanding, and shall be computed on a 360-day year, 30-day month basis.

All 2020 Bonds shall be executed in the name of the City and on its behalf by the Mayor of Rockville. Such signature of the Mayor of Rockville may be manually affixed or may be imprinted on such 2020 Bonds by facsimile; either a facsimile or an original of the corporate seal of Rockville shall also be imprinted thereon, attested by the manual or facsimile signature of the City Clerk/Director of Council Operations.

There shall accompany each 2020 Bond the text of the approving legal opinion of Venable LLP, Bond Counsel, with respect to such 2020 Bond.

In the event any official whose signature shall appear on such 2020 Bonds shall cease to be such official prior to the delivery of the 2020 Bonds, or in the event any such official whose signature shall appear on the 2020 Bonds shall have become such after the date of issue thereof, the 2020 Bonds shall nevertheless be valid and legally binding obligations of the City in accordance with their terms.

Notwithstanding any other provision of this Ordinance, it is intended that the 2020 Bonds will be issued as “book-entry only” securities. The City will issue one bond for each maturity of the 2020 Bonds in the name of Cede & Co., nominee for The Depository Trust Company (“DTC”), and beneficial ownership of the 2020 Bonds will be evidenced by book entries maintained by DTC. The City Manager of the City is hereby authorized and directed to take whatever actions are necessary or advisable to facilitate the issuance of the 2020 Bonds as book-entry only securities.

All 2020 Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 each or any integral multiples thereof, and shall be registered in the name or names of the owner or owners thereof, on books kept for such purpose at the principal office of the Bond Registrar. Payment of the principal of and interest on the 2020 Bonds shall be made to the persons in whose names such 2020 Bonds are registered on the registration books maintained by the Bond Registrar as the registered owners thereof, such principal to be payable at the principal Office of the Paying Agent upon presentation and surrender of such 2020 Bonds as the same become due and payable, and such interest to be payable by check mailed by the Paying Agent on the date such interest is payable to the persons in whose names the 2020 Bonds are registered as of the close of business on the fifteenth day of the immediately preceding month (the “Regular Record Date”) at such registered owner’s address as it appears on the registration books maintained by the Bond Registrar.

The City is hereby designated as the Bond Registrar and as the Paying Agent for the 2020 Bonds, subject to further action by the City.

Any interest on any 2020 Bond which is payable but not punctually paid or duly provided for (“Defaulted Interest”) shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date and such Defaulted Interest may be paid by the City, at its election in each case, as provided in paragraph (1) or (2) below:

(1) The City may elect to make payment of any Defaulted Interest on the 2020 Bonds to the persons in whose names such 2020 Bonds are registered at the close of business on a record date for the payment of such Defaulted Interest (the “Special Record Date”), which shall be fixed in the following manner. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on the 2020

Bonds and the date of the proposed payment (which date shall be such as will enable the Paying Agent to comply with the next sentence hereof), and at the same time the City shall deposit or cause to be deposited with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as provided in this paragraph. Thereupon the Paying Agent shall fix a Special Record Date for the payment of such Defaulted interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date after the receipt by the Paying Agent of the notice of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name of the City, shall cause notice of the payment date for such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each registered owner as of a date not less than ten (10) days prior to such Special Record Date at such owner's address as it appears in the registration books maintained by the Bond Registrar. The Paying Agent may, in its discretion, in the name of the City, cause a similar notice to be published at least once in a newspaper of general circulation in each of Baltimore, Maryland and the Borough of Manhattan, New York, New York but such publication shall not be a condition precedent to the establishment of such Special Record Date Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid on the date fixed for such payment to the registered owners of the 2020 Bonds as of the close of business on the Special Record Date.

(2) The City may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the 2020 Bonds may be listed, and upon such notice as may be required by such exchange, if, after notice given by the City to the Paying Agent of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable, and approved in writing, by the Paying Agent.

Except as provided hereinafter or in ordinances or resolutions of The Mayor and Council of Rockville adopted prior to the issuance and delivery of the 2020 Bonds, all 2020 Bonds shall be substantially in the following form, with appropriate insertions as therein indicated, which form and all of the covenants therein contained are hereby adopted by the City as and for the form of obligation to be incurred by the City, and said covenants and conditions are hereby made binding upon the City, including the promise to pay therein contained:

prepaid, to the registered owner hereof not less than ten (10) days prior to such Special Record Date at the address of such owner as it appears on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirement of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange. Interest will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Date of Original Issue shown above.

“Business Day” means a day other than a Saturday, Sunday or a day on which the City is authorized or obligated by law or required by executive order to remain closed.

The full faith and credit and unlimited taxing power of the City are irrevocably pledged to the payment of the principal of and interest on this bond according to its terms, and the City does hereby covenant and agree to pay the principal of this bond and the interest thereon, at the dates and in the manner mentioned herein, according to the true intent and meaning thereof.

This bond is one of a duly authorized issue of general obligation bonds of the City designated “General Obligation Bonds, Series 2020B” aggregating _____ Million _____ Dollars (\$____,____,000) in principal amount, which are in denominations of \$5,000 or any integral multiple thereof and mature serially in installments on June 1 in each of the years 20__ to 20__ inclusive, and bear interest per annum, as follows:

<u>Year of</u>	<u>Principal</u>	<u>Interest</u>	<u>Year of</u>	<u>Principal</u>	<u>Interest</u>
<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>

The bonds are numbered from one consecutively upwards prefixed by the letter “R” and are of like tenor and effect except as to maturity, number, interest rate, denomination and redemption provisions, and are issued pursuant to and in full conformity with the provisions of Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, and by virtue of due proceedings had and taken by The Mayor and Council of Rockville, particularly an Ordinance introduced on September 14, 2020 and adopted on September 14, 2020 (the “Ordinance”).

The bonds maturing on or before June 1, 2030 are not subject to redemption prior to their respective maturities. The bonds maturing on or after June 1, 2031 are subject to redemption prior to their respective maturities at the option of the City on or after June 1, 2030, either as a whole or in part at any time, in such order of maturity and within any maturity in such amount as directed by the City, without premium, plus interest accrued to the date fixed for redemption.

If less than all of the bonds of any one maturity of this issue shall be called for redemption, the particular bonds or Portion thereof to be redeemed from such maturity shall be selected by lot by the Bond Registrar in such manner as, in its discretion, it shall determine.

When less than all of a bond in a denomination in excess of \$5,000 shall be so redeemed, then, upon the surrender of such bond, there shall be issued to the registered owner thereof, without charge, for the unredeemed balance of the principal amount of such bond, at the option of such owner, registered bonds in any of the authorized denominations, the aggregate face amount of such bonds not to exceed the unredeemed balance of the registered bond so surrendered, and to bear the same interest rate and to mature on the same date as said unredeemed balance.

If, in accordance with the foregoing option, the City elects to redeem all outstanding bonds, or less than all, it will give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of such bonds at least thirty (30) days and not more than sixty (60) days prior to the redemption date, at the addresses of such owners appearing on the registration books kept by the Bond Registrar; provided, however, that the failure to mail such notice or any defect in the notice so mailed, or in the mailing thereof shall not affect the validity of the redemption proceedings. Such notice shall state the maturity date, certificate numbers, redemption date, redemption price, whether the bonds are being redeemed in whole or in part and the name and address of the Paying Agent and shall also state that on the redemption date the interest on the bonds so called shall cease to accrue and the redemption price shall become due and payable and shall require that the bonds so called be presented for redemption and payment at the principal office of that Paying Agent. From and after the date fixed for redemption, if due notice by publication is given as herein provided, and the funds sufficient for payment of the redemption price and accrued interest shall be available therefor on such date, the bonds so designated for redemption shall cease to bear interest. Upon presentation and surrender in compliance with said notices, the bonds so called for redemption shall be paid by the Paying Agent at the redemption price plus any accrued interest. If not so paid on presentation thereof, said bonds so called shall continue to bear interest at the rates expressed therein until paid. All bonds redeemed and paid hereunder will be canceled.

This bond is transferable only upon the registration books kept at the principal office of the Bond Registrar, by the registered owner hereof in person, or by his or her attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney, and thereupon, within a reasonable time, the Bond Registrar shall issue in the name of the transferee a new registered bond or bonds of any authorized denominations in aggregate principal amount equal to the principal amount of this bond or the unredeemed portion hereof, and maturing on the same date and bearing interest at the same rate, and the new bond or bonds shall be delivered to the transferee only after payment of any tax or

governmental charge required to be paid with respect to, and any shipping expenses or insurance relating to, such transfer and only after due authentication thereof by an authorized officer of the Bond Registrar. The Bond Registrar shall not be required to issue, transfer or exchange any bond during the period beginning fifteen days before any selection of bonds to be redeemed and ending on the day of publication and mailing of the notice of redemption or to transfer or exchange any bond called or being called for redemption in whole or in part. The Bond Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Maryland, the Charter of the City (the "Charter") and the Ordinance to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed, and that the issue of bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by said Constitution or statutes or Charter, and that due provision has been made for the levy and collection of an ad valorem tax or taxes upon all legally assessable property within the corporate limits of the City in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on this bond.

This bond shall not be valid or become obligatory for any purpose, until this bond shall have been authenticated by an authorized officer of the Bond Registrar.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City, an original or facsimile of the corporate seal of the City has been imprinted hereon, attested by the manual or facsimile signature of the City Clerk/Director of Council Operations as of the __ day of _____, 2020.

ATTEST: THE MAYOR AND COUNCIL OF ROCKVILLE

City Clerk/
Director of Council Operations

By: _____
Mayor

CERTIFICATION OF AUTHENTICATION

The undersigned hereby certifies that this bond is one of the registered bonds without coupons of The Mayor and Council of Rockville.

By: _____
[Authorized Officer of
Bond Registrar]

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder, and does hereby constitute and appoint _____ to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

[FORM OF 2020 REFUNDING BOND]

No. R-- _____ \$ _____

UNITED STATES OF AMERICA
STATE OF MARYLAND
THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND
General Obligation Taxable Refunding Bond, Series 2020C

Interest Rate			
Per Annum	Maturity Date	Date of Original Issue	CUSIP
	June 1, 20__	_____, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT _____ DOLLARS

THE MAYOR AND COUNCIL OF ROCKVILLE (the "City"), a municipal corporation created and existing under the laws of the State of Maryland, hereby acknowledges itself indebted, and, for value received, promises to pay to the Registered Owner shown above or registered assigns or legal representatives on the Maturity Date

shown above (unless this bond shall be redeemable, shall have been called for prior redemption and payment of the redemption price made or provided for), the Principal Amount shown above or so much thereof as shall not have been paid upon prior redemption in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts upon presentation and surrender of this bond on the date such principal is payable or if such date is not a Business Day (hereinafter defined) then on the next succeeding Business Day at the principal office of the City, Rockville, Maryland (the “Paying Agent”), and to pay to the registered owner hereof by check or draft, mailed to such registered owner at such owner’s address as it appears on said registration books (the “Bond Register”) maintained by the City (the “Bond Registrar”) interest on said principal amount at the Interest Rate shown above (computed on a 360-day year, 30-day month basis) until payment of such principal amount, or until the prior redemption hereof, such interest being payable semi-annually on June 1 and December 1, beginning June 1, 2021, to the person in whose name this bond is registered on the Bond Register as of the close of business on the regular record date, which shall be the fifteenth day of the month immediately preceding each interest payment date (the “Regular Record Date”) and shall be made by check mailed by the Paying Agent on the interest payment date to such person’s address as it appears on the Bond Register. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered as of the close of business on a date fixed by the Paying Agent for the payment of such defaulted interest (the “Special Record Date”), notice of such payment date and the Special Record Date therefor being given by letter mailed first class, postage prepaid, to the registered owner hereof not less than ten (10) days prior to such Special Record Date at the address of such owner as it appears on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirement of any securities exchange on which the bonds of this series may be listed and upon such notice as may be required by such exchange. Interest will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Date of Original Issue shown above.

“Business Day” means a day other than a Saturday, Sunday or a day on which the City is authorized or obligated by law or required by executive order to remain closed.

The full faith and credit and unlimited taxing power of the City are irrevocably pledged to the payment of the principal of and interest on this bond according to its terms, and the City does hereby covenant and agree to pay the principal of this bond and the interest thereon, at the dates and in the manner mentioned herein, according to the true intent and meaning thereof.

This bond is one of a duly authorized issue of general obligation bonds of the City designated “General Obligation Taxable Refunding Bonds, Series 2020C” aggregating ___ Million ___ Hundred Thousand Dollars (\$___,___,000) in principal amount, which are in denominations of \$5,000 or any integral multiple thereof and mature serially in

installments on June 1 in each of the years 20__ to 20__ inclusive, and bear interest per annum, as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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The bonds are numbered from one consecutively upwards prefixed by the letter “R” and are of like tenor and effect except as to maturity, number, interest rate, denomination and redemption provisions, and are issued pursuant to and in full conformity with the provisions of Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended, Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, and by virtue of due proceedings had and taken by The Mayor and Council of Rockville, particularly an Ordinance introduced on September 14, 2020 and adopted on September 14, 2020 (the “Ordinance”).

The bonds maturing on or before June 1, 2030 are not subject to redemption prior to their respective maturities. The bonds maturing on or after June 1, 2031 are subject to redemption prior to their respective maturities at the option of the City on or after June 1, 2030, either as a whole or in part at any time, in such order of maturity and within any maturity in such amount as directed by the City, without premium, plus interest accrued to the date fixed for redemption.

If less than all of the bonds of any one maturity of this issue shall be called for redemption, the particular bonds or Portion thereof to be redeemed from such maturity shall be selected by lot by the Bond Registrar in such manner as, in its discretion, it shall determine.

When less than all of a bond in a denomination in excess of \$5,000 shall be so redeemed, then, upon the surrender of such bond, there shall be issued to the registered owner thereof, without charge, for the unredeemed balance of the principal amount of such bond, at the option of such owner, registered bonds in any of the authorized denominations, the aggregate face amount of such bonds not to exceed the unredeemed balance of the registered bond so surrendered, and to bear the same interest rate and to mature on the same date as said unredeemed balance.

If, in accordance with the foregoing option, the City elects to redeem all outstanding bonds, or less than all, it will give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of such bonds at least thirty (30) days and not more than sixty (60) days prior to the redemption date, at the addresses of such owners appearing on the registration books kept by the Bond Registrar; provided, however, that the failure to mail such notice or any defect in the notice so mailed, or in the mailing

thereof shall not affect the validity of the redemption proceedings. Such notice shall state the maturity date, certificate numbers, redemption date, redemption price, whether the bonds are being redeemed in whole or in part and the name and address of the Paying Agent and shall also state that on the redemption date the interest on the bonds so called shall cease to accrue and the redemption price shall become due and payable and shall require that the bonds so called be presented for redemption and payment at the principal office of that Paying Agent. From and after the date fixed for redemption, if due notice by publication is given as herein provided, and the funds sufficient for payment of the redemption price and accrued interest shall be available therefor on such date, the bonds so designated for redemption shall cease to bear interest. Upon presentation and surrender in compliance with said notices, the bonds so called for redemption shall be paid by the Paying Agent at the redemption price plus any accrued interest. If not so paid on presentation thereof, said bonds so called shall continue to bear interest at the rates expressed therein until paid. All bonds redeemed and paid hereunder will be canceled.

This bond is transferable only upon the registration books kept at the principal office of the Bond Registrar, by the registered owner hereof in person, or by his or her attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer in the form attached hereto and satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney, and thereupon, within a reasonable time, the Bond Registrar shall issue in the name of the transferee a new registered bond or bonds of any authorized denominations in aggregate principal amount equal to the principal amount of this bond or the unredeemed portion hereof, and maturing on the same date and bearing interest at the same rate, and the new bond or bonds shall be delivered to the transferee only after payment of any tax or governmental charge required to be paid with respect to, and any shipping expenses or insurance relating to, such transfer and only after due authentication thereof by an authorized officer of the Bond Registrar. The Bond Registrar shall not be required to issue, transfer or exchange any bond during the period beginning fifteen days before any selection of bonds to be redeemed and ending on the day of publication and mailing of the notice of redemption or to transfer or exchange any bond called or being called for redemption in whole or in part. The Bond Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Maryland, the Charter of the City (the "Charter") and the Ordinance to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed, and that the issue of bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by said Constitution or statutes or Charter, and that due provision has been made for the levy and collection of an ad valorem tax or taxes upon all legally assessable property within the corporate limits of the City in rate and amount

sufficient to provide for the payment, when due, of the principal of and interest on this bond.

This bond shall not be valid or become obligatory for any purpose, until this bond shall have been authenticated by an authorized officer of the Bond Registrar.

IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City, an original or facsimile of the corporate seal of the City has been imprinted hereon, attested by the manual or facsimile signature of the City Clerk/Director of Council Operations as of the __ day of _____, 2020.

ATTEST: THE MAYOR AND COUNCIL OF ROCKVILLE

By: City Clerk/ Mayor
Director of Council Operations

CERTIFICATION OF AUTHENTICATION

The undersigned hereby certifies that this bond is one of the registered bonds without coupons of The Mayor and Council of Rockville.

By: _____
[Authorized Officer of
Bond Registrar]

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder, and does hereby constitute and appoint _____ to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 6: The City Manager of the City shall be and is hereby authorized to make such changes in the forms of bond set forth in Section 5 of this Ordinance, as the City Manager shall deem necessary to carry into effect the purposes of this Ordinance or to Comply with recommendation of legal counsel; provided, however, that the City Manager shall make no change affecting the substance of the 2020 Bonds authorized by this Ordinance.

Section 7: It is hereby determined that it is in the best interests of the City to sell the 2020 Bonds at public (competitive) sale. The Notice of Sale with respect to the 2020 New Money Bonds shall be substantially in the form of Exhibit C attached hereto, subject to such changes, insertions and amendments as the City Manager deems necessary and approves, his publication of such notice in the preliminary official statement relating to the 2020 New Money Bonds to constitute conclusive evidence of such approval. The Notice of Sale with respect to the 2020 Refunding Bonds shall be substantially in the form of Exhibit D attached hereto, subject to such changes, insertions and amendments as the City Manager deems necessary and approves, his publication of such notice in the preliminary official statement relating to the 2020 Refunding Bonds to constitute conclusive evidence of such approval.

The 2020 Bonds will be suitably prepared and duly executed and delivered to the respective entity(ies) submitting the winning bids for the 2020 Bonds (the “Purchasers”) in accordance with the conditions of delivery as set forth in this Ordinance as soon as practicable, upon due notice and at the expense of the City, at such place as may be agreed upon between the Purchasers of the 2020 Bonds and the City, upon payment in Federal or other immediately available funds of the respective purchase prices of the 2020 Bonds.

The 2020 Bonds and their issuance and sale shall be exempt from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, as amended.

Section 8: The City Manager is hereby authorized to prepare and distribute the Preliminary Official Statement with respect to the 2020 Bonds, to deem such Preliminary Official Statement to be “final” as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), to execute and deliver a Continuing Disclosure Agreement pursuant to the Rule, and to take such further action and to execute such other documents as are necessary or desirable in connection with the issuance of the 2020 Bonds.

Section 9: Pursuant to Section 11(f) of Article VII of the Charter of the City of Rockville, Davenport & Company LLC is hereby recognized and appointed as the Financial Advisor to the City in connection with the issuance of the 2020 Bonds.

Section 10: (a) The City shall apply such amount of the proceeds of the 2020 Refunding Bonds as shall be deemed necessary by the Chief Financial Officer to the payment in full of the bonds of the City to be refunded with the proceeds of the 2020 Bonds pursuant to the terms hereof (the “Refunded Bonds”). The City Manager is authorized to cause the City to enter into one or more escrow deposit agreements with a bank or trust company located within or without the State of Maryland and selected by the City Manager and deposit such proceeds thereunder if, in the City Manager’s judgment, doing so shall further the best interests of the City. Such amounts shall be invested upon the direction of the Chief Financial Officer, pending their application in accordance with the provisions hereof.

(b) The City shall apply such amount of the proceeds of the 2020 New Money Bonds as shall be deemed necessary by the Chief Financial Officer to the financing and refinancing of all or a portion of the costs of the projects listed on Exhibit B. Such amounts shall be invested upon the direction of the Chief Financial Officer, pending their application in accordance with the provisions hereof.

(c) The Chief Financial Officer shall apply proceeds of each series of the 2020 Bonds to the payment of the costs of issuance thereof. Such amounts shall be invested upon the direction of the Chief Financial Officer, pending their application in accordance with the provisions hereof.

(d) The Refunded Bonds shall be called for redemption on the earliest call date for such Bonds that is reasonably practical, as determined by the Chief Financial Officer in his discretion.

The Chief Financial Officer shall give notice of redemption of the Refunded Bonds, signed in the name of the City and identifying the Refunded Bonds being called and designating the redemption date and the redemption price to be paid. Such notice of redemption shall be published, filed and mailed as provided in the respective ordinances of the City authorizing the issuance of the Refunded Bonds; but failure so to publish or file or mail any such notice shall not affect the validity of the proceedings for such redemption.

Notice having been given in the manner and under the conditions hereinabove provided, the Refunded Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided in the respective ordinance authorizing the issuance of the Refunded Bonds called for redemption, for the redemption of such Refunded Bonds on such date, and from and after the date of redemption so designated (unless default shall be made-in the payment of the Refunded Bonds called for redemption) interest on such Refunded Bonds so called for

redemption shall cease to accrue and the interest coupons (if any) appertaining to such Bonds which mature after the redemption date shall become void.

Section 11: For the purpose of paying the principal of and interest on the 2020 Bonds authorized to be issued by this Ordinance, the City shall levy or cause to be levied, and there is hereby levied, in each and every fiscal year in which any of the 2020 Bonds are outstanding, an *ad valorem* tax or taxes upon all of the legally assessable property within the corporate limits of the City in rate and amount sufficient to provide for the payment, when due, of the principal of all of the 2020 Bonds maturing in each such fiscal year and of all of the interest on the 2020 Bonds coming due in each such fiscal year, and, in the event the proceeds from the taxes so levied in each such fiscal year shall prove inadequate for the above purposes, additional taxes shall be, and are hereby, levied in the subsequent fiscal year to make up any deficiency. It is the intent of this Ordinance that the rate of said *ad valorem* taxes shall be so computed in each fiscal year that the proceeds of such *ad valorem* taxes, together with any other funds then lawfully available for the purpose, shall provide sufficient funds to meet said maturing principal of and interest on all of the 2020 Bonds.

The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the payment to maturity of the principal of and interest on the 2020 Bonds authorized by this Ordinance as and when the same respectively mature and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the 2020 Bonds hereby authorized to be issued. The City hereby solemnly covenants and agrees with each registered owner (from time to time) of the 2020 Bonds to levy and collect the taxes hereinabove described and to take any other action that may be appropriate from time to time during the period that any of the 2020 Bonds remain outstanding and unpaid to provide the funds necessary to make principal and interest payments thereon.

Section 12: (a) The City intends to issue the 2020 Refunding Bonds with the expectation that the interest thereon will be taxable for federal income tax purposes.

(b) The City intends to issue the 2020 New Money Bonds with the expectation that the interest thereon will be excludable from the gross income of the holders thereof for federal income tax purposes. The City Manager and the Chief Financial Officer shall be the officers of the City responsible for the issuance of the 2020 New Money Bonds within the meaning of the Arbitrage Regulations (defined herein). The City Manager and the Chief Financial Officer shall also be the officers of the City responsible for the execution and delivery (on the date of the issuance of the 2020 New Money Bonds) of a certificate of the City (the "Tax and Section 148 Certificate") which complies with the requirements of Section 148 of the Internal Revenue Code of 1986 ("Section 148"), and the applicable regulations thereunder (the "Arbitrage Regulations"), and such officers are hereby authorized and directed to execute and deliver the Tax and Section 148 Certificate to

counsel rendering an opinion on the validity of the 2020 New Money Bonds on the date of the issuance of the 2020 New Money Bonds.

(c) The City shall set forth in the Tax and Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the 2020 New Money Bonds or of any moneys, securities or other obligations to the credit of any account of the City which may be deemed to be proceeds of the 2020 New Money Bonds pursuant to Section 148 or the Arbitrage Regulations (collectively, the “Bond Proceeds”). The City covenants and agrees with the registered owners of the 2020 New Money Bonds that the facts, estimates and circumstances set forth in the Tax and Section 148 Certificate will be based on the City’s reasonable expectations on the date of issuance of the 2020 Bonds and will be, to the best of the certifying officers’ knowledge, true and correct as of that date.

(d) The City covenants and agrees with the registered owners of the 2020 New Money Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause the 2020 New Money Bonds to be “arbitrage bonds” within the meaning of Section 148 and the Arbitrage Regulations. The City further covenants that it will comply with Section 148 of the Internal Revenue Code of 1986 (or any successor provision thereto) and the regulations thereunder which are applicable to the 2020 New Money Bonds on the date of issuance of the 2020 New Money Bonds and which may subsequently lawfully be made applicable to the 2020 New Money Bonds.

(e) The City further covenants that it shall make such use of the proceeds of the 2020 New Money Bonds, regulate the investment of the proceeds thereof, and take such other and further actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the 2020 New Money Bonds. All officers, employees and agents of the City are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the 2020 New Money Bonds, as may be necessary or appropriate from time to time to comply with, or to evidence the City’s compliance with, the covenants set forth in this Section.

Section 13: This Ordinance shall take effect from and after the date of final passage.

THE FOREGOING ORDINANCE was introduced at a meeting of the Mayor and Council of Rockville held on September 14, 2020, and, its title having been included on the published agenda for the meeting of September 14, 2020, and all other requirements of law for published notice or hearing having been complied with, was finally passed by the Mayor and Council of Rockville on September 14, 2020.

City Clerk/Director of Council Operations

Exhibit A

REFUNDED BONDS

Series 2011B Bonds:

Maturity Date	Par Amount
06/01/2022	\$495,000
06/01/2023	490,000
06/01/2024	490,000
06/01/2025	490,000
06/01/2026	490,000
06/01/2027	490,000
06/01/2028	490,000
06/01/2029	490,000
06/01/2030	490,000
06/01/2031	485,000
06/01/2032	485,000
Total:	\$5,385,000

Series 2013A Bonds:

Maturity Date	Par Amount
06/01/2023	\$800,000
06/01/2024	800,000
06/01/2025	800,000
06/01/2026	800,000
06/01/2027	800,000
06/01/2028	800,000
06/01/2029	795,000
06/01/2030	795,000
06/01/2031	795,000
06/01/2032	790,000
06/01/2033	790,000
06/01/2034	790,000
Total:	\$9,555,000

Series 2014B Bonds:

Maturity Date	Par Amount
06/01/2023	\$965,000
06/01/2024	965,000
06/01/2025	965,000
06/01/2026	465,000
06/01/2027	460,000
06/01/2028	460,000
06/01/2029	460,000
06/01/2030	460,000
06/01/2031	460,000
06/01/2032	460,000
06/01/2033	455,000
06/01/2034	455,000
06/01/2035	455,000
Total:	\$7,485,000

Exhibit B
List of Projects

Description	Program Area	Debt Amount	Maturity
Water Fund Projects			
Commercial Water Meter Replacements	Utilities	967,000	20 Years
Water Main Rehabilitation and Improvements	Utilities	3,802,000	20 Years
Water Treatment Plant Electrical, Roof & HVAC	Utilities	<u>7,806,000</u>	20 Years
Total Water Fund Projects		<u>\$12,575,000</u>	
Sewer Fund Projects			
Blue Plains Wastewater Treatment	Utilities	<u>\$ 8,803,000</u>	20 Years
Total Sewer Fund Projects		<u>\$ 8,803,000</u>	
Total Project Needs		<u>\$21,378,000</u>	

Exhibit C

TERMS OF OFFERING

\$19,220,000⁽¹⁾

**General Obligation Bonds, Series 2020B
Mayor and Council of Rockville, Maryland**

NOTICE IS HEREBY GIVEN that the Series 2020B Bonds will be offered for sale according to the following terms:

TIME AND PLACE

Electronic proposals for the Series 2020B Bonds will be received by the Chief Financial Officer of the City through the PARITY[®] system on Tuesday, September 22, 2020, until 10:30 A.M., Eastern Time. Consideration for a ward of the Series 2020B Bonds will be by the City Manager on the same day.

SUBMISSION OF PROPOSALS

The Issuer will assume no liability for the inability of the bidder to reach the Issuer prior to the time of sale specified above. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the Issuer to purchase the Series 2020B Bonds.

Electronic Bids must be submitted through PARITY[®] for purposes of the electronic bidding process, the time as maintained by PARITY[®] shall constitute the official time with respect to all Bids submitted to PARITY[®]. Each bidder shall be solely responsible for making necessary arrangements to access PARITY[®] for purposes of submitting its electronic Bid in a timely manner and in compliance with the requirements of the Terms of Offering. Neither the Issuer, its agents, nor PARITY[®] shall have any duty or obligation to provide or ensure electronic access to any qualified prospective bidder, and neither the Issuer, its agents nor PARITY[®] shall be responsible for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by PARITY[®]. The Issuer is using the services of PARITY[®] solely as a communication mechanism to conduct the electronic bidding for the Series 2020B Bonds, and PARITY[®] is not an agent of the Issuer.

If any provisions of this Official Terms of Offering conflict with information provided by PARITY[®], this Terms of Offering shall control. Further information about PARITY[®], including any fee charged, may be obtained from:

PARITY[®], 1359 Broadway, 2nd Floor, New York City, New York 10018, Customer Support, (212) 849-5021.

DETAILS OF THE SERIES 2020B BONDS

The Series 2020B Bonds will be dated October 6, 2020, as the date of original issue, and will bear interest payable on June 1 and December 1 of each year, commencing June 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Series 2020B Bonds will be issued pursuant to the authority of Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, and in accordance with an ordinance enacted by the Issuer on September 14, 2020.

⁽¹⁾ Preliminary, subject to change.

The Series 2020B Bonds will mature June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount⁽¹⁾</u>	<u>Year</u>	<u>Amount⁽¹⁾</u>
2021	\$965,000	2031	960,000
2022	965,000	2032	960,000
2023	965,000	2033	960,000
2024	965,000	2034	960,000
2025	960,000	2035	960,000
2026	960,000	2036	960,000
2027	960,000	2037	960,000
2028	960,000	2038	960,000
2029	960,000	2039	960,000
2030	960,000	2040	960,000

⁽¹⁾ Preliminary, subject to change.

TERMBOND OPTION

Proposals for the Series 2020B Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds, provided that no serial bond may mature on or after the first mandatory sinking fund redemption date of any term bond. All term bonds shall be subject to mandatory sinking fund redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above, at a price of par plus accrued interest to the date of redemption.

ADJUSTMENTS TO PRINCIPAL AMOUNTS AFTER DETERMINATION OF BEST PROPOSAL

Following the receipt of the bids, the Issuer reserves the right to adjust the principal amount after receipt of bids, and the maximum issue size will not exceed \$24,000,000. If the issue structure is adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e. the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2020B Bonds to the public and the price to be paid to the Issuer (excluding accrued interest), by (ii) the principal amount of the Series 2020B Bonds) remains constant.

BOOK ENTRY SYSTEM

The Series 2020B Bonds will be issued by means of a book entry system with no physical distribution of Series 2020B Bonds made to the public. The Series 2020B Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Series 2020B Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Series 2020B Bonds. Individual purchases of the Series 2020B Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2020B Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer

of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Series 2020B Bonds, will be required to deposit the Series 2020B Bonds with DTC.

REGISTRAR

The Issuer will act as Registrar and Paying Agent and shall be subject to applicable SEC regulations.

OPTIONAL REDEMPTION

The Series 2020B Bonds maturing in the years June 1, 2031 and thereafter are subject to prior redemption on June 1, 2030 at a price of par plus accrued interest to the date of redemption.

SECURITY AND PURPOSE

The Series 2020B Bonds will be general obligations of the Issuer for which the Issuer will pledge its full faith and credit and unlimited taxing powers. The proceeds will be used to finance water, sewer, and capital projects and to pay the costs of issuing the Series 2020B Bonds.

TYPE OF PROPOSALS

Proposals shall be for not less than \$19,220,000 (Par) on the total principal amount of the Series 2020B Bonds. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the Issuer. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the Issuer scheduled for a ward of the Series 2020B Bonds is adjourned, recessed, or continued to another date without award of the Series 2020B Bonds having been made.

Rates must be in integral multiples of 1/8 or 1/20 of 1%, one rate per maturity. Series 2020B Bonds of the same maturity shall bear a single rate from the date of the Series 2020B Bonds to the date of maturity. Bidders may not specify (1) any interest rate for any Bonds which exceeds the interest rate stated in such bid for any other Bonds by more than 3.00%, (2) any interest rate that exceeds 5%, or (3) a zero rate of interest. A bid for the purchase of the Bonds at a price of less than 100% of par, or a bid for the Bonds that specifies split or supplemental interest rates, will not be considered. The City will also not consider and will reject any bid for the purchase of less than all of the Bonds. No conditional proposals will be accepted.

GOOD FAITH DEPOSIT

A good faith deposit (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit may be provided in the form of a federal funds wire transfer in the amount of \$192,200 to be submitted to the City by the successful bidder not later than 3:00 p.m. local time (the "Deposit Deadline") on the date of sale. The award to the apparent successful bidder is contingent upon receipt of the Deposit, and the Series 2020B Bonds will not be awarded to such bidder until the City has confirmation of receipt of the Deposit. The Deposit of the successful bidder will be retained by the City to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages.

The City shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the City in its discretion without any financial liability of the City to the successful bidder or any limitation whatsoever on

the City's right to sell the Bonds to a different purchaser upon such terms and conditions as the City shall deem appropriate.

AWARD

The Series 2020B Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The Issuer's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The Issuer will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2020B Bonds, (ii) reject all proposals without cause, and, (iii) reject any proposal which the Issuer determines to have failed to comply with the terms herein.

As a condition to the award of the Series 2020B Bonds, the successful bidder shall be required to assist the Issuer in establishing the issue price of the Series 2020B Bonds and shall execute and deliver to the Issuer at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2020B Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel.

The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2020B Bonds) will apply to the initial sale of the Series 2020B Bonds (the "Competitive Sale Requirements") because:

- a. the Issuer is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- b. all bidders shall have an equal opportunity to bid;
- c. the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- d. the Issuer anticipates awarding the sale of the Series 2020B Bonds to the bidder who submits a firm offer to purchase the Series 2020B Bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Series 2020B Bonds, as specified in the bid.

In the event that all of the Competitive Sale Requirements are not satisfied, the Issuer shall so advise the winning bidder. The Issuer will not require bidders to comply with the "hold-the-offering price rule," and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Series 2020B Bonds as the issue price of that maturity, though the winning bidder, in consultation with the Issuer, may elect to apply the "hold-the-offering price rule" (as described below). Bids will not be subject to cancellation in the event the Competitive Sale Requirements are not satisfied. Unless a bidder intends to apply the "hold-the-offering price rule" (as described below), bidders should prepare their bids on the assumption that all of the maturities of the Series 2020B Bonds will be subject to the 10% Test (as described below). The winning bidder must notify the Issuer of its intention to apply either the "hold-the-price rule" or the 10% Test at or prior to the time the Series 2020B Bonds are awarded.

If the winning bidder does not request that the “hold-the-offering price rule” apply to determine the issue price of the Series 2020B Bonds, the following two paragraphs shall apply:

- a. The Issuer shall treat the first price at which 10% of a maturity of the Series 2020B Bonds (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the Issuer if any maturity of the Series 2020B Bonds satisfies the 10% Test as of the date and time of the award of the Series 2020B Bonds; and
- b. Until the 10% Test has been satisfied as to each maturity of the Series 2020B Bonds, the winning bidder agrees to promptly report to the Issuer the prices at which the unsold Series 2020B Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the Series 2020B Bonds of that maturity, provided that, the winning bidder’s reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Issuer or bond counsel.

If the winning bidder does request that the “hold-the-offering price rule” apply to determine the issue price of the Series 2020B Bonds, then following three paragraphs shall apply:

- a. The winning bidder, in consultation with the Issuer, may determine to treat (i) pursuant to the 10% Test, the first price at which 10% of a maturity of the Series 2020B Bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2020B Bonds as the issue price of that maturity (the “hold-the-offering price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Issuer if any maturity of the Series 2020B Bonds satisfies the 10% Test as of the date and time of the award of the Series 2020B Bonds. The winning bidder shall promptly advise the Issuer, at or before the time of award of the Series 2020B Bonds, which maturities of the Series 2020B Bonds shall be subject to the 10% Test or shall be subject to the hold-the-offering price rule or both.
- b. By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series 2020B Bonds to the public on or before the date of the award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) if the hold-the-offering-price rule applies, agree, on behalf of the underwriters participating in the purchase of the Series 2020B Bonds, that the underwriters will neither offer nor sell unsold Series 2020B Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:
 - i. the close of the fifth (5th) business day after the sale date; or
 - ii. the date on which the underwriters have sold at least 10% of that maturity of the Series 2020B Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Issuer when the underwriters have sold 10% of that maturity of the Series 2020B Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

- c. The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in

the event a selling group has been created in connection with the initial sale of the Series 2020B Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2020B Bonds to the public, the agreement of each broker-dealer that is a party to such a agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds.

By submitting a bid, each bidder confirms that:

- a. any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2020B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A)(i) to report the prices at which it sells to the public the unsold Series 2020B Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% Test has been satisfied as to the Series 2020B Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.
- b. any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2020B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020B Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement, to (i) report the prices at which it sells to the public the unsold Series 2020B Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% Test has been satisfied as to the Series 2020B Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (ii) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

Sales of any Series 2020B Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of establishing issue price. Further, for purposes of this Notice of Sale:

- a. “public” means any person other than an underwriter or a related party,
- b. “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020B Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020B Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020B Bonds to the public);
- c. a purchaser of any of the Series 2020B Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
- d. “sale date” means the date that the Series 2020B Bonds are awarded by the Issuer to the winning bidder.

CUSIP NUMBERS

CUSIP numbers for the Bonds will be applied for by the Financial Advisor, but the City will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

SETTLEMENT

The Series 2020B Bonds will be delivered on or about October 6, 2020 without cost to the purchaser through DTC in New York, New York. Delivery will be subject to receipt by the purchaser of an approving legal opinion of Venable LLP of Baltimore, Maryland, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2020B Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the Issuer or its designee. Except as compliance with the terms of payment for the Series 2020B Bonds shall have been made impossible by action of the Issuer, or its agents, the purchaser shall be liable to the Issuer for any loss suffered by the Issuer by reason of the purchaser's non-compliance with said terms for payment.

PRELIMINARY OFFICIAL STATEMENT; CONTINUING DISCLOSURE

The Issuer has deemed the Preliminary Official Statement dated September 15, 2020 to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain information permitted to be omitted by said Rule. The Issuer agrees to deliver to the successful bidder for its receipt no later than seven business days after the date of sale of the Series 2020B Bonds such quantities of the final official statement as the successful bidder shall request; provided, that the Issuer shall deliver up to 25 copies of such official statement without charge to the successful bidder.

The Issuer has made certain covenants for the benefit of the holders from time to time of the Series 2020B Bonds to provide certain continuing disclosure, in order to assist bidders for the Series 2020B Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. Such covenants are described in the Preliminary Official Statement dated September 15, 2020.

THE MAYOR AND COUNCIL OF ROCKVILLE

By: _____
Chief Financial Officer

Attachment 12.a: Rockville 2020B and 2020C Bond Ordinance (3256 : Bond Ordinance to Authorize the Competitive Sale of Tax-Exempt and

This Form will be used if the Competitive Sale Rule applies.
MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND
GENERAL OBLIGATION BONDS, SERIES 2020B
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the Underwriter reasonably expected to offer the Bonds for sale to the Public at prices for each of the Maturities of the Bonds no higher than and yields for each of the Maturities of the Bonds no lower than those listed on Schedule A hereto (the "Expected Offering Prices") and those are the prices and yields used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm bid to purchase the Bonds.

2. ***Defined Terms.***

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Underwriter or a related party to a Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is _____, 2020.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Venable LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

as Underwriter

By: _____

Name:
Title:

Dated: _____, 2020

Attachments:
SCHEDULE A – Expected Offering Prices
SCHEDULE B – Copy of Underwriter’s Bid

**MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND
GENERAL OBLIGATION BONDS, SERIES 2020B**

**SCHEDULE A TO ISSUE PRICE CERTIFICATE
EXPECTED OFFERING PRICES**

**MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND
GENERAL OBLIGATION BONDS, SERIES 2020B**

**SCHEDULE B TO ISSUE PRICE CERTIFICATE
COPY OF UNDERWRITER'S BID**

(attached)

C-12

This Form will be used if either the 10% Test or the Hold-the-Offering-Price Rule applies.

**MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND
GENERAL OBLIGATION BONDS, SERIES 2020B**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____ (the “Underwriter”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at a price that is no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Underwriter or a related party to a Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is _____, 2020.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Venable LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

as Underwriter

By: _____
Name:
Title:

Dated: _____, 2020

Exhibit D

TERMS OF OFFERING**\$23,895,000⁽¹⁾****General Obligation Refunding Bonds, Taxable Series 2020C
Mayor and Council of Rockville, Maryland**

NOTICE IS HEREBY GIVEN that the Series 2020C Bonds will be offered for sale according to the following terms:

TIME AND PLACE

Electronic proposals for the Series 2020C Bonds will be received by the Chief Financial Officer of the City through the PARITY[®] system on Tuesday, September 22, 2020, until 10:45 A.M., Eastern Time. Consideration for a ward of the Series 2020C Bonds will be by the City Manager on the same day.

SUBMISSION OF PROPOSALS

The Issuer will assume no liability for the inability of the bidder to reach the Issuer prior to the time of sale specified above. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the Issuer to purchase the Series 2020C Bonds.

Electronic Bids must be submitted through PARITY[®] for purposes of the electronic bidding process, the time as maintained by PARITY[®] shall constitute the official time with respect to all Bids submitted to PARITY[®]. Each bidder shall be solely responsible for making necessary arrangements to access PARITY[®] for purposes of submitting its electronic Bid in a timely manner and in compliance with the requirements of the Terms of Offering. Neither the Issuer, its agents, nor PARITY[®] shall have any duty or obligation to provide or ensure electronic access to any qualified prospective bidder, and neither the Issuer, its agents nor PARITY[®] shall be responsible for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by PARITY[®]. The Issuer is using the services of PARITY[®] solely as a communication mechanism to conduct the electronic bidding for the Series 2020C Bonds, and PARITY[®] is not an agent of the Issuer.

If any provisions of this Official Terms of Offering conflict with information provided by PARITY[®], this Terms of Offering shall control. Further information about PARITY[®], including any fee charged, may be obtained from:

PARITY[®], 1359 Broadway, 2nd Floor, New York City, New York 10018, Customer Support, (212) 849-5021.

DETAILS OF THE SERIES 2020C BONDS

The Series 2020C Bonds will be dated October 6, 2020, as the date of original issue, and will bear interest payable on June 1 and December 1 of each year, commencing June 1, 2021. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Series 2020C Bonds will be issued pursuant to the authority of Subtitle 3 of Title 19 of the Local Government Article of the Annotated Code of Maryland, as amended, Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Rockville, as amended, and in accordance with an ordinance enacted by the Issuer on September 14, 2020.

⁽¹⁾ Preliminary, subject to change.

The Series 2020C Bonds will mature June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount⁽¹⁾</u>	<u>Year</u>	<u>Amount⁽¹⁾</u>
2021	\$445,000	2029	\$1,765,000
2022	820,000	2030	1,730,000
2023	2,570,000	2031	1,695,000
2024	2,495,000	2032	1,660,000
2025	2,440,000	2033	1,185,000
2026	1,875,000	2034	1,165,000
2027	1,835,000	2035	415,000
2028	1,800,000		

⁽¹⁾ Preliminary, subject to change.

TERMBOND OPTION

Proposals for the Series 2020C Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds, provided that no serial bond may mature on or after the first mandatory sinking fund redemption date of any term bond. All term bonds shall be subject to mandatory sinking fund redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above, at a price of par plus accrued interest to the date of redemption.

ADJUSTMENTS TO PRINCIPAL AMOUNTS AFTER DETERMINATION OF BEST PROPOSAL

Following the receipt of the bids, the Issuer reserves the right to adjust the principal amount after receipt of bids, and the maximum issue size will not exceed \$26,000,000. If the issue structure is adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e. the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2020C Bonds to the public and the price to be paid to the Issuer (excluding accrued interest), by (ii) the principal amount of the Series 2020C Bonds) remains constant.

BOOK ENTRY SYSTEM

The Series 2020C Bonds will be issued by means of a book entry system with no physical distribution of Series 2020C Bonds made to the public. The Series 2020C Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Series 2020C Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Series 2020C Bonds. Individual purchases of the Series 2020C Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are repayable by the registrar to DTC or its nominee as registered owner of the Series 2020C Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Series 2020C Bonds, will be required to deposit the Series 2020C Bonds with DTC.

REGISTRAR

The Issuer will act as Registrar and Paying Agent and shall be subject to applicable SEC regulations.

OPTIONAL REDEMPTION

The Series 2020C Bonds maturing in the years June 1, 2031 and thereafter are subject to prior redemption on June 1, 2030 at a price of par plus accrued interest to the date of redemption.

SECURITY AND PURPOSE

The Series 2020C Bonds will be general obligations of the Issuer for which the Issuer will pledge its full faith and credit and unlimited taxing powers. The 2020C Bonds will be issued to advance refund certain maturities of the Issuer's outstanding General Obligation Bonds, Series 2011B, dated November 8, 2011, General Obligation Refunding Bonds, Series 2013A, dated March 20, 2013 and General Obligation Bonds, Series 2014B, dated December 16, 2014, and to pay the costs of issuing the 2020C Bonds.

TYPE OF PROPOSALS

Proposals shall be for not less than \$23,895,000 (Par) on the total principal amount of the Series 2020C Bonds. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the Issuer. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the Issuer scheduled for award of the Series 2020C Bonds is adjourned, recessed, or continued to another date without a ward of the Series 2020C Bonds having been made.

Rates must be in integral multiples of 1/8, 1/20 or 1/100 of 1%, one rate per maturity. Series 2020C Bonds of the same maturity shall bear a single rate from the date of the Series 2020C Bonds to the date of maturity. Bidders may not specify (1) any interest rate for any Bonds which exceeds the interest rate stated in such bid for any other Bonds by more than 3.00%, (2) any interest rate that exceeds 5%, or (3) a zero rate of interest. A bid for the purchase of the Bonds at a price of less than 100% of par, or a bid for the Bonds that specifies split or supplemental interest rates, will not be considered. The City will also not consider and will reject any bid for the purchase of less than all of the Bonds. No conditional proposals will be accepted.

GOOD FAITH DEPOSIT

A good faith deposit (the "Deposit") is required in connection with the sale and bid for the Bonds. The Deposit may be provided in the form of a federal funds wire transfer in the amount of \$238,950 to be submitted to the City by the successful bidder not later than 3:00 p.m. local time (the "Deposit Deadline") on the date of sale. The award to the apparent successful bidder is contingent upon receipt of the Deposit, and the Series 2020C Bonds will not be awarded to such bidder until the City has confirmation of receipt of the Deposit. The Deposit of the successful bidder will be retained by the City to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages.

The City shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. If the Deposit is not received by the Deposit Deadline, the award of the sale of the Bonds to the successful bidder may be cancelled by the City in its discretion without any financial liability of the City to the successful bidder or any limitation whatsoever on the City's right to sell the Bonds to a different purchaser upon such terms and conditions as the City shall deem appropriate.

AWARD

The Series 2020C Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis. The Issuer's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The Issuer will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2020C Bonds, (ii) reject all proposals without

cause, and, (iii) reject any proposal which the Issuer determines to have failed to comply with the terms herein.

CUSIP NUMBERS

CUSIP numbers for the Bonds will be applied for by the Financial Advisor, but the City will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the Bonds.

SETTLEMENT

The Series 2020C Bonds will be delivered on or about October 6, 2020 out cost to the purchaser through DTC in New York, New York. Delivery will be subject to receipt by the purchaser of an approving legal opinion of Venable LLP of Baltimore, Maryland, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2020C Bonds shall be made in federal, or equivalent, funds which shall be received at the offices of the Issuer or its designee. Except as compliance with the terms of payment for the Series 2020C Bonds shall have been made impossible by action of the Issuer, or its agents, the purchaser shall be liable to the Issuer for any loss suffered by the Issuer by reason of the purchaser's non-compliance with said terms for payment.

PRELIMINARY OFFICIAL STATEMENT; CONTINUING DISCLOSURE

The Issuer has deemed the Preliminary Official Statement dated September 15, 2020 to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain information permitted to be omitted by said Rule. The Issuer agrees to deliver to the successful bidder for its receipt no later than seven business days after the date of sale of the Series 2020C Bonds such quantities of the final official statement as the successful bidder shall request; provided, that the Issuer shall deliver up to 25 copies of such official statement without charge to the successful bidder.

The Issuer has made certain covenants for the benefit of the holders from time to time of the Series 2020C Bonds to provide certain continuing disclosure, in order to assist bidders for the Series 2020C Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. Such covenants are described in the Preliminary Official Statement dated September 15, 2020.

THE MAYOR AND COUNCIL OF ROCKVILLE

By: _____
Chief Financial Officer

City of Rockville, Maryland

General Obligation Bonds, Series 2020B

General Obligation Refunding Bonds,
Taxable Series 2020C





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City of Rockville, MD

Financing Schedule

General Obligation Bonds, Series 2020B and General Obligation
Refunding Bonds, Taxable Series 2020C

August 2020

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September 2020

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2020

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Working Group

Role	Entity	Abbreviation
Issuer	City of Rockville, MD	CTY
Financial Advisor	Davenport & Company LLC	DAV
Bond Counsel	Venable LLP	VEN

Date	Task	Responsibility
Tuesday, July 28	City to begin collection of POS data	DAV
Tuesday, August 11	City forwards POS material to Davenport	CTY
Friday, August 14	Davenport circulates POS for comment	DAV
Thursday, August 20	Comments on POS due to Davenport	ALL
Friday, August 21	Davenport circulates POS to rating agencies and working group	DAV
Wednesday, August 26	Rating Agencies forward questions to City	CTY, DAV
Monday, August 31	Venable forwards Bond Ordinance to City for September 14 Internal Call to review draft responses to rating agency questions	VEN CTY, DAV
Tuesday, September 1	Send question responses to rating agencies	CTY, DAV
Wednesday, September 2	Calls with Rating Agencies	CTY, DAV
Friday, September 11	Ratings Released	CTY, DAV
Monday, September 14	Bond Ordinance Introduction and Approval Final Comments on POS due to Davenport	CTY, VEN ALL
Tuesday, September 15	Sign-off on POS Post POS/Apply for CUSIPS	ALL DAV
Tuesday, September 22	Bond Sale	ALL
Wednesday, September 23	Davenport circulates draft OS for comment	DAV
Friday, September 25	Comments on OS due to Davenport Venable distributes final bond documents	ALL VEN
Monday, September 28	Sign-off on OS Delivery of OS to printer and underwriter	ALL DAV
Friday, October 2	City returns closing documents to Venable	CTY, VEN
Monday, October 5	Pre-Closing	ALL
Tuesday, October 6	Closing	ALL

Preliminary Schedules

It is proposed that the City solicit competitive bids to issue approximately \$19,220,000 General Obligation Bonds, Series 2020B (the “Series 2020B Bonds”) and \$23,895,000 General Obligation Bonds, Taxable Series 2020C (the “Series 2020C Bonds”, and together with the Series 2020B Bonds, the “Bonds”). The Series 2020B Bonds will finance certain projects included in the City’s Capital Improvement Program, and pay the costs of issuing the Series 2020B Bonds. The Series 2020C Bonds will advance refund outstanding maturities of the City’s Series 2011B, Series 2013A Bonds, Series 2014B, and pay costs of issuing the Series 2020C Bonds.

Preliminary schedules for the Bonds have been provided on the following pages.

The assumptions utilized in the preliminary schedules are as follows:

1. Competitive bond sale on Tuesday, September 22, 2020;
2. Dated date as of delivery, currently estimated to be Tuesday, October 6, 2020;
3. Principal and Interest payments to begin on June 1, 2021;
4. Proceeds to provide approximately \$21,378,000 for projects to be financed by the Series 2020B Bonds and \$23,651,708.33 for the refunding escrows for the Series 2020C Bonds;
5. Payments for the Series 2020B Bonds reflect a level principal structure, while payments for the Series 2020C Bonds have been structured to effect an equal savings amount;
6. No capitalized interest;
7. Current market rates as of August 6, 2020, reflecting recent triple “A” bond sales for non-bank qualified issues;
8. Cost of issuance estimate \$200,000; and
9. Underwriter compensation estimated at \$5 per bond.

Please note that the minimum bid requirement would be a bid of no less than par, and any net premium on the Bonds would reduce the issuance size. This adjustment would ensure that the City does not issue bonds in excess of needs. It does not cost the City to allow for this adjustment, and it is a common feature of competitively issued bonds.

The maximum issue size of \$50,000,000 will provide enough room for necessary adjustments as described above.

**Preliminary, subject to change.*

SOURCES AND USES OF FUNDS

**Mayor and Council of Rockville, Maryland
General Obligation Bonds - Competitive Sale
Preliminary, subject to change. Rates as of August 6, 2020.**

<i>Sources:</i>	<i>New Money Bonds</i>	<i>Refunding of 2011B Bonds</i>	<i>Refunding of 2013A Bonds</i>	<i>Refunding of 2014B Bonds</i>	<i>Total</i>
Bond Proceeds:					
Par Amount	19,220,000.00	5,600,000.00	10,220,000.00	8,075,000.00	43,115,000.00
Net Premium	2,343,796.00				2,343,796.00
	21,563,796.00	5,600,000.00	10,220,000.00	8,075,000.00	45,458,796.00
<i>Uses:</i>	<i>New Money Bonds</i>	<i>Refunding of 2011B Bonds</i>	<i>Refunding of 2013A Bonds</i>	<i>Refunding of 2014B Bonds</i>	<i>Total</i>
Project Fund Deposits:					
Project Fund	21,378,000.00				21,378,000.00
Refunding Escrow Deposits:					
Cash Deposit		0.04	0.48	0.81	1.33
SLGS Purchases		5,541,343.00	10,117,511.00	7,992,853.00	23,651,707.00
		5,541,343.04	10,117,511.48	7,992,853.81	23,651,708.33
Delivery Date Expenses:					
Cost of Issuance	89,156.91	25,977.04	47,408.09	37,457.96	200,000.00
Underwriter's Discount	96,100.00	28,000.00	51,100.00	40,375.00	215,575.00
	185,256.91	53,977.04	98,508.09	77,832.96	415,575.00
Other Uses of Funds:					
Additional Proceeds	539.09	4,679.92	3,980.43	4,313.23	13,512.67
	21,563,796.00	5,600,000.00	10,220,000.00	8,075,000.00	45,458,796.00

BOND DEBT SERVICE**Mayor and Council of Rockville, Maryland
New Money Bonds****Preliminary, subject to change. Tax-exempt rates as of August 6, 2020.**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Bond Balance</i>	<i>Total Bond Value</i>
06/30/2021	965,000	4.000%	396,888.89	1,361,888.89	18,255,000	18,255,000
06/30/2022	965,000	4.000%	569,400.00	1,534,400.00	17,290,000	17,290,000
06/30/2023	965,000	4.000%	530,800.00	1,495,800.00	16,325,000	16,325,000
06/30/2024	965,000	4.000%	492,200.00	1,457,200.00	15,360,000	15,360,000
06/30/2025	960,000	4.000%	453,600.00	1,413,600.00	14,400,000	14,400,000
06/30/2026	960,000	4.000%	415,200.00	1,375,200.00	13,440,000	13,440,000
06/30/2027	960,000	4.000%	376,800.00	1,336,800.00	12,480,000	12,480,000
06/30/2028	960,000	4.000%	338,400.00	1,298,400.00	11,520,000	11,520,000
06/30/2029	960,000	4.000%	300,000.00	1,260,000.00	10,560,000	10,560,000
06/30/2030	960,000	4.000%	261,600.00	1,221,600.00	9,600,000	9,600,000
06/30/2031	960,000	4.000%	223,200.00	1,183,200.00	8,640,000	8,640,000
06/30/2032	960,000	3.000%	184,800.00	1,144,800.00	7,680,000	7,680,000
06/30/2033	960,000	3.000%	156,000.00	1,116,000.00	6,720,000	6,720,000
06/30/2034	960,000	2.000%	127,200.00	1,087,200.00	5,760,000	5,760,000
06/30/2035	960,000	1.750%	108,000.00	1,068,000.00	4,800,000	4,800,000
06/30/2036	960,000	1.750%	91,200.00	1,051,200.00	3,840,000	3,840,000
06/30/2037	960,000	1.875%	74,400.00	1,034,400.00	2,880,000	2,880,000
06/30/2038	960,000	1.875%	56,400.00	1,016,400.00	1,920,000	1,920,000
06/30/2039	960,000	2.000%	38,400.00	998,400.00	960,000	960,000
06/30/2040	960,000	2.000%	19,200.00	979,200.00		
	19,220,000		5,213,688.89	24,433,688.89		

BOND DEBT SERVICE

**Mayor and Council of Rockville, Maryland
Refunding of 2011B Bonds
Preliminary, subject to change. Taxable rates as of August 6, 2020.
Uniform Savings**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Bond Balance</i>	<i>Total Bond Value</i>
06/30/2021	95,000	0.260%	32,779.24	127,779.24	5,505,000	5,505,000
06/30/2022	560,000	0.310%	49,968.00	609,968.00	4,945,000	4,945,000
06/30/2023	545,000	0.360%	48,232.00	593,232.00	4,400,000	4,400,000
06/30/2024	530,000	0.470%	46,270.00	576,270.00	3,870,000	3,870,000
06/30/2025	520,000	0.620%	43,779.00	563,779.00	3,350,000	3,350,000
06/30/2026	510,000	0.870%	40,555.00	550,555.00	2,840,000	2,840,000
06/30/2027	500,000	1.020%	36,118.00	536,118.00	2,340,000	2,340,000
06/30/2028	490,000	1.170%	31,018.00	521,018.00	1,850,000	1,850,000
06/30/2029	480,000	1.220%	25,285.00	505,285.00	1,370,000	1,370,000
06/30/2030	470,000	1.320%	19,429.00	489,429.00	900,000	900,000
06/30/2031	455,000	1.420%	13,225.00	468,225.00	445,000	445,000
06/30/2032	445,000	1.520%	6,764.00	451,764.00		
	5,600,000		393,422.24	5,993,422.24		

BOND DEBT SERVICE

**Mayor and Council of Rockville, Maryland
Refunding of 2013A Bonds
Preliminary, subject to change. Taxable rates as of August 6, 2020.
Uniform Savings**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Bond Balance</i>	<i>Total Bond Value</i>
06/30/2021	175,000	0.260%	69,841.67	244,841.67	10,045,000	10,045,000
06/30/2022	125,000	0.310%	106,536.50	231,536.50	9,920,000	9,920,000
06/30/2023	925,000	0.360%	106,149.00	1,031,149.00	8,995,000	8,995,000
06/30/2024	900,000	0.470%	102,819.00	1,002,819.00	8,095,000	8,095,000
06/30/2025	885,000	0.620%	98,589.00	983,589.00	7,210,000	7,210,000
06/30/2026	865,000	0.870%	93,102.00	958,102.00	6,345,000	6,345,000
06/30/2027	850,000	1.020%	85,576.50	935,576.50	5,495,000	5,495,000
06/30/2028	830,000	1.170%	76,906.50	906,906.50	4,665,000	4,665,000
06/30/2029	815,000	1.220%	67,195.50	882,195.50	3,850,000	3,850,000
06/30/2030	800,000	1.320%	57,252.50	857,252.50	3,050,000	3,050,000
06/30/2031	785,000	1.420%	46,692.50	831,692.50	2,265,000	2,265,000
06/30/2032	770,000	1.520%	35,545.50	805,545.50	1,495,000	1,495,000
06/30/2033	755,000	1.570%	23,841.50	778,841.50	740,000	740,000
06/30/2034	740,000	1.620%	11,988.00	751,988.00		
	10,220,000		982,035.67	11,202,035.67		

BOND DEBT SERVICE

**Mayor and Council of Rockville, Maryland
Refunding of 2014B Bonds
Preliminary, subject to change. Taxable rates as of August 6, 2020.
Uniform Savings**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Bond Balance</i>	<i>Total Bond Value</i>
06/30/2021	175,000	0.260%	50,111.47	225,111.47	7,900,000	7,900,000
06/30/2022	135,000	0.310%	76,311.50	211,311.50	7,765,000	7,765,000
06/30/2023	1,100,000	0.360%	75,893.00	1,175,893.00	6,665,000	6,665,000
06/30/2024	1,065,000	0.470%	71,933.00	1,136,933.00	5,600,000	5,600,000
06/30/2025	1,035,000	0.620%	66,927.50	1,101,927.50	4,565,000	4,565,000
06/30/2026	500,000	0.870%	60,510.50	560,510.50	4,065,000	4,065,000
06/30/2027	485,000	1.020%	56,160.50	541,160.50	3,580,000	3,580,000
06/30/2028	480,000	1.170%	51,213.50	531,213.50	3,100,000	3,100,000
06/30/2029	470,000	1.220%	45,597.50	515,597.50	2,630,000	2,630,000
06/30/2030	460,000	1.320%	39,863.50	499,863.50	2,170,000	2,170,000
06/30/2031	455,000	1.420%	33,791.50	488,791.50	1,715,000	1,715,000
06/30/2032	445,000	1.520%	27,330.50	472,330.50	1,270,000	1,270,000
06/30/2033	430,000	1.570%	20,566.50	450,566.50	840,000	840,000
06/30/2034	425,000	1.620%	13,815.50	438,815.50	415,000	415,000
06/30/2035	415,000	1.670%	6,930.50	421,930.50		
	8,075,000		696,956.47	8,771,956.47		

SUMMARY OF REFUNDING RESULTS

**Mayor and Council of Rockville, Maryland
Refunding of 2011B Bonds
Preliminary, subject to change. Taxable rates as of August 6, 2020.
Uniform Savings**

Dated Date	10/06/2020
Delivery Date	10/06/2020
Arbitrage yield	1.262729%
Escrow yield	0.109734%
Value of Negative Arbitrage	40,950.70
Bond Par Amount	5,600,000.00
True Interest Cost	1.186095%
Net Interest Cost	1.188090%
Average Coupon	1.109152%
Average Life	6.334
Par amount of refunded bonds	5,385,000.00
Average coupon of refunded bonds	3.097734%
Average life of refunded bonds	6.640
PV of prior debt to 10/06/2020 @ 1.262729%	6,061,112.68
Net PV Savings	519,620.83
Percentage savings of refunded bonds	9.649412%
Percentage savings of refunding bonds	9.278943%

SUMMARY OF REFUNDING RESULTS

**Mayor and Council of Rockville, Maryland
Refunding of 2013A Bonds
Preliminary, subject to change. Taxable rates as of August 6, 2020.
Uniform Savings**

Dated Date	10/06/2020
Delivery Date	10/06/2020
Arbitrage yield	1.262729%
Escrow yield	0.100130%
Value of Negative Arbitrage	186,941.11
Bond Par Amount	10,220,000.00
True Interest Cost	1.307280%
Net Interest Cost	1.310398%
Average Coupon	1.245584%
Average Life	7.714
Par amount of refunded bonds	9,555,000.00
Average coupon of refunded bonds	3.043477%
Average life of refunded bonds	8.136
PV of prior debt to 10/06/2020 @ 1.262729%	10,955,128.70
Net PV Savings	757,100.49
Percentage savings of refunded bonds	7.923605%
Percentage savings of refunding bonds	7.408028%

SUMMARY OF REFUNDING RESULTS

**Mayor and Council of Rockville, Maryland
Refunding of 2014B Bonds
Preliminary, subject to change. Taxable rates as of August 6, 2020.
Uniform Savings**

Dated Date	10/06/2020
Delivery Date	10/06/2020
Arbitrage yield	1.262729%
Escrow yield	0.100147%
Value of Negative Arbitrage	147,137.62
Bond Par Amount	8,075,000.00
True Interest Cost	1.275623%
Net Interest Cost	1.281175%
Average Coupon	1.211020%
Average Life	7.127
Par amount of refunded bonds	7,485,000.00
Average coupon of refunded bonds	3.338896%
Average life of refunded bonds	7.629
PV of prior debt to 10/06/2020 @ 1.262729%	8,690,549.48
Net PV Savings	653,226.90
Percentage savings of refunded bonds	8.727146%
Percentage savings of refunding bonds	8.089497%

SAVINGS

**Mayor and Council of Rockville, Maryland
Refunding of 2011B Bonds
Preliminary, subject to change. Taxable rates as of August 6, 2020.
Uniform Savings**

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 10/06/2020 @ 1.2627285%</i>
06/30/2021	160,268.76	127,779.24	32,489.52	32,725.45
06/30/2022	655,268.76	609,968.00	45,300.76	44,709.07
06/30/2023	637,893.76	593,232.00	44,661.76	43,499.32
06/30/2024	625,031.26	576,270.00	48,761.26	46,837.61
06/30/2025	611,556.26	563,779.00	47,777.26	45,291.00
06/30/2026	597,468.76	550,555.00	46,913.76	43,888.34
06/30/2027	582,768.76	536,118.00	46,650.76	43,067.69
06/30/2028	568,068.76	521,018.00	47,050.76	42,864.71
06/30/2029	553,368.76	505,285.00	48,083.76	43,229.54
06/30/2030	538,056.26	489,429.00	48,627.26	43,143.67
06/30/2031	517,131.26	468,225.00	48,906.26	42,821.15
06/30/2032	501,368.76	451,764.00	49,604.76	42,863.36
	6,548,250.12	5,993,422.24	554,827.88	514,940.91

Savings Summary

PV of savings from cash flow	514,940.91
Plus: Refunding funds on hand	4,679.92
Net PV Savings	<u>519,620.83</u>

SAVINGS

**Mayor and Council of Rockville, Maryland
Refunding of 2013A Bonds
Preliminary, subject to change. Taxable rates as of August 6, 2020.
Uniform Savings**

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 10/06/2020 @ 1.2627285%</i>
06/30/2021	289,415.00	244,841.67	44,573.33	45,114.73
06/30/2022	289,415.00	231,536.50	57,878.50	57,252.23
06/30/2023	1,089,415.00	1,031,149.00	58,266.00	56,912.04
06/30/2024	1,065,415.00	1,002,819.00	62,596.00	60,273.24
06/30/2025	1,041,415.00	983,589.00	57,826.00	54,961.78
06/30/2026	1,017,415.00	958,102.00	59,313.00	55,604.73
06/30/2027	993,415.00	935,576.50	57,838.50	53,505.30
06/30/2028	969,415.00	906,906.50	62,508.50	57,033.20
06/30/2029	940,415.00	882,195.50	58,219.50	52,432.94
06/30/2030	916,565.00	857,252.50	59,312.50	52,706.14
06/30/2031	892,715.00	831,692.50	61,022.50	53,505.58
06/30/2032	863,865.00	805,545.50	58,319.50	50,467.43
06/30/2033	838,980.00	778,841.50	60,138.50	51,351.85
06/30/2034	813,700.00	751,988.00	61,712.00	51,998.86
	12,021,560.00	11,202,035.67	819,524.33	753,120.06

Savings Summary

PV of savings from cash flow	753,120.06
Plus: Refunding funds on hand	3,980.43
	<hr/>
Net PV Savings	757,100.49

SAVINGS

**Mayor and Council of Rockville, Maryland
Refunding of 2014B Bonds
Preliminary, subject to change. Taxable rates as of August 6, 2020.
Uniform Savings**

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 10/06/2020 @ 1.2627285%</i>
06/30/2021	260,350.00	225,111.47	35,238.53	35,765.32
06/30/2022	260,350.00	211,311.50	49,038.50	48,597.83
06/30/2023	1,225,350.00	1,175,893.00	49,457.00	48,395.97
06/30/2024	1,186,750.00	1,136,933.00	49,817.00	48,029.98
06/30/2025	1,148,150.00	1,101,927.50	46,222.50	43,939.15
06/30/2026	609,550.00	560,510.50	49,039.50	45,918.43
06/30/2027	590,600.00	541,160.50	49,439.50	45,684.05
06/30/2028	576,800.00	531,213.50	45,586.50	41,588.06
06/30/2029	563,000.00	515,597.50	47,402.50	42,673.27
06/30/2030	549,200.00	499,863.50	49,336.50	43,829.66
06/30/2031	534,825.00	488,791.50	46,033.50	40,369.99
06/30/2032	520,450.00	472,330.50	48,119.50	41,644.84
06/30/2033	500,500.00	450,566.50	49,933.50	42,648.80
06/30/2034	485,712.50	438,815.50	46,897.00	39,536.92
06/30/2035	470,356.26	421,930.50	48,425.76	40,291.39
	9,481,943.76	8,771,956.47	709,987.29	648,913.67

Savings Summary

PV of savings from cash flow	648,913.67
Plus: Refunding funds on hand	4,313.23
Net PV Savings	653,226.90

Proposed Fee

Our estimated fees to serve as Financial Advisor for the City's Series 2020B and Series 2020C Bonds are in the table below.

Team Member	Title in Contract	Hourly Rate	Estimated hours	Fee
Joseph D. Mason	Principal	\$300.00	36	\$10,800.00
Jennifer L. Dierksen	Senior Consultant	\$300.00	42	12,600.00
Shina Omokanwaye	MBE Consultant	\$300.00	21.5	6,450.00*
Susan Ostazeski	Junior Consultant	\$190.00	38	7,220.00
Linda A. Moran	Junior Consultant	\$190.00	15.5	2,945.00
Total			153 hrs.	<u>\$40,015.00**</u>

*Subject to 16% participation requirement.

**Please note that these fees are a preliminary not-to-exceed estimate and subject to change, as needed, with further input from the City.

Firm Background

Davenport provides financial advisory services to a diverse group of more than 400 public sector clients including cities, counties, utility systems, state governments, public authorities, transportation facilities, universities, museums, and other agencies responsible for public or not-for-profit activities.

We assist our clients with strategic financial planning, debt management analysis, economic development strategies, project development for both revenue and tax supported ventures, credit ratings, peer group comparisons, credit enhancement, evaluation of new financing techniques, and arranging public offerings and direct bank loans. We provide clients with portfolio surveillance, derivative evaluation, cash flow forecasting, investment advice, assisting with investment strategy development, and other financial products. In addition, we assist clients with management of operating funds, reserve funds and the proceeds of bond issues.

Project Team

Davenport has assembled a team of proven professionals specifically designed for the City of Rockville with extensive experience in all aspects of the engagement. The team we have assembled to serve this engagement has worked on a wide range of challenging and demanding assignments, and will carefully allocating responsibilities within the team to provide continuity, responsiveness, and high-caliber service on all assignments.

Mr. Joseph D. Mason, Senior Vice President and Ms. Jennifer Diercksen, First Vice President, will serve as the day-to-day contacts for the City. They will be responsible for managing the engagement and will personally take the lead. Ms. Susan Ostazeski will provide technical and logistical assistance to the rest of the Financial Advisory team, including document distribution, debt structuring analysis, bond sale calculations, and portfolio monitoring for refunding opportunities. Ms. Linda A. Moran, Associate Vice President, will assist the senior members with official statement preparation and other tasks related to the bond sale transaction. Mr. Shina Omokanwaye, President of SOA Financial, will assist with financial reporting and technical support.

Scope of Services

Advise on the Method of Sale

Davenport will work with the City and the City's bond counsel to analyze different credit structures. This includes evaluating various legal financing options; analyzing different debt structures to determine a preferred amortization that meets the City's goals and policies; as well as deciding on the best method of sale.

Ensuring that the City obtains the lowest cost financing available begins long before the day of the sale. It begins at the onset of planning for the issuance. Davenport's experience as Financial Advisor in Maryland and in the Mid- Atlantic makes us particularly well suited to provide unbiased analyses of all of the available financing options. Our preference is to ensure that all of the available funding options are taken into account when planning for a new financing. The most strategic Plan of Finance may take into account multiple funding sources.

In today's environment, given the City's top-notch credit ratings and the anticipated size of its tax-exempt new money and taxable refundings, the best funding option would be a competitive public sale. Assuming a competitive bond sale Davenport would expect to provide the following deliverables to the City.

Deliverables

1. **Create financing schedule for the transaction:** Davenport will prepare a financing schedule for the transaction for distribution to the City, bond counsel, and other financing team members.
2. **Review legal documentation:** Davenport will review and comment on legal documentation for the transaction, including the bond ordinance and other necessary agreements.
3. **Official Statement:** Davenport will assist with the drafting of the Preliminary Official Statement ("POS") and the final Official Statement ("OS"). The review of the POS is done in conjunction with sizing and structuring the transaction. We will review the final Official Statement for accuracy to assure that it reflects the final details of the winning bid.
4. **Rating Agencies:** Davenport will assist with the rating agency process as requested by the City. Davenport would anticipate assisting the City in its preparation of responses to questions received by the rating agencies that will be discussed during the rating calls. Davenport will also schedule the rating calls and would be available to attend those calls as well.
5. **Notice of Sale ("NOS"):** Davenport will review the NOS. The bid parameters in the NOS must be carefully reviewed to provide the City with sufficient flexibility to restructure the transaction after the winner bidders are determined. The review of the NOS is done in conjunction with sizing and structuring the transaction.

6. **Size and Structure Transaction:** Prior to going to market, Davenport will size and structure the amortization schedule that will be used in the competitive bid. Davenport will monitor the market and make sure that the underwriting desks are aware of the transaction.
7. **Method of Sale:** It is anticipated that the bonds will be sold in a competitive public sale. On the sale date, Davenport will check all bids for accuracy and conformance with the terms of the NOS. After receipt of the bids, Davenport will independently verify the winning bidder.
8. **Assist with Closing:** Davenport will assist with the closing of the debt include the preparation of the closing memorandum outlining the flow of funds at closing.

Financial Advisory Disclaimer

The enclosed information relates to an existing or potential municipal advisor engagement.

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

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The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport. Version 1.13.14 | JM | JD



Mayor & Council Meeting Date: September 14, 2020
 Agenda Item Type: Discussion
 Department: PDS - Zoning Review & Other
 Responsible Staff: Deane Mellander

Subject

Presentation of Proposed Updates to the Montgomery County Growth Policy, and Consideration of Testimony to the County Council on the Growth Policy

Recommendation

Review the summary of the proposed Montgomery County Growth Policy and provide comments on the draft testimony to the County Council.

Discussion

The Subdivision Staging Policy (SSP) is a monitoring system for the administration of the County's Adequate Public Facilities Ordinance. It helps pace new development with the public services, particularly transportation and school infrastructure needed to support it. It also helps the County to prioritize which additional facilities should be funded in a future CIP. The SSP includes recommendations for the application and use of the planning and engineering tools, predictions, and information to inform the elected officials when transportation systems or public school facilities are becoming overcrowded. A new or revised SSP must be adopted by the County Council every four years.

The proposed Growth Policy is intended to replace the Subdivision Staging Policy (SSP) with which new development under the planning and zoning jurisdiction of Montgomery County must comply. It is intended to ensure that adequate public facilities exist when a development application is approved by the County Planning Board. Rockville has aligned its test on adequacy of school capacity for new residential development with the Subdivision Staging Policy since 2017. Rockville has since experienced moratoriums on new residential growth due to adequacy of school capacity.

The Growth Policy will be considered by the County Council with an action deadline of November of this year. The proposed Growth Policy recommends revisions to the school capacity recommendations. The overall policy changes are summarized as follows:

- Shifting the focus of the policy from limiting growth in areas with inadequate school infrastructure, to ensuring the adequacy of school infrastructure to help achieve desired patterns and types of growth.

- Being adaptable to the different growth contexts (greenfield, infill and existing neighborhoods) and desired growth patterns within the county.
- Supporting other county policy priorities, such as attainable housing, economic development, and sustainable growth.

School Capacity

With regard to schools, the draft policy proposes to revise the county-wide test for schools with a system that is based on the character of the student growth by neighborhoods and the impact of that growth on schools. This will be done by dividing the county into three School Impact Areas, as follows:

- **Greenfield Impact Areas:** Areas with high enrollment due largely to high housing growth that is predominantly single-family homes.
- **Turnover Impact Areas:** Areas with low housing growth where enrollment increases are largely due to turnover of existing single-family homes.
- **Infill Impact Areas:** Areas with high housing growth that is predominantly multifamily units, which generate few students per unit.

The Greenfield Impact Area comprises Clarksburg and vicinity, comprising 7.2% of the county land area, and producing the highest student generation rates, per dwelling unit. The Turnover Impact Area comprises about 88.9% of the county land area, including the Agricultural Reserve. Analysis has determined that residential dwellings in this area produce twice as many students, on a per unit basis, as within the infill area. The Infill Impact Areas basically include the Central Business Districts, the transit station impact areas, White Flint, the MD 355 corridor and Rockville Town Center, and portions of the Gaithersburg and Germantown areas. It is also recommended that the Red Policy Areas, which include the Purple Line Station Policy Areas, be included in the Infill Impact Areas. (See Map at Attachment B).

The County Planning Board has recommended the elimination of all school moratoriums except within the Greenfield area, and replacement with a new approach that uses impact taxes and premium payments to align infrastructure and growth. The Board determined that the existing moratorium policy hinders economic development, prevents sustainable growth patterns, impacts housing affordability, and inhibits the ability to reach the County's housing goals. A discussion of the impact tax and premium payment system is described below.

Utilization Factors

In terms of a school utilization test, the proposed policy recommends the following:

- The Annual School Test will be conducted at the individual school level only, for each elementary, middle and high school to determine school utilization adequacy. Thus, the policy proposes to eliminate the cluster test and only utilize the individual school test. A

“cluster test” refers to a test of the three different school levels (elementary, middle, and high school) that serves the proposed development.

- The Annual School Test will evaluate school utilization in three years, instead of five years in the future, using the following standards:

School Adequacy Standards		Adequacy Status		
Projected Utilization	Projected Seat Deficit	Greenfield Impact Areas	Turnover Impact Areas	Infill Impact Areas
>120%	N/A	UP Payment Required	UP Payment Required	UP Payment Required
>125%	≥115 seats for ES ≥188 seats for MS N/A for HS	Moratorium		

The UP stands for Utilization Premium Payments. These are payments in addition to the School Impact Tax that are intended to help provide the necessary school infrastructure. The payments would be collected at the time of building permit application. If multiple schools serving a project exceed the given threshold, then payments are required for each. The payments are calculated for the School Impact Area and dwelling type as follows:

- Elementary Schools - 25% of the impact tax
- Middle Schools – 15% of the impact tax
- High Schools – 20% of the impact tax

Student generation rates are calculated in the odd years based on MCPS enrollment data. The rates will be calculated only for single-family units and multifamily units built since 1990, and without regard to the heights of the multifamily buildings.

School Impact Taxes

The school impact tax is currently calculated at 120 percent of the cost of each additional new school seat generated by a new housing unit. Because of the proposal to group all multi-family dwellings together, the policy combines the impact taxes for multi-family into one grouping based on the student generation rate for multi-family units built since 1990.

In addition, the policy proposes to reduce the calculation to 100 percent of the cost of a student seat using the School Impact Area generation rates. A discount would be applied for single-family attached and multifamily units to incentivize growth in desired growth and investment areas, with the 120 percent factor retained in the Agricultural Reserve. The Planning Board recommends charging only 60 percent of the impact tax for single-family attached and multifamily units in designated Activity Center areas throughout the County. An impact tax discount is also proposed for sites within 500 feet of a funded or planned Bus Rapid Transit (BRT) area.

The proposed policy also recommends retaining the tax credit for land dedications or improvements that add classroom capacity and eliminate the surcharge for houses with more than 3,500 square feet of floor area, as studies indicate that there is no real correlation between housing size and generation rates. The policy recommends the elimination of the impact tax exemption for the former Enterprise Zones. Developments in a Qualified Opportunity Zone would be exempt from the tax.

In order to maintain overall funding levels, the policy recommends that a progressive modification to the recordation tax calculation. Currently, the recordation tax, which is assessed on each \$500 interval, provides \$2.37 to MCPS. The recommendation is to raise this by fifty cents to \$2.87 and add an additional fifty cents for every interval above \$500,000. The Planning Board also recommends an increase in the amount of the recordation tax to support the Housing Initiative Fund. It would be an additional one dollar for each \$500 increment in excess of one million dollars.

Transportation

The current SSP (2016-2020), includes three means by which the County's development approval process affects the provision of transportation capacity:

- (1) the **Transportation Impact Tax**- assesses the degree to which all development contributes to funding the provision of significant master-planned transportation projects that the County is responsible for constructing;
- (2) The **Local Area Transportation Review (LATR)** - assesses the degree to which transportation conditions in the immediate vicinity of the development site are adequate; and
- (3) **Local Area Analysis** - identifies many site development approval conditions related to transportation derived from regulations, codes, site layout and design.

In the current SSP, most of the city is categorized as Policy Area 2 (Orange Color) – or as Emerging Transit-Oriented Development (TOD) areas where premium transit service is available and the mobility Level of Service (LOS) E threshold is required for all signalized intersections using the Highway Capacity Manual (HCM)/vehicle delay. The Town Center, Shady Grove and Twinbrook Metro Station areas are categorized as Policy Area 1 (Red) – or Central Business Districts, where the acceptable vehicle mobility threshold is still based on HCM/vehicle delay, but at higher threshold levels.

The 2020 Planning Board Growth Policy update recommends:

- (1) Renaming the SSP to the County Growth Policy, to emphasis the County's shift from greenfield development of new subdivisions to infill and redevelopment of existing sites,
- (2) Prioritizing human life over mobility and other objectives of the road system, by incorporating the County's Vision Zero policies and newly-adopted County Bike Master Plan principles,
- (3) Eliminating intersection-level adequacy requirements for motor vehicles in Red Policy Areas (near the Shady Grove and Twinbrook Metro stations), and
- (4) Increasing the congestion adequacy standard and Increasing of the intersection delay standards to 1,700 CLV and 100 seconds/vehicle for the Orange policy areas.

The recommended policy level of service threshold changes for vehicle mobility for Policy Areas 1 and 2 raised concerns for the City of Rockville. Most of the signalized intersections in these areas are already experiencing significant congestion on a regular basis. The impact of the recommended changes would be to allow more development, while lessening the likelihood that a significant investment will take place to address the congestion problem. (See Attachment C for Transportation Policy Areas).

City policies strongly encourage provision of capacity-related improvements at all signalized intersections in both the Red and Orange Policy areas to be part of any Adequate Public Facility standards (APFS) evaluation and by maintaining the existing 2016 SSP congestion standards to avoid further deterioration in the level of service at these locations. The City of Rockville continues to assess intersection capacity and does not allow for LOS worse than E. The County's acceptance of higher capacity and more congestion, without the necessary mitigations, will severely impact Rockville's intersections, and consequently, impacting the City's capability to allow new developments while violating the Adequate Public Facility Standards (APFS).

Staff Recommendations on the Proposed Growth Policy

Staff recommends that the Mayor and Council review and discuss the draft letter of testimony to the County Council and provide comments so that it may be transmitted to the Council. As noted in the attached letter, staff recommends support for many of the proposed changes. Specific changes that impact Rockville include:

- *Eliminating development moratoriums due to lack of school capacity except in greenfield areas (Clarksburg and surrounding areas).* Based on the map (Fig. 19) in the draft report, most of Rockville is within the Turnover Impact Area, with the Town Center, the Rockville Pike Corridor and the northern part of the City along Shady Grove Road in the Infill Impact Area. These are appropriate as mapped. Staff recommends that the Mayor and Council support the concept of eliminating development moratoriums, which represents a

recognition that developed neighborhoods produce most of the growth in school students as part of natural turnover of properties.

Recommendation: The City can support this approach provided that the County Council provides the financial support to appropriately address increased school capacity where needed. The Mayor and Council will likely consider whether to mirror this policy in the Adequate Public Facilities Standards (APFS), as the areas outside the city but within school clusters that also serve Rockville students, will be subject to different standards for new development.

- *Requiring developers to pay Utilization Premium Payments, in addition to the school impact tax, for residential development projects served by overcrowded schools.* The draft policy proposes implementation of a Utilization Premium Payment for development assigned to those schools that exceed 120% of program capacity, based on projections three years in the future, the type of residential development and impact area.

Recommendation: Conceptually, the City can support the increased payment. While this would only apply to projects in Montgomery County, the City would like more information on whether this approach would generate the additional resources for schools that need capacity improvements.

- *Proposing an increased residential property transfer tax to increase funding for schools.* In order to maintain overall funding levels, the policy recommends a progressive modification to the recordation tax calculation.

Recommendation: Staff recommends that the City support this in concept, as it recognizes that existing neighborhoods generate a significant amount of school students through turnover. However, the Mayor and Council should ask to see further analysis in order to be assured that this proposal will offset the recommended reductions in the school impact tax, and what the impact might be on current homeowners.

- *Significantly reducing the school impact tax rate within Turnover and Infill Impact Areas, which includes all of Rockville.* The draft policy proposes reducing the school impact tax for new residential units in Rockville from current levels for most unit types and impact areas.

Recommendation: While this potentially is supportable, staff recommends that the Mayor and Council ask to see further analysis showing that all proposed changes in combination will result in additional resources to support expanded school capacity.

- *Eliminating the schools and transportation impact tax exemption on residential developments that provide at least 25% affordable housing units.* The proposed policy includes a recommendation to reduce the impact taxes to the lowest standard impact tax for the applicable dwelling type for any project that provides at least 25 percent of the units

as affordable.

Recommendation: Staff recommends that the City support the recommendation as proposed, and further recommends that a potential 30 percent threshold should be considered. Also, staff recommends that the City support the recommendation that the recordation tax be modified to provide additional funding for schools and the County's Housing Initiative Fund. These are laudable goals, but there needs to be a demonstration that this will offset the other reductions proposed.

- *Eliminating schools and transportation impact fees in designated Opportunity Zones, which impacts the Rockville Pike corridor south of MD 28 to the city limit.* The designated Opportunity Zone within the City of Rockville comprises the Rockville Pike corridor south of MD 28 to the city limit. This is an area designated for future growth by the City's Master Plan, and is in fact already seeing new development approved.

Recommendation: Staff recommends that the Mayor and Council oppose this change. Further, the City should not be willing to forego the impact fees for development in these areas, as their elimination is not necessary to encourage development which is already occurring. The significant reduction in transportation funding would reduce our ability to make necessary improvements to address the increase in growth.

- *Discounting the schools impact tax and potentially the transportation impact tax for COG Activity Centers, which includes the Town Center and other more urban areas in Rockville.* The Planning Board recommends charging 60 percent of the impact tax for single-family attached and multifamily units in designated areas. In Rockville, this includes some single-family neighborhoods, which staff recommends be excluded from this policy recommendation. An impact tax discount is also proposed for sites within 500 feet of a funded or planned Bus Rapid Transit (BRT) line. The proposed policy also recommends retaining the tax credit for land dedications or improvements that add classroom capacity, and eliminating the surcharge for houses with more than 3,500 square feet of floor area.

Recommendation: Staff recommends that the City support this change.

- *Modifications to the County's Local Area Transportation Review (LATR) and Application of Transportation Impact Tax.* Staff recommends that the Mayor and Council support the proposed policy which recommends incorporating Vision Zero principles into the system as well as including principles recommended in the Bicycle Master Plan. However, staff finds that the Mayor and Council should oppose the policy recommendations eliminating intersection adequacy requirements near the Shady Grove and Twinbrook (Red) policy areas, and increasing the congestion adequacy standard and the intersection delay standards for the Orange policy areas, which includes the balance of the city. Most of the signalized intersections in these areas are already experiencing significant congestion on a regular basis. The impact of the recommended changes would potentially allow more development, while lessening the likelihood that a significant investment will take place to

address the congestion problem.

Recommendation: Rockville should continue to assess intersection capacity as a basis for adequacy. The County's acceptance of higher capacity and more congestion, without necessary mitigations, could severely impact Rockville's intersections and ultimately the City's ability to approve new developments without violating the APFS.

(A copy of the Planning Board's Recommended Draft Growth Policy is included at Attachment D).

Several representatives from the Montgomery County Planning Department will be assisting with the presentation and answering questions.

Mayor and Council History

This is the first time that the Mayor and Council have considered this topic.

Public Notification and Engagement

The County's process included an extensive public engagement program, including a technical advisory team, focus groups, public presentations and Planning Board public meetings.

Boards and Commissions Review

The County Planning Board held a public hearing and several work sessions before making their recommendations.

Next Steps

Following the Mayor and Council's direction, staff will finalize the letter and share it as part of Rockville's testimony on the proposed Growth Policy. The County Council will hold a public hearing on the proposed changes to the Growth Policy on Tuesday, September 15. Staff has reserved a slot for the Mayor to speak at the September 15th hearing. Following the public hearing, there will be County Council committee worksessions beginning September 21. Staff will monitor these meetings and provide updates.

Attachments

Attachment 13.a:	Draft Letter to County Council on Growth Policy	(DOCX)
Attachment 13.b:	School Impact Areas Map	(PDF)
Attachment 13.c:	Transportation Policy Areas Map	(PDF)
Attachment 13.d:	County Growth Policy - Planning Board recommended draft	(PDF)


Rob DiSpirito, City Manager 9/9/2020

September 15, 2020

The Honorable Sidney Katz
 President, Montgomery County Council
 100 Maryland Avenue
 Rockville, Maryland 20850

Re: Montgomery County Growth Policy Update

Dear President Katz:

The Mayor and Council of Rockville have reviewed the draft County Growth Policy, scheduled for public hearing on September 15 and adoption in November. We note that the Planning Board has recommended substantial changes in the administration of the Growth Policy when compared with the current Subdivision Staging Policy (SSP). We are pleased to submit our initial comments for the record and may follow up with additional input before or during the committee process.

The following are the proposed changes that potentially impact Rockville, and include commentary with each:

- Eliminating development moratoriums due to lack of school capacity except in greenfield areas (Clarksburg and surrounding areas).* Based on the map (Fig. 19) in the draft report, most of Rockville is within the Turnover Impact Area, with the Town Center, the Rockville Pike Corridor and the northern part of the city along Shady Grove Road in the Infill Impact Area. These seem appropriate as mapped. The City supports the concept of eliminating development moratoriums, which represents a recognition that developed neighborhoods produce a majority of the growth in school students as part of natural turnover of properties. The City can support this approach provided that the County Council provides the financial support to appropriately address increased school capacity where needed. The City will likely consider whether to mirror this policy in our Adequate Public Facilities Standards (APFS), as the areas outside the city but within school clusters that also serve Rockville students will be subject to different standards for new development.
- Requiring developers to pay Utilization Premium Payments, in addition to the school impact tax, for residential development projects served by overcrowded schools.* The draft policy proposes implementation of a Utilization Premium Payment for development assigned to those schools that exceed 120% of program capacity, based on projections three years in the future, the type of residential development and impact area. Conceptually, the City can support the increased payment. While this would only apply to projects in Montgomery County, the City would like more information on whether this approach would generate the additional resources for schools that need capacity improvements.

The Honorable Sidney Katz

September 15, 2020

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- *Proposing an increased residential property transfer tax to increase funding for schools.* In order to maintain overall funding levels, the policy recommends a progressive modification to the recordation tax calculation. While the City supports this in concept, as it recognizes that existing neighborhoods generate a significant amount of school students through turnover, the City would like to see further analysis in order to be assured that this proposal will offset the recommended reductions in the school impact tax, and what the impact might be on current homeowners..
- *Significantly reducing the school impact tax rate within Turnover and Infill Impact Areas, which includes all of Rockville.* The draft policy proposes reducing the school impact tax for new residential units in Rockville from current levels for most unit types and Impact areas. While this potentially is supportable, the City would like to see further analysis that all proposed changes in combination will result in additional resources to support expanded school capacity.
- *Eliminating the schools and transportation impact tax exemption on residential developments that provide at least 25% affordable housing units.* The proposed policy includes a recommendation to reduce the impact taxes to the lowest standard impact tax for the applicable dwelling type for any project that provides at least 25 percent of the units as affordable. The City supports the recommendation as proposed, and recommends that a 30 percent threshold should be considered. Also, the City supports the recommendation that the recordation tax be modified to provide additional funding for schools and the county's Housing Initiative Fund. The City sees these as laudable goals but there needs to be a demonstration that this will offset the other reductions proposed.
- *Eliminating schools and transportation impact fees in designated Opportunity Zones, which impacts the Rockville Pike corridor south of MD 28 to the City limit.* The designated Opportunity Zone within the City of Rockville comprises the Rockville Pike corridor south of MD 28 to the city limit. This is an area designated for future growth by the City's Master Plan and is, in fact, already seeing new development approved. The City is opposed to this recommendation. Further, it is not willing to forego the impact fees for development in these areas, as their elimination is not necessary to encourage development, which is already occurring. The significant reduction in transportation funding would reduce our ability to make necessary improvements to address the increase in growth.
- *Discounting the schools impact tax and potentially the transportation impact tax for COG Activity Centers, which includes the Town Center and other more urban areas in Rockville.* The Planning Board recommends charging 60 percent of the impact tax for single-family attached and multifamily units in designated areas. In Rockville, this includes some single-family neighborhoods, which the City feels should be excluded from this policy

The Honorable Sidney Katz
 September 15, 2020
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recommendation. An impact tax discount is also proposed for sites within 500 feet of a funded or planned Bus Rapid Transit (BRT) line. The proposed policy also recommends retaining the tax credit for land dedications or improvements that add classroom capacity, and eliminating the surcharge for houses with more than 3,500 square feet of floor area. The City supports these recommendations.

- *Modifications to the County's Local Area Transportation Review (LATR) and Application of Transportation Impact Tax.* The City is in support of the proposed policy which recommends incorporating Vision Zero principles into the system and also including principles recommended in the Bicycle Master Plan. However, we oppose the policy recommendations eliminating intersection adequacy requirements near the Shady Grove and Twinbrook (Red) policy areas, and increasing the congestion adequacy standard and the intersection delay standards for the Orange policy areas, which includes the balance of the city. Most of the signalized intersections in these areas are already experiencing significant congestion on a regular basis. The impact of the recommended changes would potentially allow more development, while lessening the likelihood that a significant investment will take place to address the congestion problem. Rockville continues to assess intersection capacity as a basis for adequacy. The County's acceptance of higher capacity and more congestion, without necessary mitigations, could severely impact Rockville's intersections and ultimately the City's ability to approve new developments without violating the APFS.

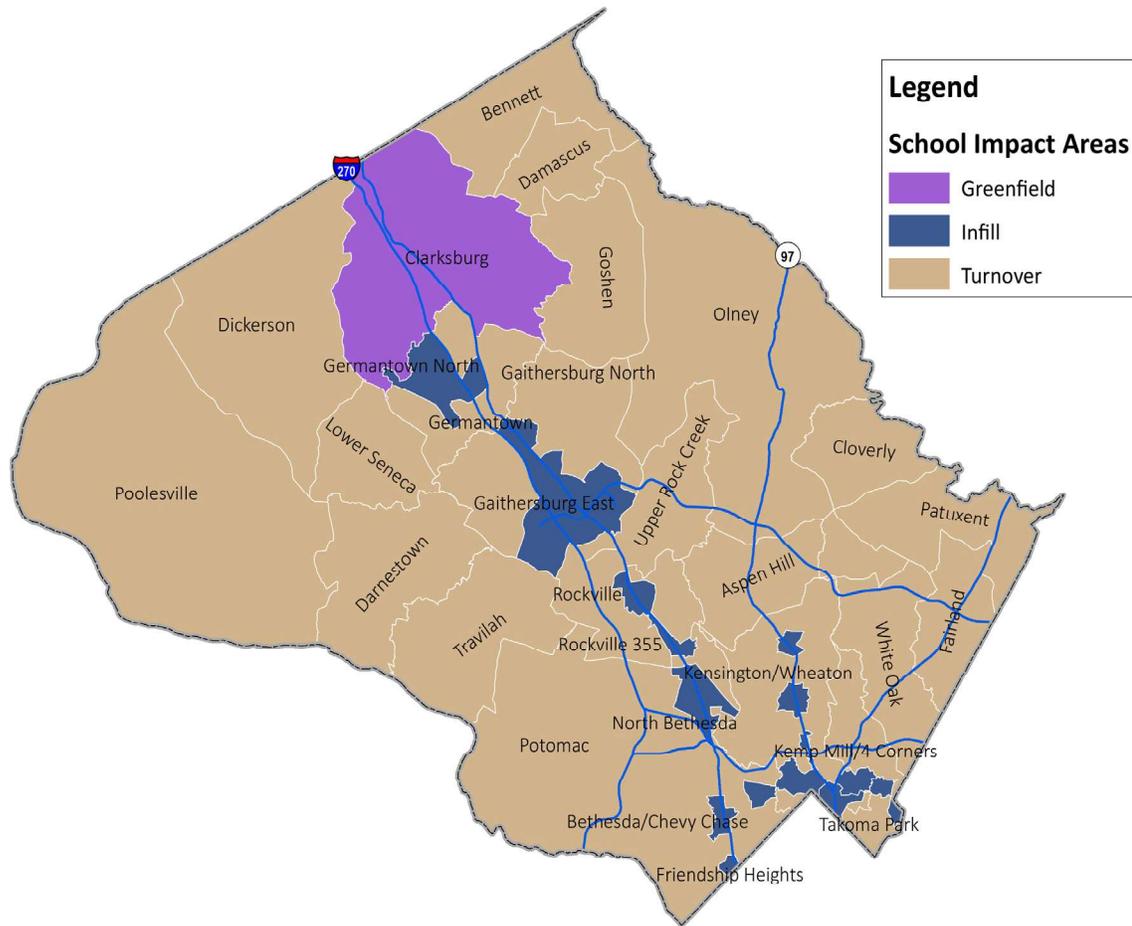
In summary, the City supports many of the recommendations in the Planning Board draft of the County's Growth Policy, particularly regarding changes to the school capacity test, which the City itself may consider. The City strongly supports robust analysis of all proposed adjustments to ensure that they will result in adequate and appropriate school capacity, where and when needed. As noted above, the City has concerns about changes to the LATR and potential impacts on intersection levels of service in the city, and is opposed to exempting new developments within the City's Opportunity Zone from impact taxes.

Thank you for this opportunity and we look forward to the worksessions.

Sincerely,

Rockville Mayor and Council

Figure 19. Map of Recommended School Impact Areas.

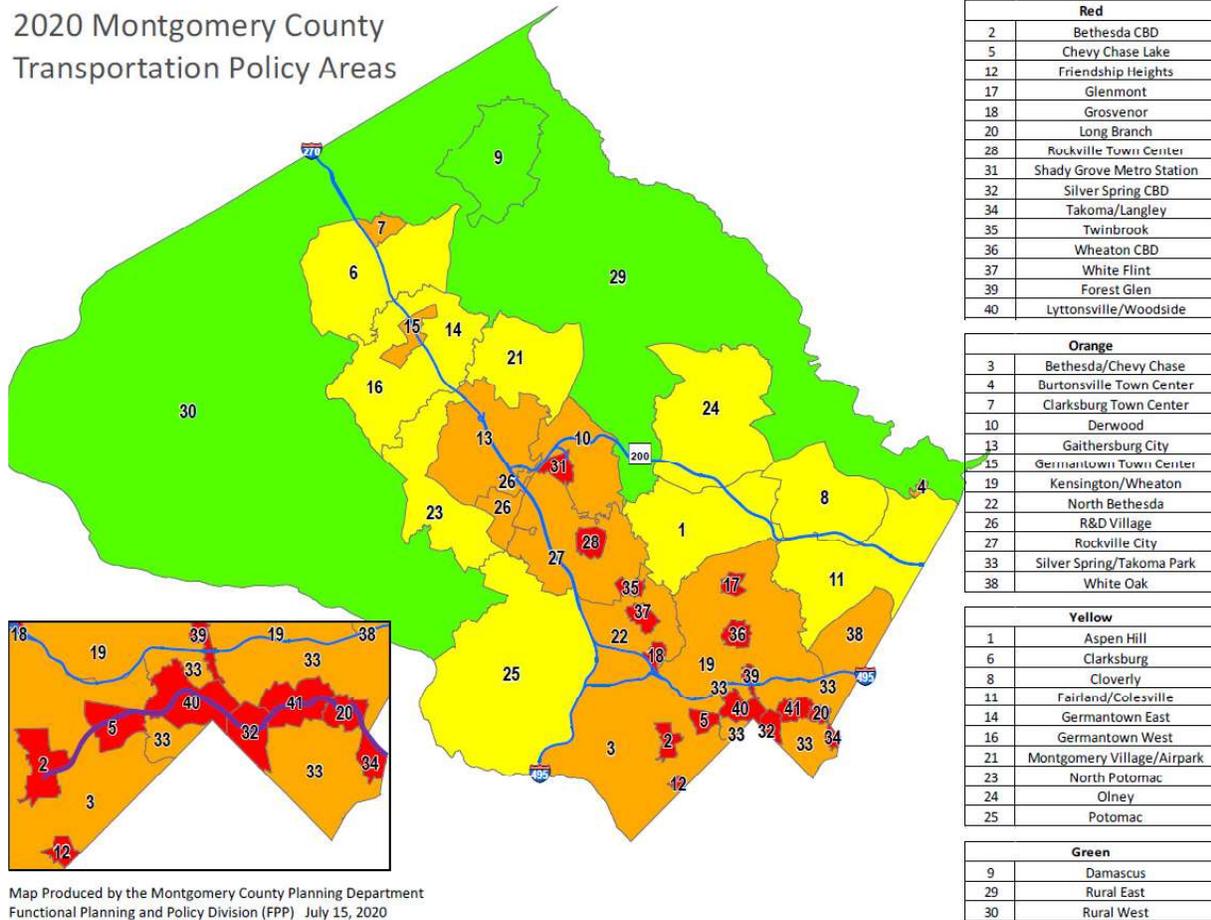


Attachment 13.b: School Impact Areas Map (3318 : County Growth Policy)

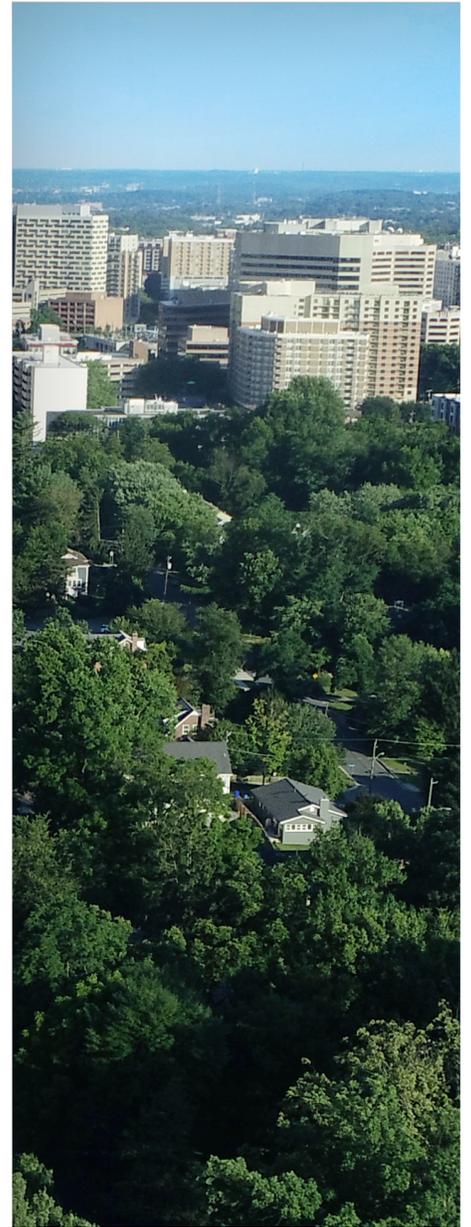
Figure 20 shows the difference in student generation rates for all units by School Impact Area. On a per unit basis, dwelling units in the Turnover Impact Area are generating more than twice as many students as those in the Infill Impact Area. The Greenfield Impact Area dwelling units are generating more than three times as many students as those in the Infill Impact Area.

Figure 26. County Policy Areas Organized by Four Categories.

2020 Montgomery County
Transportation Policy Areas



Map Produced by the Montgomery County Planning Department
Functional Planning and Policy Division (FPP) July 15, 2020



2020
2024

Montgomery County Growth Policy

Montgomery County Planning Board Draft

Montgomery Planning
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Attachment 13.d: County Growth Policy - Planning Board recommended draft (3318 : County Growth Policy)

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INTRODUCTION

Montgomery County continues to be a county in transition. Long-guided by the vision established in the 1964 General Plan, *On Wedges and Corridors*, the county has strong single-family neighborhoods, connected corridor communities, vital urban centers and protected natural resources. Development in the county is largely, though not entirely, characterized by infill and redevelopment in our urban core and along transit corridors. Some communities, however, are still experiencing the type of greenfield development that led to the adoption of the county's Adequate Public Facilities Ordinance in 1973. It is evident that a one-size-fits-all approach to growth management is not sufficient in a transforming county as diverse as Montgomery County. Instead, the county needs a flexible policy that adapts to changing growth contexts to ensure it can remain effective for years to come.

Likewise, the county is faced with many growth-related challenges. Since 2010, the county's population has grown less than 1 percent annually. Although this is slower than in the past, the county continues to add 8,770 people per year. The county's demographics are diversifying; increasingly immigration is driving population growth. Incomes are also growing, though not evenly for all populations. Regional housing goals call for Montgomery County to add 41,000 new housing units, affordable and attainable to all income levels, by 2030. The next four years will also be marked by the new challenge of maintaining and growing the local and regional economy within the constraints of the global COVID-19 pandemic.

It is within this framework that the Montgomery County Planning Board strives to draft a new growth policy that is sensitive to different growth contexts and their different impacts on the county's infrastructure. We also have to support other policy priorities, such as the county's housing targets as well as the General Plan update underway, with its focus on community equity, economic health and environmental resilience. The 2016-2020 Subdivision Staging Policy helped to move the county in that direction. Through a data-driven, stakeholder-informed effort, this update to the policy ventures to complete that transition by asking one simple question:

How can this policy help ensure the adequacy of public infrastructure, to accommodate growth in the amounts, forms and locations desired?

CHAPTER ONE OVERVIEW

What is the Subdivision Staging Policy?

The Subdivision Staging Policy – one of the many ways that Montgomery Planning helps to preserve the excellent quality of life we enjoy in Montgomery County – is based on the idea that we must have sufficient infrastructure to support growth. Every four years, planners update the Subdivision Staging Policy (SSP) to ensure the best available tools are used to test whether infrastructure like schools, transportation, water and sewer services can support future growth. These policy tools are the guidelines for the administration of the county’s Adequate Public Facilities Ordinance (APFO).

Although commonly referred to as a separate ordinance, the APFO is actually part of Montgomery County’s subdivision regulations found in Chapter 50 of the County Code. Section 4.3.J.2.: “The [Planning] Board may only approve a preliminary plan [of subdivision] when it finds that public facilities will be adequate to support and service the subdivision.” How, exactly, the Planning Board defines and What is the Subdivision Staging Policy?

Chapter 33A of the County Code requires the County Council to adopt an updated SSP by November 15 of the second year of a Council term.

The Subdivision Staging Policy, Master Plans and the Capital Improvements Program

The SSP focuses on matching the timing and pace of development with the availability of public services and facilities. It has significant bearing on the regulatory review process for development applications. The county's General Plan, as amended by approved and adopted master, sector and functional plans, determines the amount, pattern, location and type of development within the county. The master-planning process is aspirational, creating a long-term vision for our communities. The SSP has a more focused, shorter term view. Its purpose is to evaluate individual proposals for development, determining if the county's public infrastructure, such as its transportation network and school facilities, can accommodate the demands of additional development.

County master plans identify where growth is appropriate and at what levels or densities this growth should occur. They provide a vision for the future of the county—from the very conceptual level with the General Plan, to much more detailed recommendations with small area plans. For each master plan, Montgomery Planning conducts a high-level analysis of the infrastructure needed to accommodate the master plan's vision. This analysis is different from the SSP, although it may result in recommended capital improvements to be

implemented by either the county government or the private sector.

The Capital Improvements Program (CIP) is the vehicle through which the county increases the capacity of its public facilities to support existing development and future growth. The SSP determines how much additional growth can be supported by existing facilities and those included in the CIP. It can also help prioritize which additional public facilities should be funded in a future CIP.

A County Council resolution will establish the policy tools recommended in this report. The resolution will describe the facility standards that must be met for public infrastructure to be considered adequate. Along with additional recommended changes to the county's tax code, the SSP resolution can also prescribe methods for generating revenue to ensure the adequacy of the county's infrastructure to accommodate growth in the amounts, forms and locations desired, as established in the county's General Plan and master plans. A proposed draft of the resolution appears in Appendix L along with draft amendments to the County Code in Appendices M, N and O.

Summary of Proposed Updates to the Subdivision Staging Policy

This update to the Subdivision Staging Policy focuses heavily on the schools element of the policy. Along with community stakeholders and a new external advisory team, Montgomery Planning evaluated the applicability of every aspect of the existing policy using various growth, land use and enrollment metrics to understand the county's current growth context. The recommendations reflect significant changes in administering the policy for schools infrastructure, including:

- Creating School Impact Areas to reflect the different growth contexts existing in different parts of the county and their impacts on school enrollment.
- Eliminating residential development moratoria for most parts of the county.
- Requiring premium payments for residential development projects served by overcrowded schools in areas without residential development moratoria.
- Revising the de minimis thresholds allowing the approval of applications for small residential development projects in areas under moratoria.
- Retesting school adequacy in review of requests to extend the validity period (the timeframe in which the developer must begin development) of a development approval.
- Adjusting impact taxes to be more context sensitive, to encourage investment in desired growth areas, and to better complement important policy priorities related to housing, economic development and resource preservation.
- Updating the student generation rates used to calculate impact taxes and estimate enrollment impacts to make them more context sensitive.
- Updating the calculation of the recordation tax on home sales to make it more progressive and to generate more funding for school construction and affordable housing initiatives.
- Substantial changes to the transportation element of the SSP in the 2016 update recognized the limitations of a one-size-fits-all approach and created a structure that was increasingly context sensitive. This 2020 update has more narrowly focused on making small adjustments to the current transportation policy, such as:
 - Updating the review of local area transportation conditions to include safety standards.
 - Prioritizing travel safety over other transportation impact study mitigation strategies.
 - Eliminating review of local area motor vehicle adequacy conditions in areas near Metro stations or future Purple Line stations (Red Policy Areas).
 - Increasing the congestion adequacy standard for signalized intersections on transit corridor roadways.
 - Introducing policy area transportation adequacy performance metrics to ensure a master plan's consistency with the county's long-range planning goals and objectives.



Attachment 13.d: County Growth Policy - Planning Board recommended draft (3318 : County Growth Policy)

CHAPTER TWO

GROWTH STATUS AND TRENDS

How Montgomery County responds to change will define its future. The two fundamental features of our change are **diversifying demographics** and a shifting **pattern of development**. Once dominated by greenfield development that created single-family housing for nuclear families, the county's growth pattern has shifted to infill development where multifamily housing and non-family households define residential communities. The Subdivision Staging Policy aims to ensure public infrastructure supports our changing communities.

Our demographics and development patterns shape our infrastructure needs. Continued increases in younger populations, along with a growing senior population, create new infrastructure needs and social services demands. Travel, mostly still in single-occupancy vehicles, taxes our roadways and makes it difficult for others to enjoy active modes of transportation, such as bicycling and walking. Older development, built before stormwater controls, degrades our natural environment. The abundance of existing single-family housing and the limited availability of developable greenfields (previously undeveloped land) further challenge our approach to new housing.

Our infrastructure needs reveal opportunities to creatively refine our approach to growth and provide new choices in housing and transportation for all members of the community. A diverse community requires a mix of housing that is attainable for different income levels and household sizes. This housing must be made accessible to jobs and other amenities through timely public infrastructure.

A Transforming Montgomery County

Montgomery County has evolved from a rapidly growing bedroom community providing housing and workers for the region in the 1980s to a county characterized by slower but sustained growth, major employment centers, active urban areas, stable single-family neighborhoods and beautiful rural landscapes. With over one million residents, Montgomery County has entered a mature phase of development with a slower pace of growth, typical of a populous and developed county with limited developable land. While the county's population growth rate is expected to decline even further over the next 30 years, the population is still forecasted to grow from just over one million people in 2015, to 1.2 million by 2045, an increase of over 200,000 people. These additional 200,000 people will require housing, services and the support of public infrastructure.

Demographic trends in the number of people moving in and out of the county, the natural increase in population (births exceeding deaths) and the inevitable aging of county residents determine the make-up of the county's population. Economic forces also shape demographic trends, notably the previous decade's Great Recession and now, the yet-to-be-determined effects of a global health pandemic. Such events alter not only the pace of demographic change, but its character as well.

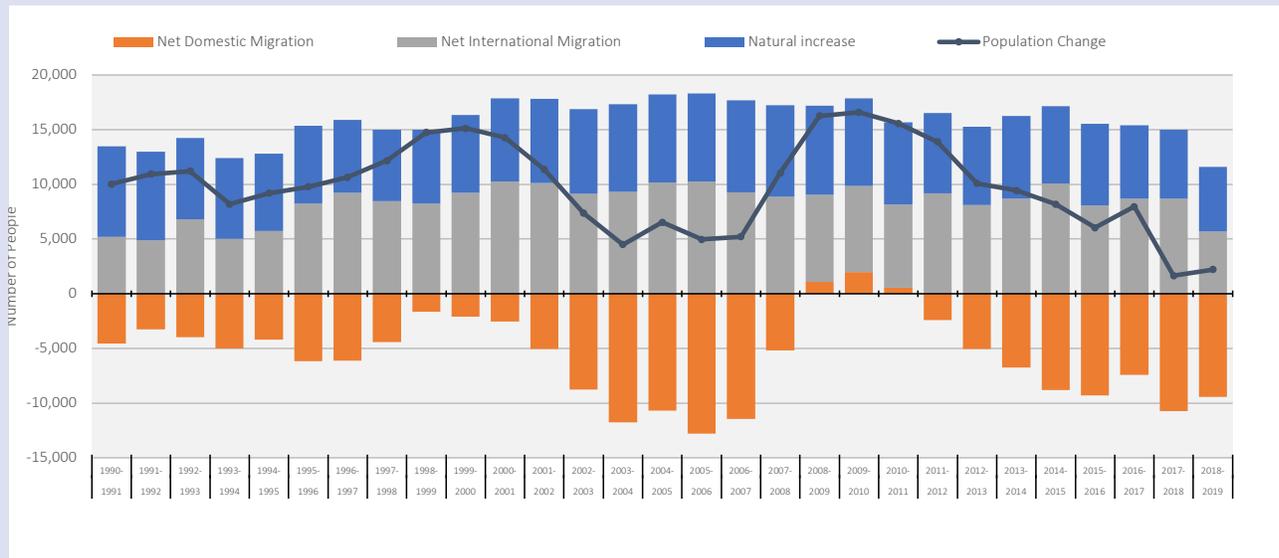
Domestic Migration and Foreign Immigration

Residents moving into Montgomery County from abroad contribute significantly to the county's growth and cultural diversity, averaging 8,240

immigrants per year since 2008. The increase in foreign immigration during this period offset the average net loss of 5,110 residents who relocated domestically, either within the region or elsewhere in the United States. Typically, steady inflows of international migration counter the fluctuating domestic migration patterns, which reflect the strength of the economy and variation in housing prices. Domestic out-migration usually occurs during strong national and regional economies when there are more job and housing upgrade opportunities outside of the county. Conversely, positive net in-migration has occurred during national economic declines, when the greater Washington, D.C. region offered better opportunities relative to other domestic locations.

In contrast, 2019 marked a precipitous decline in international migration into the county to the lowest level since 1993, following significant recent changes in national immigration policy. An estimated 5,700 immigrants moved into the county during 2018, a drop of 34 percent from the previous year (Figure 1). The duration of foreign immigration shortfalls due to economic uncertainty and stringent immigration policies is unknown, but it is likely that Montgomery County will attract international immigrants at previous levels due to the draw of the county’s existing large foreign-born resident base, recovered economic opportunities, and welcoming social and political environment.

Figure 1: Population Growth by Component Change, 1990-2019.



Source: Population Estimates Program, U.S. Census Bureau.

Steady levels of foreign immigration to Montgomery County over the past 30 years grew the base of foreign-born residents: from 141,166 people in 1990 to 332,198 in 2018. With about one-third of the county’s population foreign-born in 2018, Montgomery County had the highest concentration of foreign residents in the Washington, D.C. region and its percentage ranked fourteenth among counties nationwide. The origins of the county’s foreign-born residents are widely diverse, with 36 percent arriving from Latin America, most commonly from El Salvador, and 36 percent from Asia, typically from India or China.

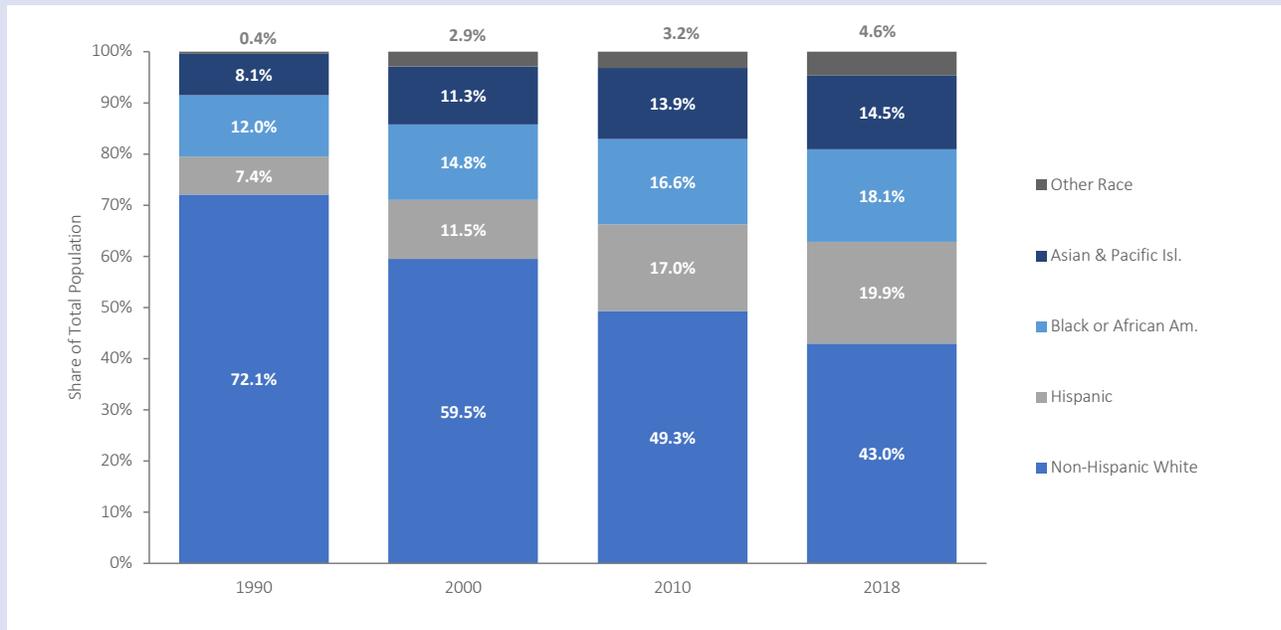
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Natural Increase in Population

Another major component of population growth and change is natural increase, or the number of births minus deaths. Births are typically more than double the number of deaths in Montgomery County. Notably, the contribution of natural increase to the county’s population growth lessened since the Great Recession of 2008, as deaths steadily increased while births declined. After peaking in 2007, the number of births in the county had dropped 11 percent to 12,373 in 2018, the lowest point since 1998. At the same time, deaths increased by 13 percent to 6,167 in 2018. Natural increase, registering 6,206 people in 2018, reached its lowest point since the mid-1980s.

Mirroring the nation, Montgomery County, women in the millennial generation are delaying marriage and child-rearing, resulting in a decline in birthrates among women ages 25 to 34, starting in 2007. That follows a period of climbing rates for this age group since the mid-1990s. The current countywide birth rate of 11.8 births per 1,000 people steadily declined from the peak of 13.9 in 2007 and is approaching the lowest rates since the 1970s recession. According to Montgomery Planning projections, the number of births in the county is expected to slightly decline or plateau in the short term before gradually increasing as fewer young women postpone motherhood and the forecasted number of women of child-bearing age increases over the next 10 years.

Figure 2. Population by Race and Hispanic Origin, 1990 to 2018.



Source: 1990-2010 U.S. Census, 2018 American Community Survey, 1-year estimates, U.S. Census Bureau.

Racial Diversity

In addition to contributing to the population's growth, births change the racial and ethnic composition of Montgomery County. The combined percentages of Hispanic, African American and Asian births in the county rose from 40 percent in 1990 to 66 percent of all births in 2018. During this period of increasingly diverse people migrating into the county from other places in the nation and abroad, the county's population of people of color (any group other than non-Hispanic white) increased from 28 percent in 1990 to 57 percent in 2018 (Figure 2).

Continued growth in the number of people of color living in the county is expected, assuming sustained migration patterns and birthrates. In 2010, people of color comprised the majority of Montgomery County's population for the first time. By 2045, the Maryland Department of Planning predicts 73 percent of the county's population will be people of color. In contrast, people of color will not comprise the majority of the U.S. population until 2045, according to projections by the United States Census Bureau – 35 years after Montgomery County crossed this landmark.

Aging Population

The large, aging cohort of baby boomers (those born between 1946 and 1964) has remained an enduring change agent locally and nationally, with this group now straddling prime wage-earning years and retirement. About 22 percent of the county's population were boomers in 2018, about the same percentage as millennial residents (21 percent), born between 1981 and 1996. The millennial generation, ages 24 to 39 years old in 2020, are poised to replace the boomers as influencers in employment, housing and society.

The leading edge of the boomer generation turned 65 in 2011 and by 2030, all boomers will be age 65 and older. Age projections by the Maryland Department of Planning anticipate the county's 65-plus population increasing from 163,645 residents in 2018 to 249,900 people in 2040, a 53 percent increase. The share of the population aged 65 and

older increases from 16 percent in 2018 to 21 percent in 2040, when the diminishing cohort of boomers will be frail elderly, ages 76 to 94 years old.

Boomer housing decisions and their increasing likelihood of death have the potential to transform the county's housing market. Of the 128,580 households in 2018 headed by householders between 55 to 74 years old, 81 percent were homeowners. In 2018, 4 out of 9 households in the county were headed by a baby boomer. A significant number of houses may enter the resale market if and when boomers choose to downsize or relocate in retirement, or if they die. Alternatively, if a significant number of baby boomer households age in place or delay moving out, either by choice or financial necessity, those actions may result in depressed housing turnover in the county, stalling traditional "housing ladder" opportunities for young families with school-aged children to move into the area.

Household Income

Montgomery County remains one of the wealthiest counties in the nation, despite its median income not fully recovering from the Great Recession of 2008. The median household income of \$108,188 in 2018 remains three percent below (-\$3,304) its peak in 2007 after adjusting for inflation. Although slow to recover, the county's 2018 median income is 30 percent above Maryland's median of \$83,242, and 75 percent above the national median of \$61,937. Montgomery County, ranked 16th nationally, is one of the five counties in the Washington, D.C. area rounding out the top 20 list for median household income across the nation.

Despite the wealthy reputation of Montgomery County, tens of thousands of county households report low incomes. In 2018, one out of six households reported incomes less than \$40,000. Median income varies by race and Hispanic origin in Montgomery County. In 2018, non-Hispanic white households had the highest median income among the groups, at \$131,533, which is 22 percent above the countywide median, followed by Asian households at \$115,387, 7 percent above the

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median. The median income of non-Hispanic white households is about 1.6 to 1.7 times larger than that of households headed by African Americans or Hispanics. The median incomes of African American and Hispanic households are not statistically different, at \$80,484 and \$76,805, respectively.

Pace and Pattern of Growth

Montgomery County's growth expectations are formed by the Metropolitan Washington Council of Governments (MWCOC) Round 9.1 Cooperative Forecast, the most recently completed forecast of population, household and employment growth. Over the duration of the forecast period from 2015 through 2045, efficient land use can provide the residential and commercial buildings needed for future residents and workers. While this is a planning goal, the forecast results indicate that it is ambitious in some areas of the county, even where infrastructure would support it. Better land utilization, evident through larger numbers of households and jobs per acre, will be key to accommodating expected growth.

The pace of growth over the 30-year forecast period varies across jurisdictions in the region,

with Montgomery County expected to grow its population by 20.5 percent, its number of households by 23.2 percent and its number of jobs by 30.5 percent. These growth rates translate into average annual rates of 0.7 percent population growth per year, 0.8 percent household growth per year and 1 percent job growth per year. Within Montgomery County, the cities of Gaithersburg and Rockville have higher forecasted growth rates than the county overall, although their additional people, households and jobs are included in the Montgomery County forecast. Table 1 and Table 2 below show the total forecasted growth and the average annual forecasted growth in Montgomery County and both of these internal municipalities, respectively.

Regionwide,¹ over 1.5 million additional residents are forecasted between 2015 and 2045, a 28.5 percent growth rate, with more than half of them living in either DC, Fairfax County or Montgomery County. This regional growth is equivalent to an average of 51,000 additional people per year.

Table 1. Forecasted Growth, 2015-2045.

Jurisdiction	Population Growth		Household Growth		Job Growth	
Montgomery County	208,100	+20.5%	87,100	+23.2%	158,600	+30.5%
City of Gaithersburg	22,200	+33.0%	8,800	+35.5%	19,300	+41.5%
City of Rockville	29,800	+44.9%	12,900	+48.9%	19,500	+25.3%

Source: Metropolitan Washington Council of Governments.

Table 2. Average Annual Forecasted Growth, 2015-2045.

Jurisdiction	Population Growth		Household Growth		Job Growth	
Montgomery County	6,937	+0.7%	2,903	+0.8%	5,287	+1.0%
City of Gaithersburg	740	+1.1%	293	+1.2%	643	+1.4%
City of Rockville	993	+1.5%	430	+1.6%	650	+0.8%

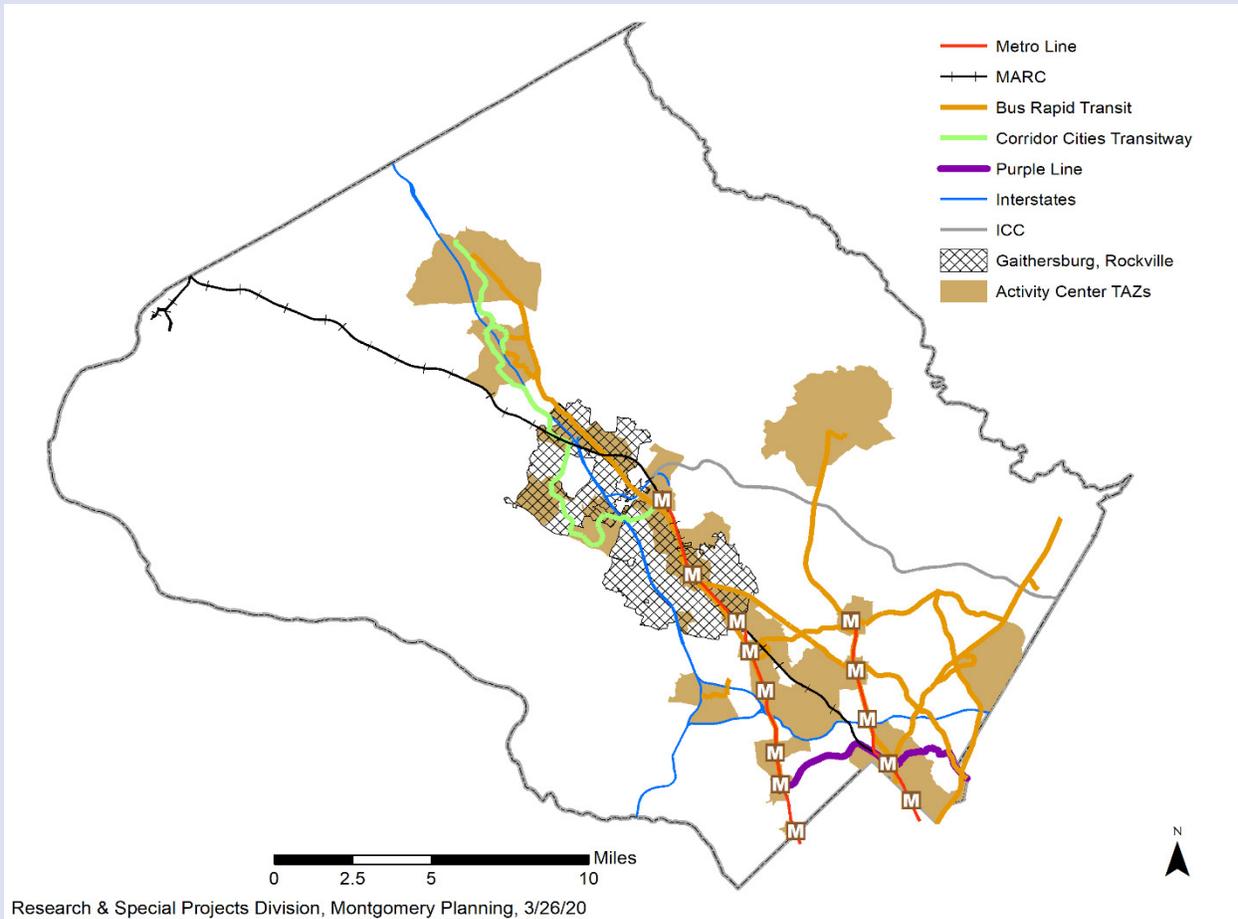
Source: Metropolitan Washington Council of Governments.

Forecasted Geographic Growth Pattern

Increasingly, households and jobs are expected to gravitate to “Activity Centers.” Activity Centers are locations across the region with “existing urban centers, traditional towns, and transit hubs.”² A map of the designated Activity Centers in Montgomery County is shown in Figure 3 below.

The MWCOG [Region Forward Coalition](#) established a target for the region to capture 50 percent of new households and 75 percent of new commercial square-footage in regional Activity Centers.³ The MWCOG Round 9.1 Forecast results place 64 percent of regionwide household growth and 76 percent of regional job growth over the 30-year forecast period in Activity Centers across the MWCOG member jurisdictions.

Figure 3: Map of Montgomery County Activity Centers.



Research & Special Projects Division, Montgomery Planning, 3/26/20

1 The forecast region includes the following jurisdictions outside of Montgomery County: Washington, DC, Arlington County, City of Alexandria, Prince George’s County, Fairfax County, City of Fairfax, City of Falls Church, Loudoun County, Prince William County, City Manassas, City of Manassas Park, Charles County, Frederick County (including Frederick City).

2 MWCOG

3 MWCOG

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The areas forecasted to attract the majority of both household and job growth in Montgomery County mostly coincide with the county’s Activity Center locations. The MWCOG Round 9.1 Forecast results show 76 percent of the county’s overall household growth and 80 percent of its job growth occurring within the county’s Activity Centers, leading to an overall increase in the shares of county households

and jobs located in Activity Centers. As of 2015, just 32 percent of county households were in Activity Centers, but by 2045, 40 percent of households are forecasted to be located in Activity Centers. As of 2015, 58 percent of county jobs were in Activity Centers, but by 2045, 63 percent are forecasted to be in those areas. The table below summarizes this projected trend.

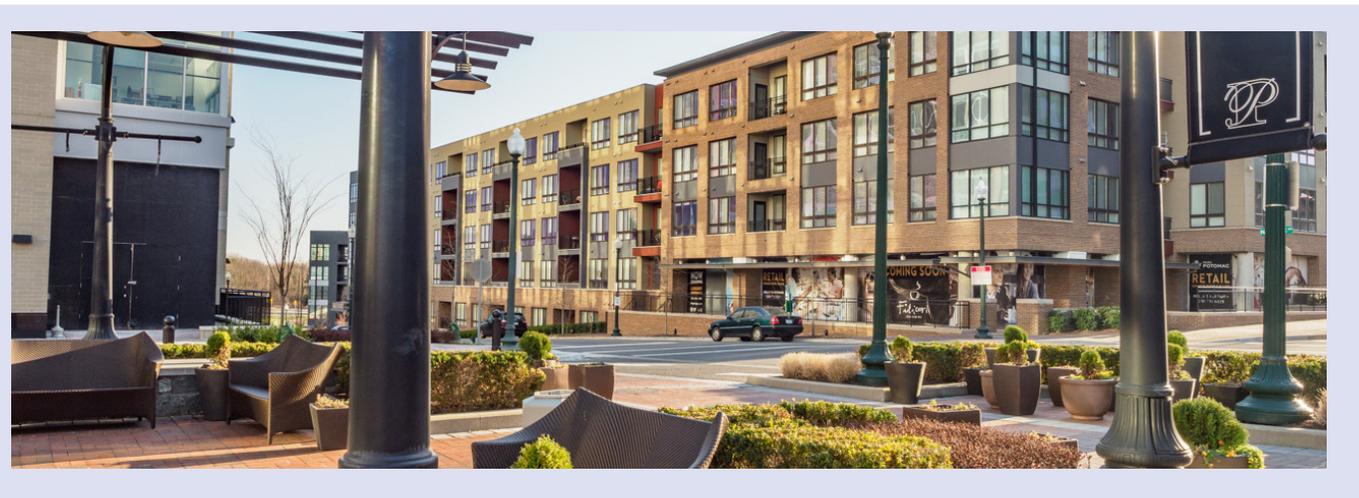
Table 3. Forecasted Shares of Households and Jobs in Activity Centers.

Location	2015 Household Share	2045 Household Share	Household Share Increase	2015 Jobs Share	2045 Jobs Share	Jobs Share Increase
Activity Center	32.0%	40.0%	8.0%	58.0%	63.0%	5.0%
Not Activity Center	68.0%	60.0%	-8.0%	42.0%	37.0%	-5.0%

Source: Metropolitan Washington Council of Governments.

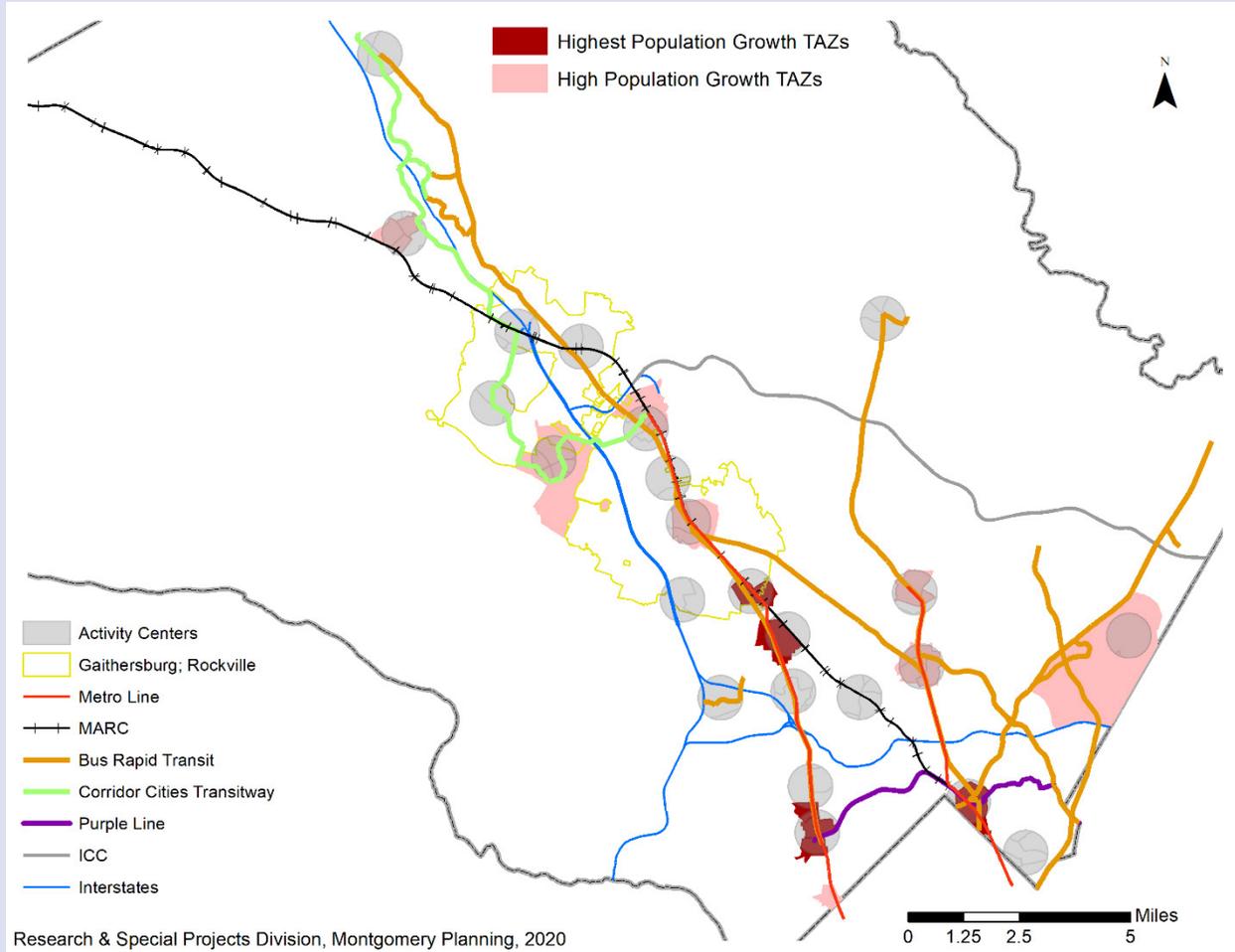
This geographic pattern of expected growth in Activity Centers follows the county’s major transportation and commercial corridors, specifically I-270 and its urbanized or urbanizing central nodes, nearly all of which are in close proximity to major transit facilities. The pattern stems from not only the lack of vacant, developable greenfield land across the county but from master planning that has strategically located capacity for development around current and planned transit. Ten of the

county’s 12 identified population growth hotspots overlap with a designated Activity Center, and seven of the eight job growth hotspots overlap with an Activity Center. Both population and job growth hotspots are defined by their relatively high per-acre growth forecasted at the geographic level of a Transportation Analysis Zone (TAZ).⁴ The maps in Figure 4 and Figure 5 show these population and job growth hotspots, respectively.



4. The forecast is produced for that level of geography for transportation modeling purposes.

Figure 4. Population Growth Hotspots.

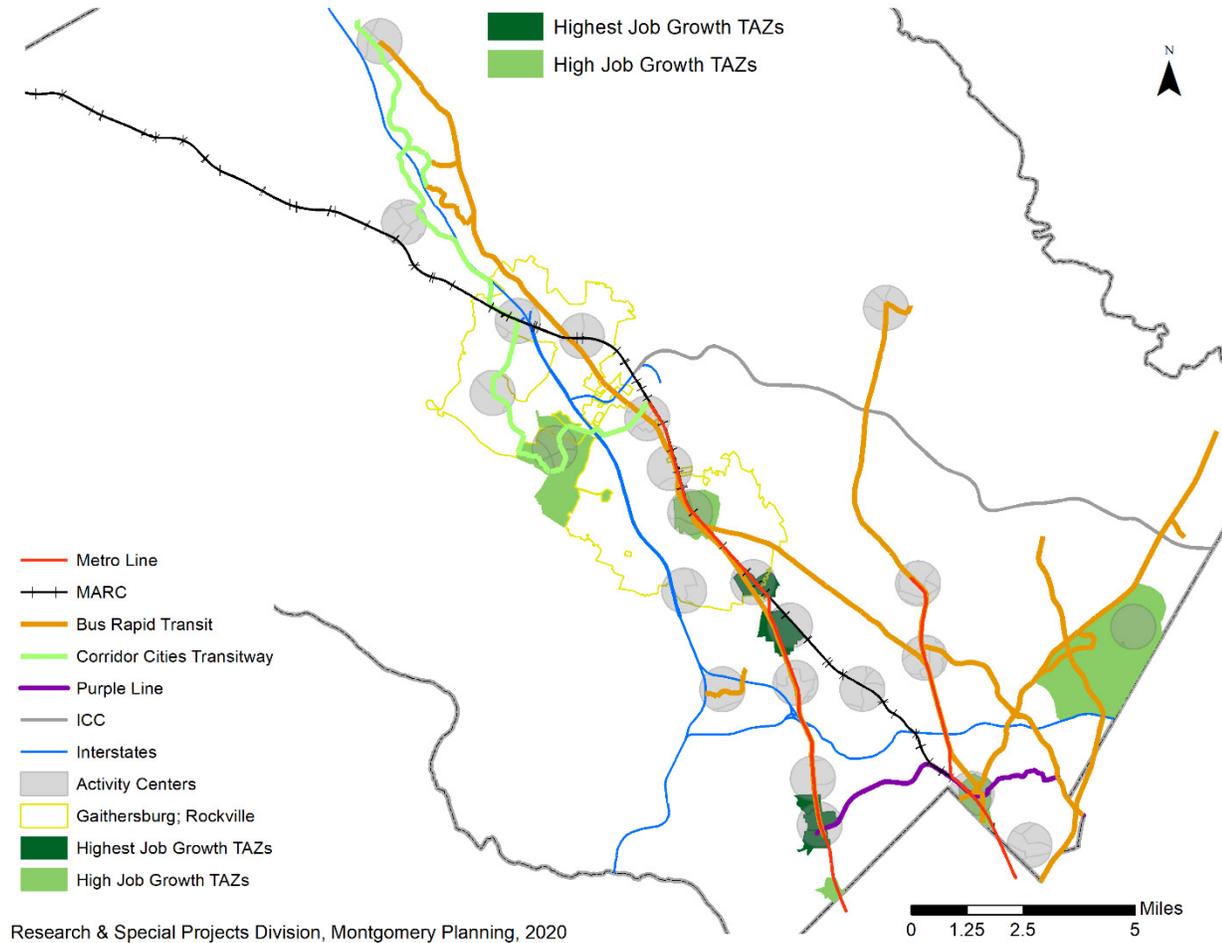


Forecasted Population Growth

While the vast majority of TAZs in the county are forecasted to have growth of fewer than 0.71 persons per acre, relatively high-growth hotspots are those with forecasted population growth above 2.56 persons per acre. The highest-growth population hotspots shown in the map in Figure 4 have forecasted population growth above 18 persons per acre during the 30-year forecast period – a threshold of more than twice the mean, which is just over seven persons per acre (the median is just 1.16 persons per acre). These highest-growth hotspots

are around existing high-capacity transit hubs with commercial centers, including the Metro stations in downtown Bethesda, downtown Silver Spring, White Flint and Twinbrook. The other hotspots surround Metro stations at Friendship Heights and in downtown Rockville, the future U.S. Food and Drug Administration (FDA) campus at White Oak, the western Germantown Activity Center and the Activity Center known as the Research and Development Village west of the Shady Grove Metro station.

Figure 5. Job Growth Hotspots.



Forecasted Job Growth

High job-growth hotspots include TAZs shown in Figure 5 that have forecasted increases above 3.33 jobs per acre over the 30-year forecast period. The very highest growth TAZs identified include those with forecasted increases above 15.1 jobs per acre. The mean forecasted job growth is 4.18 jobs per acre while the median is just 0.9 per acre. The highest-growth hotspots are again around existing high-capacity transit stations with commercial centers, including the Bethesda, White Flint and Twinbrook Metro stations. The other job growth hotspots are the Silver Spring, Friendship Heights, and Rockville Metro stations, as well as at the future FDA campus

at White Oak, and the Activity Center known as the Research and Development Village west of the Shady Grove Metro station.

The forecasted growth hotspots shown above align with the county’s and the region’s long-term planning goal of concentrating new residential and commercial development within Activity Centers served by transit. This transit-oriented planning policy responds to the lack of vacant, developable land in the county, in addition to environmental and economic objectives. For example, recent master plans such as those completed for the White Flint, Shady Grove and downtown Bethesda

areas promote more concentrated development in and around Activity Centers, allowing for more workers and residents per acre. Despite best efforts to plan for efficient development patterns, market forces play a large role in the timing and location of development. As such, the growth forecast does not assume all planned land use will automatically come to fruition or that desired trends will prevail, but instead relies on parameters informed by rigorous data analysis.

Growth Policy Implications

The growth forecast suggests that significant numbers of households and jobs will locate away from Activity Centers and transportation infrastructure even while Activity Centers are forecasted to experience high rates of growth. The following table shows the number of forecasted households and jobs inside and outside Activity Centers by 2045.

Table 4. Forecasted Increases in Households and Jobs Relative to Activity Centers.

Location	2015 Households	2045 Households	Household Increase	2015 Jobs	2045 Jobs	Jobs Increase
Activity Center	119,936	184,760	+64,824	301,716	427,581	+125,865
Not Activity Center	254,864	277,140	+22,276	218,484	251,119	+32,635

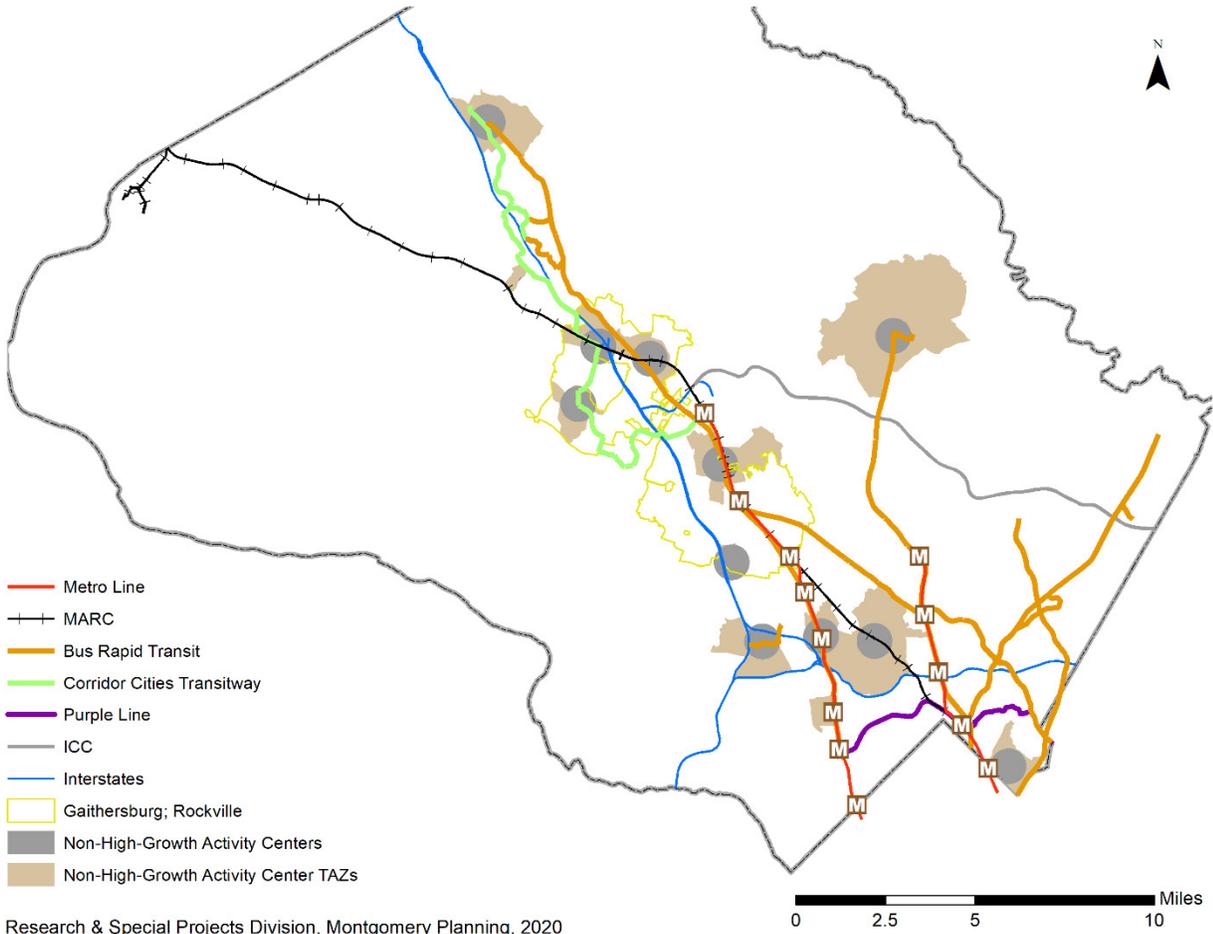
Source: Metropolitan Washington Council of Governments.

Even with 76 percent of the county’s household growth and 80 percent of its job growth forecasted in Activity Centers, tens of thousands of additional households and jobs are forecasted to be away from transit-oriented hubs and town centers. There will still be far more people living and working away from these areas in 30 years, and households away from Activity Centers will still far outnumber those in them.

In addition, certain Activity Centers are not among the forecasted growth hotspots at all, as seen in Figure 6. Most strikingly, two existing Metro station locations are included in this group, owing to their low-density residential surroundings: Takoma Park and Grosvenor. Several town centers are also in this group, but they currently lack high-capacity transit access: Kensington, two Rockville/North Bethesda Activity Centers, multiple City of Gaithersburg Activity Centers, Olney and Clarksburg.



Figure 6. Activity Centers that are not Growth Hotspots.



Research & Special Projects Division, Montgomery Planning, 2020

Over the course of the next 30 years, efficient use of land will continue to be essential to provide the homes and commercial spaces needed to accommodate county residents and workers. County master planning efforts are oriented toward this reality. Although progress towards more transit-oriented growth is evident from the MWCOG Round

9.1 Forecast, the forecast results also reflect likely constraints to creating more mixed-use communities with higher numbers of households and jobs per acre, even in locations where existing or planned transportation infrastructure present the opportunity for it.

Infrastructure Conditions

Transportation Infrastructure

Periodically, the Planning Department releases a Mobility Assessment Report (MAR) that summarizes the trends, data, and analysis results used to track and measure multi-modal transportation mobility conditions in Montgomery County. The purpose of this report is to provide information to residents and public officials regarding the state of the county’s transportation system, showing not only how the system is performing,

but also how it is changing and evolving. The increasing availability of transportation system performance information from both internal and external data sources, coupled with advances in geospatial analytical tools, provides the resources to understand the changing nature of how people are using the county's transportation systems.

The [most recent version of the MAR](#) was released in 2017. This document provides information on an array of topics pertinent to travel in the county, including:

- trends in per capita and total annual vehicle miles traveled;
- measures of vehicular congestion and travel time reliability for different areas of the county;
- metrics related to intersection performance or level of service in different areas of the county;
- identification of the county's most significant intersection bottlenecks;
- concentrations of pedestrian activity;
- measures of bicycle activity and bicycle accessibility; and
- public transportation ridership trends and route coverage.

The next version of the MAR is anticipated to be released in late 2020. This document will build on the transportation system performance information provided in earlier versions of the MAR with a focus on an expanded reporting on observed mobility information pertaining to the major travel corridors within the County.

Public School Facilities

The current SSP defines adequacy for public school facilities from the perspective of facility utilization. Each year, Montgomery Planning receives projected enrollment and capacity data from Montgomery County Public Schools (MCPS) to conduct an Annual

Schools Test that determines whether a school or cluster⁵ will have adequate seat capacity five years in the future. The results, once adopted by the Planning Board in June, indicate which school or cluster service areas will be in residential moratorium (a temporary halt to new residential project approvals in a particular area) for the upcoming fiscal year due to insufficient school capacity.

Student Enrollment

MCPS enrollment has been increasing steadily since the mid-1980s, and the growth pattern has been particularly strong since 2008. According to MCPS,⁶ the enrollment growth in recent years can mainly be attributed to high kindergarten capture rates and entry of students from outside the system. A kindergarten capture rate is the ratio between the number of kindergarten students and the number of babies born to county residents five years earlier. This rate has increased since the 2006 school year, likely due to economic factors and the implementation of all-day kindergarten programs. Entry into MCPS through migration has also continued to exceed withdrawals in the past decade, resulting in annual net increases of enrollment.

The county is now experiencing a period of growth at secondary schools due to the large elementary enrollment increases in the past decade. However, the resident birth rates have been on a downward trend since 2014, and MCPS' enrollment forecast projects that the decline in resident births will result in a decline in the kindergarten population, which in turn will slow the growth of the total enrollment as students age from grade to grade.

Program Capacity

MCPS determines school capacity by the space requirements of educational programs and student-to-classroom ratios, referred to as "program capacity." This measure of capacity differs from state standards, which are based on square footage and classroom ratios. Several educational program

⁵ A school cluster is defined as a high school and all the middle and elementary schools that feed into that high school.

⁶ Montgomery County Public Schools (2019). Superintendent's Recommended FY2021 Capital Budget and the FY 2021-2026 Capital Improvements Program.

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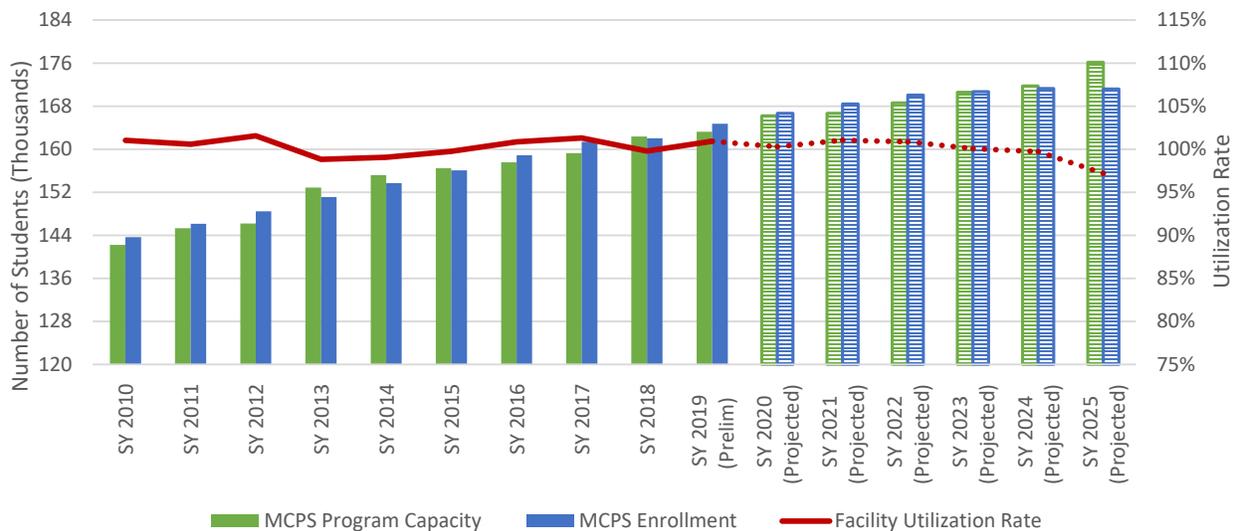
initiatives in the county have necessitated more classroom and support space, including the introduction of full-day kindergarten, expansion of Head Start and pre-kindergarten programs, and the increase of Class Size Reduction schools.⁷

In the 2019-2020 school year, MCPS operated 135 elementary schools, of which 69 are Class Size Reduction schools; 40 middle schools; and 25 high schools. This is an increase of 35 elementary schools, 19 middle schools and 6 high schools since 1983. The newly adopted Capital Improvements Program includes additional school capacity through new school openings, major capital projects and classroom additions at all three school levels over the next six years. However, funding for capital projects has not been sufficient to keep up with enrollment growth, creating a backlog of school capacity projects.

Facility Utilization

Facility utilization measures the program capacity of a school facility in relation to the number of students enrolled in the school. It is calculated by dividing student enrollment by program capacity. Countywide, the utilization rate of all school facilities combined has remained relatively stable. When looking at schools across all levels collectively, as seen in Figure 7, the total program capacity of the county has generally been able to keep up with the increasing enrollment. The collective utilization rate has therefore remained between 98 and 102 percent throughout the past decade.

Figure 7. Countywide School Facility Utilization Trend - All School Levels.



Source: Montgomery County Public Schools, Division of Capital Planning

However, when looking at facilities by each school level, the utilization rates show larger ranges of variability, and patterns that differ between elementary, middle and high school levels. Together, the county’s elementary school facilities had the highest utilization rates in the earlier years of the last decade but have been on a downward trend since 2012. Middle school facilities collectively have had a growing utilization

⁷ Class Size Reduction schools include Title I and focus schools, which have the class sizes in kindergarten through grade 2 reduced to address the needs of schools most heavily affected by poverty and English language deficiency.

rate that remained relatively low. The county’s high school facilities have had a utilization rate above 100 percent since 2017 that has been increasing in a slightly delayed but similar pattern as the middle school level utilization rate.

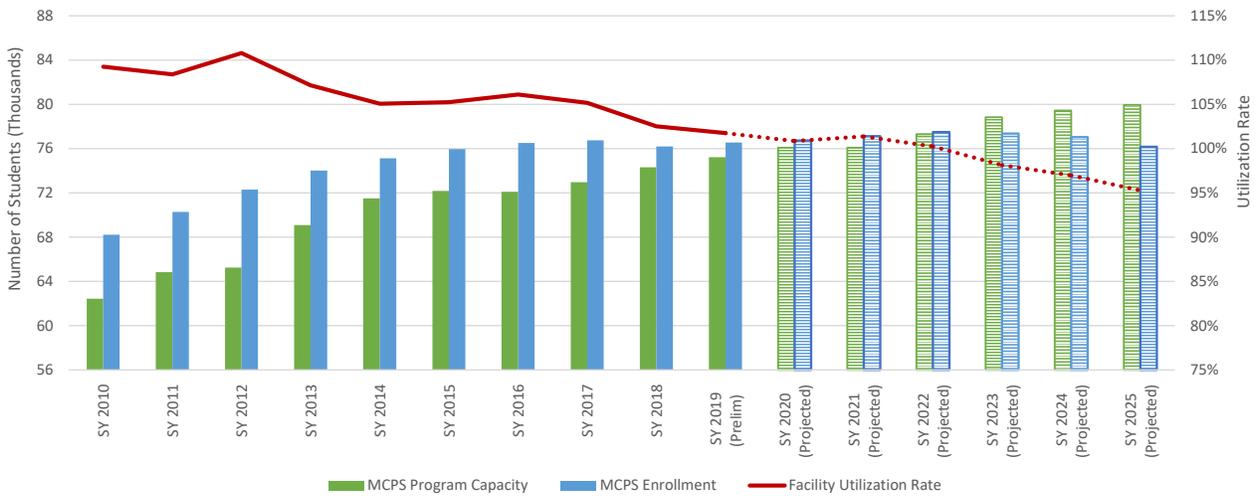
The contrast in utilization rates between facilities becomes more pronounced when looking at schools individually. When considering an efficient utilization range of 80 to 100 percent, and a moderately overutilized range of 100 to 120 percent,⁸ the utilization rates for facilities countywide have stayed within an efficient or moderately overutilized range at each school level. At individual school facilities, utilization rates have varied widely, with some

schools operating at high utilization rates beyond 120 percent and some at below 80 percent.

Elementary Schools

In the early 2010s, elementary schools had high utilization rates as a result of the high kindergarten capture rate and strong enrollment growth patterns. Countywide elementary school utilization reached a peak of 110.8 percent in 2012 and has since been decreasing through a steady increase in capacity. If the enrollment growth continues to slow as forecasted, and capacity additions are completed as planned, the countywide elementary school facility utilization rate is projected to be below 100 percent by the 2025 school year (see Figure 8).

Figure 8. Countywide Elementary School Facility Utilization Trend.



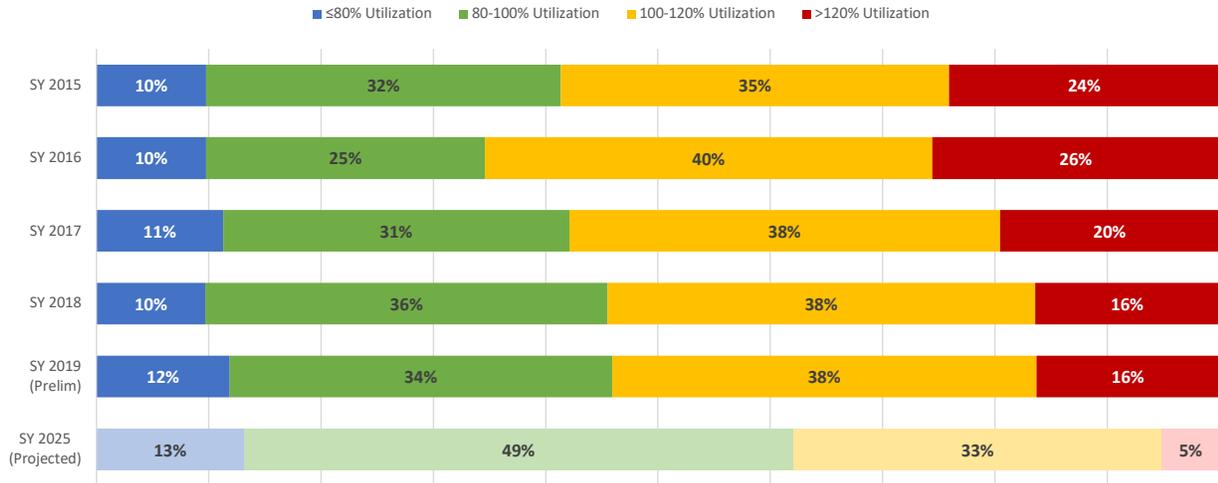
Source: Montgomery County Public Schools, Division of Capital Planning

While the countywide utilization rate of elementary schools has been improving in recent years, there are a considerable number of schools operating at either highly overutilized or underutilized rates. Figure 9 shows a breakdown of the percentage of elementary schools operating at each utilization level. Currently, nearly three quarters of elementary schools are operating within an efficient or moderately overutilized range, and projections show little change in that share. The percentage of elementary schools operating in highly overutilized facilities, which was around a quarter of all schools in 2015, is declining and projected to be at less than 10 percent in the 2025 school year. The percentage of schools operating at underutilized rates, on the other hand, is projected to increase.

⁸ MCPS considers a range of 80 to 100 percent of program capacity to be an efficient facility utilization range within which schools should generally operate. The current SSP, on the other hand, considers a projected facility utilization of 120 percent, when combined with a seat deficit that exceeds a certain threshold, to be inadequate for new development in the absence of a capacity solution planned within the timeframe of the Annual School Test.

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Figure 9. Individual Elementary School Facility Utilization by Range.



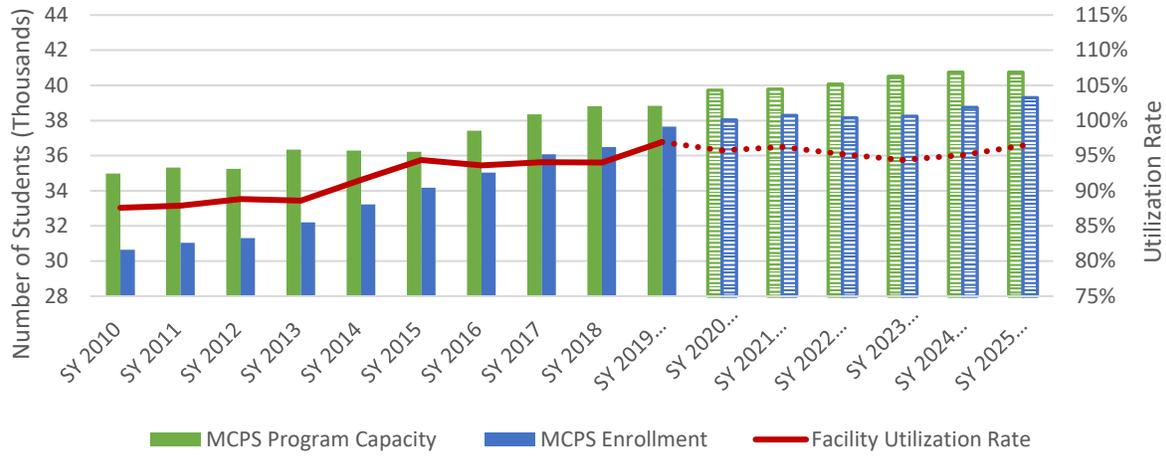
Source: Montgomery County Public Schools, Division of Capital Planning

Middle Schools

As the student population that amplified the elementary school enrollment in the past decade has been progressing from grade to grade, the countywide utilization rate for middle schools has increased. Despite this trend, middle school facilities have the lowest countywide utilization rate of all school levels and the rate is projected to remain within an efficient range through the 2025 school year (see Figure 10).



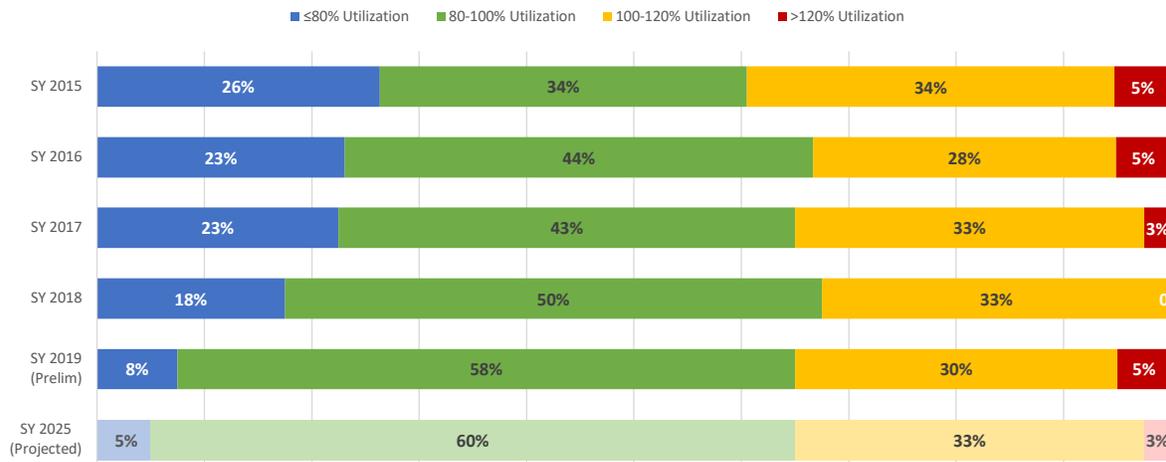
Figure 10. Countywide Middle School Facility Utilization Trend.



Source: Montgomery County Public Schools, Division of Capital Planning

At the middle school level, 88 percent of individual facilities are operating within an efficient or moderately overutilized range. Furthermore, while the countywide middle school utilization rate has seen little to no change since 2015, the percentage of schools operating at an efficient utilization level has continued to increase. In the 2025 school year, 93 percent of middle schools are expected to be within the efficient or moderately overutilized ranges (see Figure 11).

Figure 11. Individual Middle School Facility Utilization by Range.



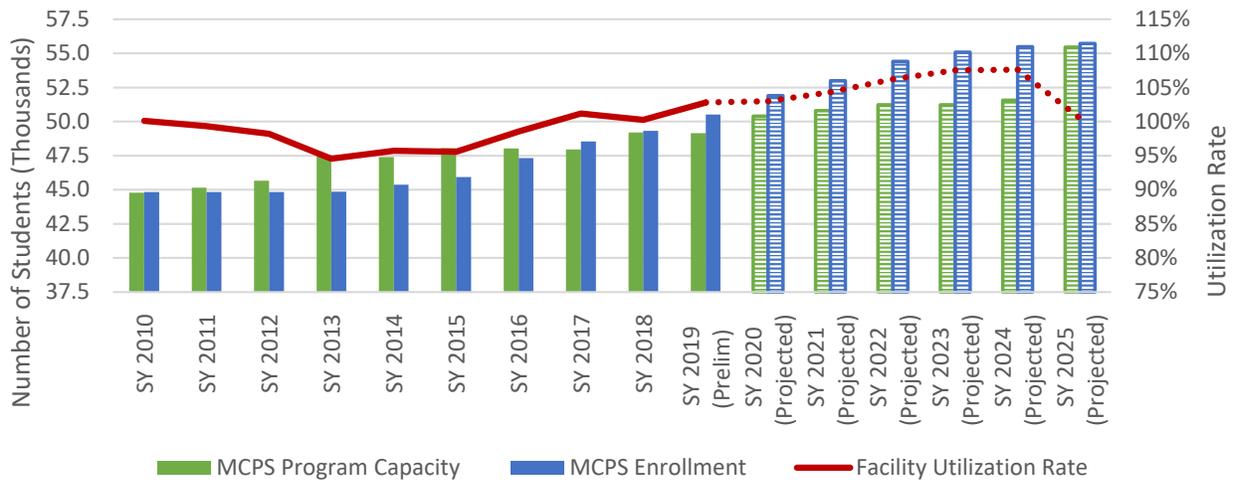
Source: Montgomery County Public Schools, Division of Capital Planning

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High Schools

The countywide high school utilization rate has been on the rise since 2013, reflecting the impact of the surge in elementary student enrollment growth in the 2000s. Several approved capacity solutions are scheduled to be completed within the current capital budget period, but because of delays to a few crucial projects,⁹ the high school utilization rate is projected to increase further by the 2025 school year (see Figure 12).

Figure 12. Countywide High School Facility Utilization Trend.



Source: Montgomery County Public Schools, Division of Capital Planning

Individually, high schools are the most likely to have efficient or moderately overutilized rates. In 2018, all high schools were within this range, with the majority being efficiently utilized. However, 8 percent of high schools were highly overutilized in 2019, and that percentage is expected to increase to 24 percent by the 2025 school year (see Figure 13).

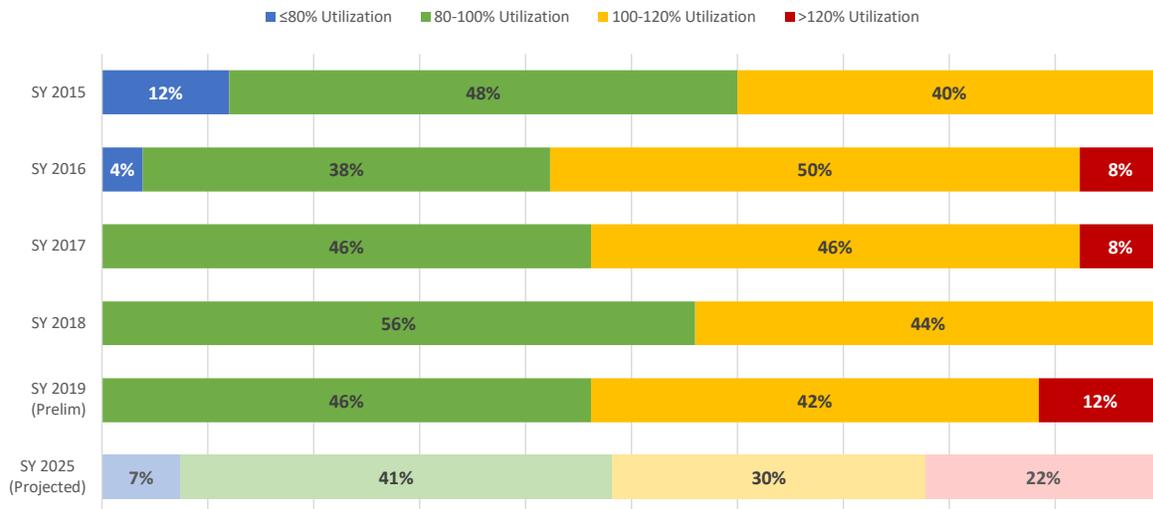
Figure 13. Individual High School Facility Utilization by Range.



⁹ While the capacity increase between SY 2019 and SY 2025 includes the capacity solutions planned for Damascus, John F. Kennedy, Poolesville, Seneca Valley, and Walt Whitman high schools, it does not reflect the addition at Northwood high school nor the reopening of Crown and Charles W. Woodward high schools.

2020-2024 COUNTY GROWTH POLICY: PLANNING BOARD DRAFT

Source: Montgomery County Public Schools, Division of Capital Planning



Water and Sewer Infrastructure

Montgomery County plans and coordinates for water supply and wastewater disposal services through the *Ten-Year Comprehensive Water Supply and Sewerage Systems Plan* (Water and Sewer Plan), which ensures that existing and future water supply and wastewater disposal needs are coordinated in a manner that:

- is timely and cost-effective
- is well integrated with land use planning efforts
- protects the health, safety and welfare of residents, businesses and institutions
- protects the quality of the environmental resources of the county, the state and the Chesapeake Bay region
- helps to improve the quality of the environmental resources of the county, state and region

The Water and Sewer Plan is a functional master plan prepared by the Montgomery County Department of Environmental Protection and adopted by the County Council. The plan, which was last updated in 2018, has a ten-year planning

horizon for providing water and sewer services throughout Montgomery County. As such, it provides an important link between the county's land use and development planning and the actual construction of the water supply and sewerage systems needed to implement that planning effort.

The Water and Sewer Plan establishes policies that support the goals and objectives of the county's current General Plan and its related local area sector and master plans. These policies emphasize:

- the use of public water and sewerage systems along higher-density urban and suburban development areas
- the use of individual, on-site wells, and septic systems throughout lower-density suburban, rural and agricultural areas

The plan's policies are implemented in part by assigning [water and sewer service area categories](#) for all properties within the county. The service area categories:

- designate whether properties are intended to be developed using (and are eligible for) public or private water and sewer service

CHAPTER 2

- provide staging elements or a sequence for planning and providing public water and sewer service

The Water and Sewer Plan provides projections for the future needs of water and sewerage systems, projections which result from land use planning studies, demographic projections, legal mandates and policy requirements. It addresses these needs using a variety of approaches, such as:

- new, expanded or replacement water and sewer facilities, such as transmission mains, pumping stations, storage tanks or treatment plants
- expansion of existing water or sewerage systems, or the use of alternative systems, to address communities experiencing public health problems from failing wells or septic systems
- new or updated programs and service policies that address issues like changes in sanitary service technology, support for new development concepts, and protection from undesired sanitary system expansion or on-site system use

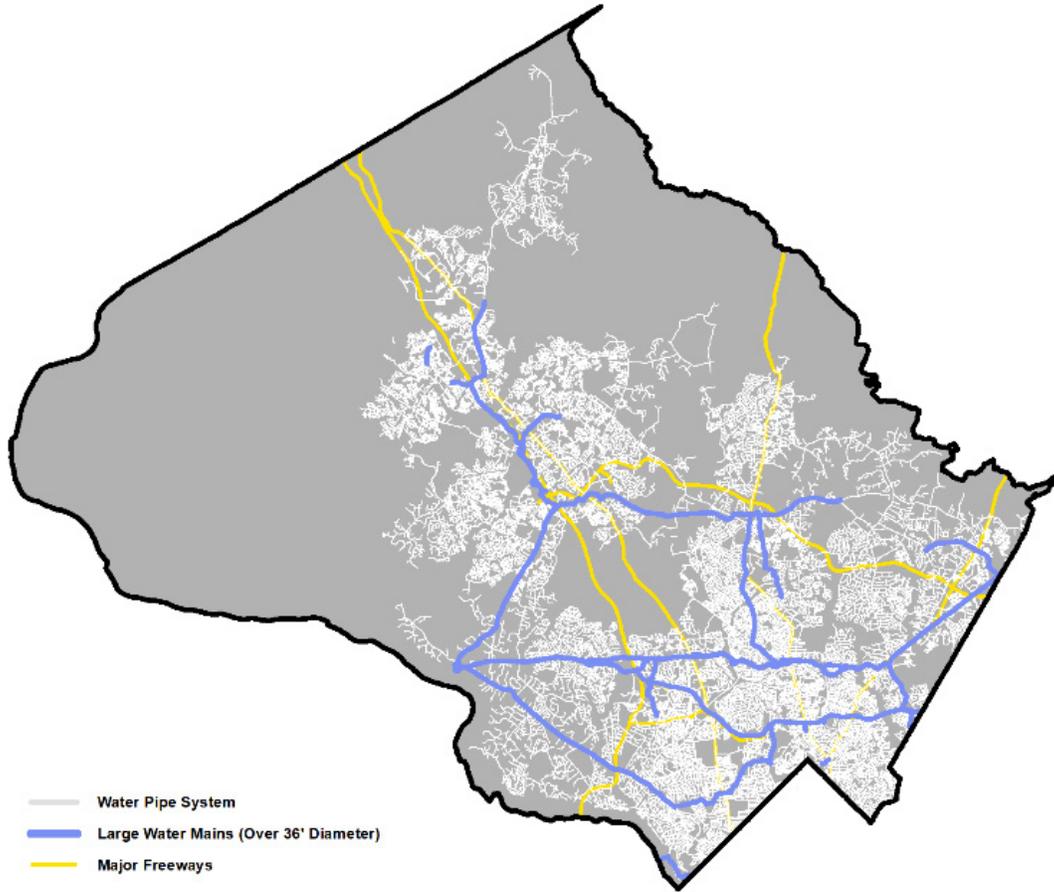
The Washington Suburban Sanitary Commission (WSSC) delivers drinking water from the Potomac and Patuxent Rivers to consumers in Montgomery County. Filtration plants, a series of pumping facilities, transmission mains, and elevated storage

facilities deliver potable water (safe to drink) by gravity. Once this water is used, the sewerage system collects and conveys it to treatment plants within the county, but primarily to the Blue Plains Treatment Facility in the District of Columbia. The system provides for fire suppression and a potable water supply, and treatment of wastewater before it is discharged into our rivers and the Chesapeake Bay. The county's water distribution and sewerage collection system is aging, and maintenance and replacement of this infrastructure is vital for continued adequate public water and sewer service for existing and future development. More than 88 miles of these pipes extend through Montgomery County. Figure 14 and Figure 15 show the county's water pipe and sewer pipe infrastructure, respectively.

Accommodating the county's future growth through redevelopment within existing urban areas presents excellent opportunities for improving and funding water supply and wastewater treatment infrastructure without having to extend water and sewer service beyond the current service area. Redevelopment and infill add water and sewerage services charge-based revenue and users to the existing infrastructure, allowing more funds to be used for system repairs and replacement. If the existing infrastructure in these centers is insufficient to handle the projected increase in development, major improvements may also be part of the redevelopment process.

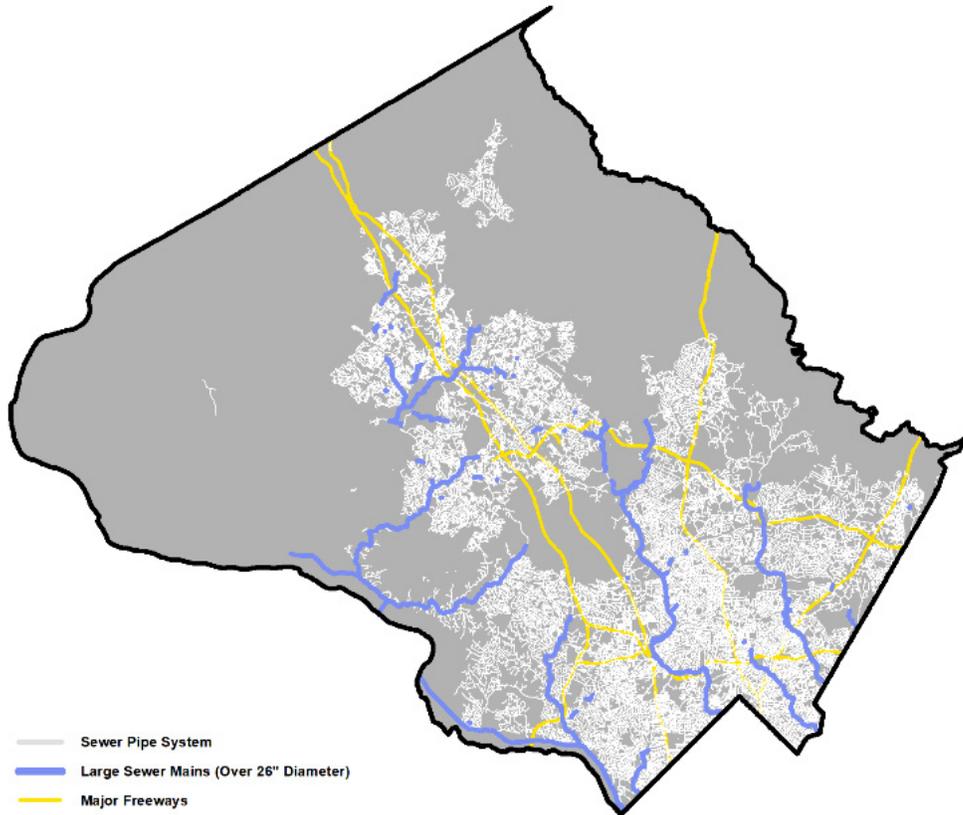


Figure 14. Water Pipe Infrastructure.



Source: Montgomery Planning, 2020.

Figure 15. Sewer Pipe Infrastructure.



Source: Montgomery Planning, 2020.

Parks Infrastructure

With the scarcity of developable land and the increase in density in urban areas, park planning in area master plans has become more critical to creating livable and healthy communities. The recent trend in real estate development in these areas is to replace lower-density residential development or commercial development with higher-density residential and mixed-use buildings where economically feasible and allowed by zoning. The significant increase in density makes parks and

open spaces the “outdoor living rooms” for many of these new communities. Without space for large private backyards, public parks and trails play an increasingly important role in improving public health and promoting social interaction and social equity. Access to urban parks is a critical element of achieving one of the primary county goals: promote community welfare and quality of life.

Cultures and climates differ all over the world, but people are the same. They'll gather in public if you give them a good place for it.
—Jan Gehl, Architect and Urban Designer

A growing population creates increased demand for parks and open space, while also increasing demand for other uses, such as housing. This competition for limited urban land results in a shortage of space to meet the park needs of the expanding urban population. With the increased competition for land, a mix of uses and an integration of infrastructure should occur within the same site. Integrating parks and recreation areas with other services can reduce costs by providing local amenities within walking distance, reducing impervious surfaces and recharging groundwater supply, and removing pollutants from water. Sustainability requires integration of efforts and preventive measures to avoid wasting resources. A level of coordination among different county agencies, including alignment of objectives, development schedules, and dedicated funds will be required.

The heightened focus on parks in our most populated areas resulted in many urban park recommendations in area master plans. In 2018, the Maryland-National Capital Park and Planning Commission approved and adopted the [Energized Public Spaces Functional Master Plan \(EPS Plan\)](#), developed by Montgomery Parks. This plan maps the score of walkable access to recreational and open space amenities and helps prioritize public space needs more equitably countywide. The goal is to provide a balance of public spaces for social gathering, active recreation and contemplative relaxation in the county's densely populated areas. For more information on the methodology and outcomes of this plan—visit Montgomery Parks' [webpage](#) and [interactive storymap](#).

Land acquisition is the greatest challenge for implementing these new urban parks. While we can expect some new urban parkland to be created through the regulatory review process for proposed

development, small properties present a challenge in terms of accommodating development and onsite open space. Even with current and newly proposed zoning to encourage the dedication of parkland through the development review process, some new urban parks will need to be directly purchased with public funds. Urban parkland acquisition can be very challenging as property owners often wish to pursue development to maximize their investment rather than sell at the current market value, resulting in very few willing sellers in urban areas. Limited public funding presents further challenges to acquiring land for urban parks since it tends to be more expensive than in less dense areas.

New zoning tools are sometimes used to facilitate the creation of public parkland in urban areas. For instance, the [Bethesda Downtown Sector Plan](#) includes many proposals for new parks. The Bethesda Overlay Zone, created in connection with the sector plan, includes a funding mechanism tied to new development called the Park Impact Payment (PIP) (see page 12 of the [Bethesda Downtown Implementation Guidelines](#)). The PIP, a per-square-foot fee to compensate for uses that add density above mapped zoning requirements, such as assisted living and daycare facilities, supports the acquisition, design and development of new urban parks identified in the sector plan. Additional requirements in the overall zoning code and the Bethesda Overlay Zone support the creation of privately-owned public spaces through density transfer, open space requirements, and other tools. The creation of similar tools for funding parks acquisitions should be explored in upcoming master plans to create opportunities for new urban development.

In addition to acquiring new parkland, Montgomery Parks must address the capacity of our existing facilities to serve a growing population. Along with sector and master plans, the [EPS plan](#) and specific park studies, the [Parks, Recreation, and Open Space Plan \(PROS\)](#), which is updated every five years, uses data to identify parks and recreation needs and proposes service delivery strategies.

Natural Resource Conditions

Environmental Resources

Climate change is a challenge that must be addressed to secure a healthy and sustainable future for the county. The negative impacts of increasing greenhouse gas emissions and resulting climate change are diverse and far-reaching affecting human, pet, wildlife, and plant health, heat waves, built and natural habitats and ecosystems, storm frequency and intensities, flooding, stormwater runoff and stream erosion, air and water pollution, rising temperatures, urban heat island effects, and droughts. Climate change-related economic impacts are also on the rise due to increased energy costs; infrastructure failure and damage; impacts to outdoor labor, recreation, tourism and food production; and loss of ecosystem services and the value they embody. Disadvantaged communities are disproportionately affected, and all indicators point to this trend continuing. Unless addressed, climate change threatens to undermine the attainment of all other goals and objectives.

Montgomery County is an integral part of the Washington, D.C. metropolitan area and its decisions affect the overall health and sustainability of the region. Meeting and maintaining environmental standards remain ongoing challenges, especially in light of continued growth and accelerating climate change. This is true for water and air quality standards.

As the county continues to develop, environmental health, sustainability and equity are becoming increasingly important factors in deciding how we grow. Currently, environmental issues associated with growth and development are handled through existing planning and regulatory processes. With continued growth, however, clean water and air will continue to increase in importance as vital components of achieving overall sustainability.

As a result, Montgomery Planning's master plan updates and development review efforts pursue ways to optimize the environmental values that

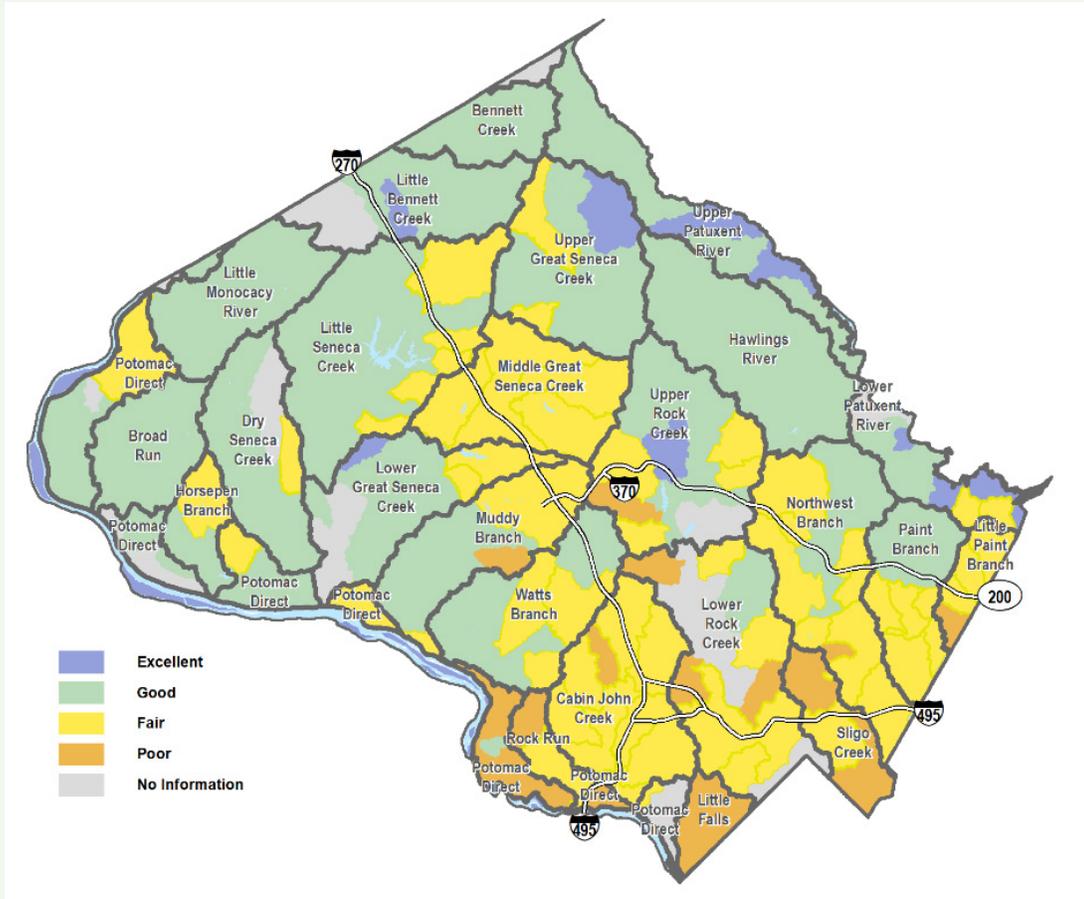
redevelopment and infill development can provide, such as reduced impervious cover and runoff, and increased shading and cooling. The updated General Plan will be an important resource to guide those processes in the future to ensure future development can contribute to environmental sustainability.

Water Quality

The steady decline of stream conditions and water quality in the county are due, in part, to decreased natural vegetated land cover, which provides natural water filtration and pollutant removal, as well as increased impervious surfaces and associated stormwater runoff. A general pattern of declining stream health, as measured by stream biological and habitat indicators, follows the county's pattern of development (see Figure 16). The worst conditions are in areas developed before strict requirements were in place to reduce pollution and runoff.

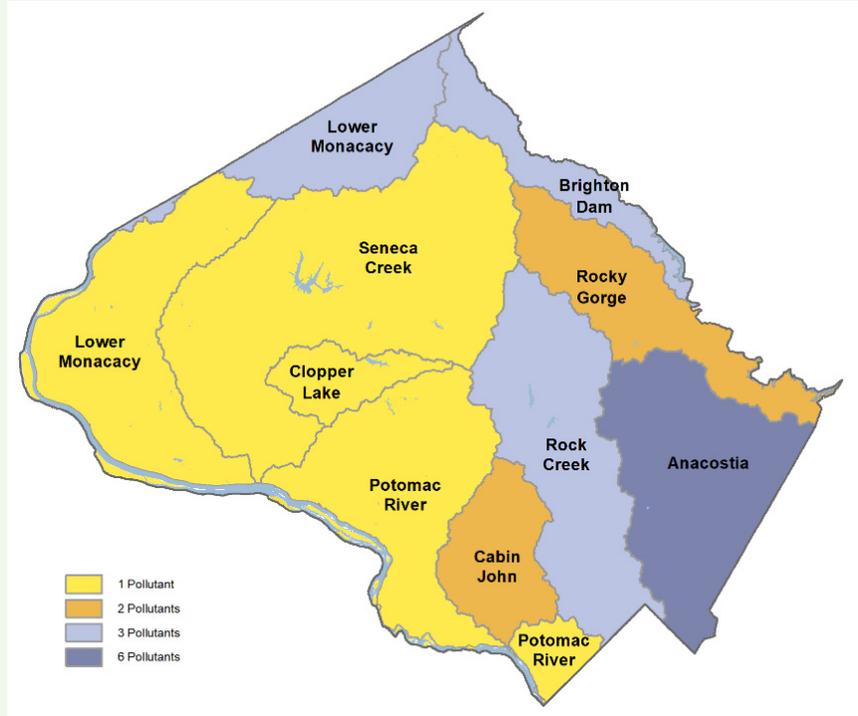
Degraded water quality, as measured by levels of chemical and other pollutants, led to new state and federal regulations to improve degraded streams to meet water quality standards. These requirements are known as Total Maximum Daily Loads—the maximum amount of a pollutant that a water body can receive and still meet water quality standards. Figure 17 shows the number of pollutants that need to be reduced under approved Total Maximum Daily Loads within the major watersheds of the county.

Figure 16. Stream Conditions, 2011-2015.



Source: Montgomery Planning, 2020.

Figure 17. Restricted Pollutants by Watershed, 2018.



Source: Montgomery Planning, 2020.

Jurisdictions throughout the Chesapeake Bay watershed need to make significant commitments and investments to reduce pollutants to meet Total Maximum Daily Load requirements and continue to meet them while the population and employment bases continue to grow.

The federal government regulates storm drains and the pollutants they discharge to waterbodies in local jurisdictions through the Municipal Separate Storm Sewer System (MS4) permit process. The permit conditions apply to the county's urbanized areas draining through county-maintained stormwater conveyances and require the county to develop and maintain watershed and stormwater management programs and plans to meet the permit conditions.

Implementing and updating master plans, stormwater management, development review, and natural area protection, enhancement and restoration efforts are guided by the results of the Montgomery County Department of Environmental Protection (DEP) and Montgomery Parks' monitoring and analyses and MS4 Permit, watershed and Total Maximum Daily Loads implementation plans. Finding ways to mitigate, reduce, and adapt to climate change is increasingly vital to the success of these plans and programs, and to improving water quality throughout the county.

To help reduce the costs of meeting Total Maximum Daily Loads and increase the range of implementation options available to local

jurisdictions, the state is looking at how pollutant trading and growth offset programs might work to counterbalance increased pollution from new development, especially in greenfield areas. Pollution trading is an approach governmental regulatory agencies and private companies use to reduce pollution by providing economic incentives to reduce net pollutant discharges. After Total Maximum Daily Load limits or “caps” are set, groups that foresee exceeding these caps may purchase credits from groups that have not exceeded their discharge levels. Under growth offset programs, additional pollutants resulting from new development are “offset” by a commensurate reduction of the same pollutants elsewhere in the same watershed. Pollution offsets can exist for any kind of polluting materials if an equal and direct benefit can be established. The county, in turn, is considering how it might use these programs to achieve its pollutant control and growth goals.

Since potential for future greenfield development in the county is limited, expected growth is planned to be accommodated mostly through redevelopment and infill (the development of vacant parcels and redevelopment of underused parcels within areas that are already largely developed). Infill development will allow most of the expected increases in population to occur within developed areas that already have transportation, water and sewer infrastructure. Redevelopment affords the potential for socio-economic enhancements as well as environmental improvements over existing conditions. It offers opportunities to improve stormwater management, tree canopy and other green spaces in older developed areas that are environmentally impaired.

Air Quality

As with water quality, continued growth and climate change negatively affects the county’s air quality. Ongoing monitoring tracks the county’s and the region’s compliance with air quality standards. Both the county and the region have not yet attained ground-level ozone air quality standards.

In 2009, the county adopted a *Climate Protection Plan* that specified a number of goals and recommendations. Achieving these goals is more challenging than expected due to accelerating greenhouse gas levels and the complexity and expense involved in reduction efforts. As a result, it is increasingly important to seek new ways to enhance air quality in growth-related decisions.

In December 2017, Montgomery County declared a climate emergency and accelerated goal to be carbon neutral by 2035. In doing so, the county recognized the increasing threat of climate change and, in responding to it, the opportunity to reimagine and enhance our quality of life. Efforts to reduce, mitigate and adapt to climate change will not only improve our air and water quality, but also strengthen our economy, enhance our well-being and develop greater resilience.

In July 2019, Montgomery County launched a planning process to develop prioritized actions and strategies to meet the county’s greenhouse gas emissions reduction goals. The county intends to finalize a *Climate Action and Resilience Plan* by early 2021 that will provide a roadmap to achieve carbon neutrality and will also include recommendations for adapting to a changing climate.

As with water quality, redevelopment provides opportunities to increase local and regional air quality, through:

- improving transit options,
- decreasing vehicle use,
- increasing walkability and bikeability,
- creating more energy-efficient buildings, and
- incorporating green spaces and green buildings as integral parts of communities.

Forest and Urban Tree Canopy

In both local design and large networks of green spaces, forest and tree canopy are essential elements of quality of place and livability. Trees

CHAPTER 2

increase energy efficiency, reduce heat island effect (built up areas that are hotter than nearby rural areas), improve air quality, extend pavement life, enhance pedestrian-vehicular safety, boost real estate values, make retail areas more attractive, absorb water pollution and carbon emissions, and slow stormwater runoff and erosion. Large forested areas provide the additional benefits of ensuring clean and healthy streams and rivers, offering an abundance of recreational opportunities, and maintaining a diversity of natural areas that connect our communities.

While forest and non-forest tree canopy provide critical shading and cooling benefits that help mitigate climate change effects, they are at the same time suffering from those effects and their ability to continue to provide critical benefits is decreasing. This makes it important to both increase forest and non-forest tree canopy, and manage these vital resources to safeguard their health, resilience and adaptability in the face of climate change.

Recent analysis shows forest losses and forest planting have kept the overall forest cover area at around 30 percent of the county's land area. Much of that cover is situated in our parks, along stream valleys, and in rural areas. An additional 20 percent of the county is shaded by non-forest street trees, individual trees and small groves in local parks and on private property. Urban areas, however, continue to experience tree canopy losses and the shading and cooling benefits they provide.

While our combined forest and tree canopy of almost 50 percent is commendable, our urban centers are often a sea of buildings, roads and parking lots with very little tree cover to shade hot pavement, filter air and water, and provide relief to those who live and work in these areas. Redevelopment in traditional centers is an opportunity to improve urban tree canopy, air and water quality, and our quality of life.



Attachment 13.d: County Growth Policy - Planning Board recommended draft (3318 : County Growth Policy)

CHAPTER THREE

POLICY NAME RECOMMENDATION

County Growth Policy

Montgomery County’s Adequate Public Facilities Ordinance (APFO) can be found in [Chapter 50 of the County Code](#), which pertains to the subdivision of land. Section 4.2 outlines the requirements for Planning Board approval of a preliminary plan of subdivision. Among other things, the Board is required to find that “public facilities will be adequate to support and service the area of the subdivision.” Likewise, Section 4.3 further explains that the Planning Board may only approve a preliminary plan when it finds that public facilities, including schools, will be adequate to support and service the subdivision.

Chapter 33A of the County Code lays out the purpose of the Subdivision Staging Policy (SSP) and its relation to the APFO. The SSP provides guidance to the Planning Board and other county agencies for the administration of the APFO. Essentially, the SSP defines infrastructure adequacy and how it is measured.

But Chapter 33A also states that the SSP is “an instrument that facilities [sic] and coordinates the use of the powers of government to limit or encourage growth and development.” Therefore, the SSP and related laws and regulations are intended to be about more than limiting development or ensuring adequate infrastructure. The policy is expected to help guide the county’s growth to desired areas and desired forms. In this way, the SSP truly is the County Growth Policy.



Recommendation 3.1: *Change the name of the Subdivision Staging Policy to the County Growth Policy.*¹⁰

As the county’s growth context continues to change from greenfield development of new subdivisions to infill and redevelopment of existing sites, and with increased recognition of growth’s role in achieving other policy priorities related to housing, sustainability and the economic health of the county and region, the policy must be about more than staging the development of new subdivisions. It must be a tool that helps ensure growth comes in the form, amount and locations we need and desire, including existing built sites that will be redeveloped for new uses. A change in name will better identify the full scope of this policy and make it more understandable, and perhaps more relevant, for all stakeholders.

County Growth Policy

¹⁰ Note: from this point forward in this document, we will refer to the updated Subdivision Staging Policy as the County Growth Policy.



CHAPTER FOUR

SCHOOLS ELEMENT RECOMMENDATIONS

Here are the key objectives of the County Growth Policy¹¹ school elements.

- Shifting the focus of the policy from limiting growth in areas with inadequate school infrastructure, which has had limited effectiveness in addressing school capacity issues, to ensuring the adequacy of school infrastructure to help achieve desired patterns and types of growth.
- Being adaptable to the different growth contexts and desired growth patterns within the county.
- Supporting other county policy priorities, such as attainable housing, economic development, and sustainable growth.

To achieve the policy shift stated above requires an understanding of the county's current growth context and trends as presented in Chapter 2 and several of the appendices to this report. Unlike when the Adequate Public Facilities Ordinance (APFO) was first conceived 50 years ago, new development is generally not the greatest burden on school infrastructure adequacy today. Most of the county is experiencing school enrollment growth due to changing demographics and turnover of existing single-family neighborhoods (that is, families with children buying homes from households without children). Smaller parts of the county with high amounts of development are distinguished by:

- Neighborhoods experiencing redevelopment or infill resulting in multifamily units that do not generate many students on a per unit basis, and

- Neighborhoods still experiencing greenfield development of new single-family units that attract families with school-age children.

These differences suggest that the policy cannot take the form of a one-size-fits-all solution but instead must be adaptable to different growth contexts and desired growth patterns.

Some stakeholders have argued that regardless of the cause of school overcrowding (the primary measure of school infrastructure adequacy), the APFO requires the Planning Board to limit development that imposes any additional burdens on inadequate infrastructure. However, the county can use the County Growth Policy to identify when and where the enrollment burden from new residential development is too great for our schools to bear, and when and where it is not.

This recommended County Growth Policy strikes a balance between multiple county policy priorities, in addition to ensuring the adequacy of our school infrastructure. The policy supports the county's economic growth and helps the county meet future demand for housing attainable to people of all income levels, due to population and job growth, by providing criteria for when and where to allow new residential development. This policy also recognizes that an effective adequate public facilities ordinance cannot allow any and all development to occur without regard to infrastructure adequacy or without requirements to mitigate infrastructure impacts.

To assist in updating the school elements of the policy, Montgomery Planning formed the Schools Technical Advisory Team (STAT). The STAT was composed of a mix of representatives from community organizations and community

members who responded to Montgomery Planning's call for applicants in September 2019. The STAT group met six times during the first five months of the project, with members serving as links between their communities and Montgomery Planning staff to share knowledge of neighborhoods, diverse perspectives and relevant information. During those meetings, Montgomery Planning prepared data including alternate student

generation rates based on neighborhood and parcel attributes that were reviewed with the STAT and used to inform many of the recommendations provided in this update. Graphs highlighting some of these data are provided in Appendix G. Further information about the STAT are included in Appendix J. Additional perspectives pertaining to the schools element of the County Growth Policy and possible ways to address school capacity issues are identified in Appendix F.

School Impact Areas

The current Subdivision Staging Policy (SSP) schools element generally treats all areas of the county the same. There is one set of adequacy standards applied countywide and one set of school impact tax rates based on countywide student generation rates.¹² In some situations, the Planning Board has adopted SSP-related procedures that deviate from a countywide approach. For instance, to estimate the school enrollment impacts of master plans and development applications, Montgomery Planning utilizes regional student generation rates that are based on aggregations of adjacent school clusters. While these regional rates have demonstrated some differences between three regions of the county, some people contend that the regional classifications are arbitrary and less a predictor of a new housing unit's enrollment impacts than the attributes of the unit (type, size, cost, etc.).

For this update, the Montgomery County Planning Board recommends an approach that groups neighborhoods **based on the character of their growth and that growth's impact on schools**. This is in contrast to the current countywide approach as well as the regional approach that groups neighborhoods based on their assignment

to a school cluster and then their proximity to each other. This new context-sensitive approach assembles neighborhoods into School Impact Areas based on the neighborhood's:

- amount of new and planned housing;
- type of new housing (single-family vs. multifamily); and
- amount of school enrollment growth.



Recommendation 4.1: *Classify county neighborhoods into School Impact Areas based on their recent and anticipated growth contexts. Update the classifications with each quadrennial update to the County Growth Policy.*

More information on how Montgomery Planning identified School Impact Areas is included in Appendix H. Ultimately, the analysis identified three School Impact Areas:

¹¹ Note: Consistent with Recommendation 3.1, we will refer to the updated 2020-2024 Subdivision Staging Policy as the County Growth Policy. We will continue to refer to the current policy, last updated in 2016, as the Subdivision Staging Policy, or SSP. neighborhood and dwelling unit characteristics to better understand the drivers of enrollment in the county. A discussion on these rates can be found in Appendix G

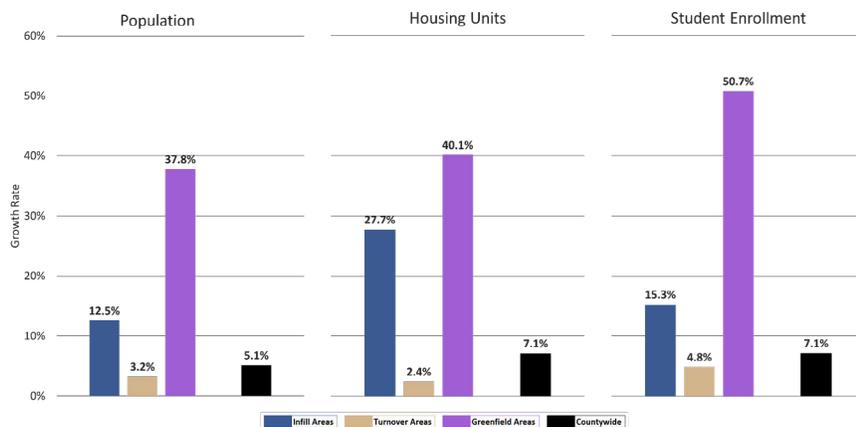
¹² A student generation rate is the average number of public-school students residing in a single dwelling unit of particular characteristics within a particular geography. In addition to calculating rates by different dwelling type (single-family, multifamily, etc.) and geography (school cluster area, regional, countywide, etc.), Montgomery Planning calculates rates by school level (elementary, middle and high school). For this update, student generation rates were calculated by different

CHAPTER 4

1. **Greenfield Impact Areas.** Areas with high enrollment growth due largely to high housing growth that is predominantly single-family units.
2. **Turnover Impact Areas.** Areas with low housing growth where enrollment growth is largely due to turnover of existing single-family units.
3. **Infill Impact Areas.** Areas with high housing growth that is predominantly multifamily units, which generates few students on a per unit basis.

The Greenfield Impact Area makes up 7.2 percent of the county's land area and consists of Clarksburg and its surrounding neighborhoods. Preliminarily, only 3.8 percent of the county's land area falls into the Infill Impact Area, including urban cores downcounty (downtown Silver Spring, Friendship Heights, downtown Bethesda and White Flint), parts of the MD 355 corridor near Rockville, parts of Gaithersburg and areas upcounty near Germantown. Most of the county (88.9 percent of the county's land area), however, is in the Turnover Impact Area.¹³

Figure 18. Population, Housing and Student Growth Rates by School Impact Area, 2013-2018.



Sources: U.S. Census; State Department of Assessments and Taxation; Montgomery County Public Schools.

Figure 18 provides a comparison of the three School Impact Areas with regard to their growth in population, housing units and student enrollment between 2013 and 2018. These data demonstrate the different growth contexts in the county and the need to have County Growth Policy tools that are sensitive to those different contexts. The Infill Impact Area saw the largest increase in housing units, but the smallest increase in students. The growth rates in the Greenfield Impact Area were the highest by far in all three categories. Over the five-year period, student enrollment in this area increased an astounding 50.7 percent. While the Turnover Impact Area demonstrated a healthy increase in all three categories, the fact that the area makes up nearly 90 percent of the land area and contains the vast majority of the county's population, housing units and students, means that the growth rates for this area were substantially lower than those for the other areas. Table 5 provides the raw growth in population, housing units and student enrollment in the three areas.

in students. The growth rates in the Greenfield Impact Area were the highest by far in all three categories. Over the five-year period, student enrollment in this area increased an astounding 50.7 percent. While the Turnover Impact Area demonstrated a healthy increase in all three categories, the fact that the area makes up nearly 90 percent of the land area and contains the vast majority of the county's population, housing units and students, means that the growth rates for this area were substantially lower than those for the other areas. Table 5 provides the raw growth in population, housing units and student enrollment in the three areas.

Table 5. Growth in Population, Housing and Students by School Impact Area, 2013-2018.

	Population	Housing Units	Student Enrollment
Infill Impact Area	+15,634 people	+15,826 units	+2,010 students
Turnover Impact Area	+27,213 people	+7,224 units	+6,263 students
Greenfield Impact Area	+7,812 people	+2,880 units	+2,237 students

Sources: U.S. Census; State Department of Assessments and Taxation; Montgomery County Public Schools.



Recommendation 4.2: *Classify all Red Policy Areas (Metro Station Policy Areas and Purple Line Station Policy Areas) as Infill Impact Areas.*

The Planning Board also recommends classifying all transportation Red Policy Areas as Infill Impact Areas. These include all of the Metro Station Policy Areas (including the new Forest Glen MSPA, as designated in Recommendation 5.16) and all Purple Line Station Policy Areas (including the new Lyttonsville/Woodside and Dale Drive/Manchester Place Policy Areas, as designated in Recommendations 5.18 and 5.19). As the preferred growth in these Red Policy Areas is generally consistent with the type of development seen in the Infill Impact Areas, their designation as such seems appropriate and desirable. Figure 19 maps the location of the three School Impact Areas.

¹³ In Recommendation 4.2, the Planning Board recommends designating all Red Policy Areas as Infill Impact Areas. The data and analysis provided here, showing the distinctions between the three School Impact Areas, are based on the designations prior to reassigning the Red Policy Areas to Infill Impact Areas.

Figure 19. Map of Recommended School Impact Areas.

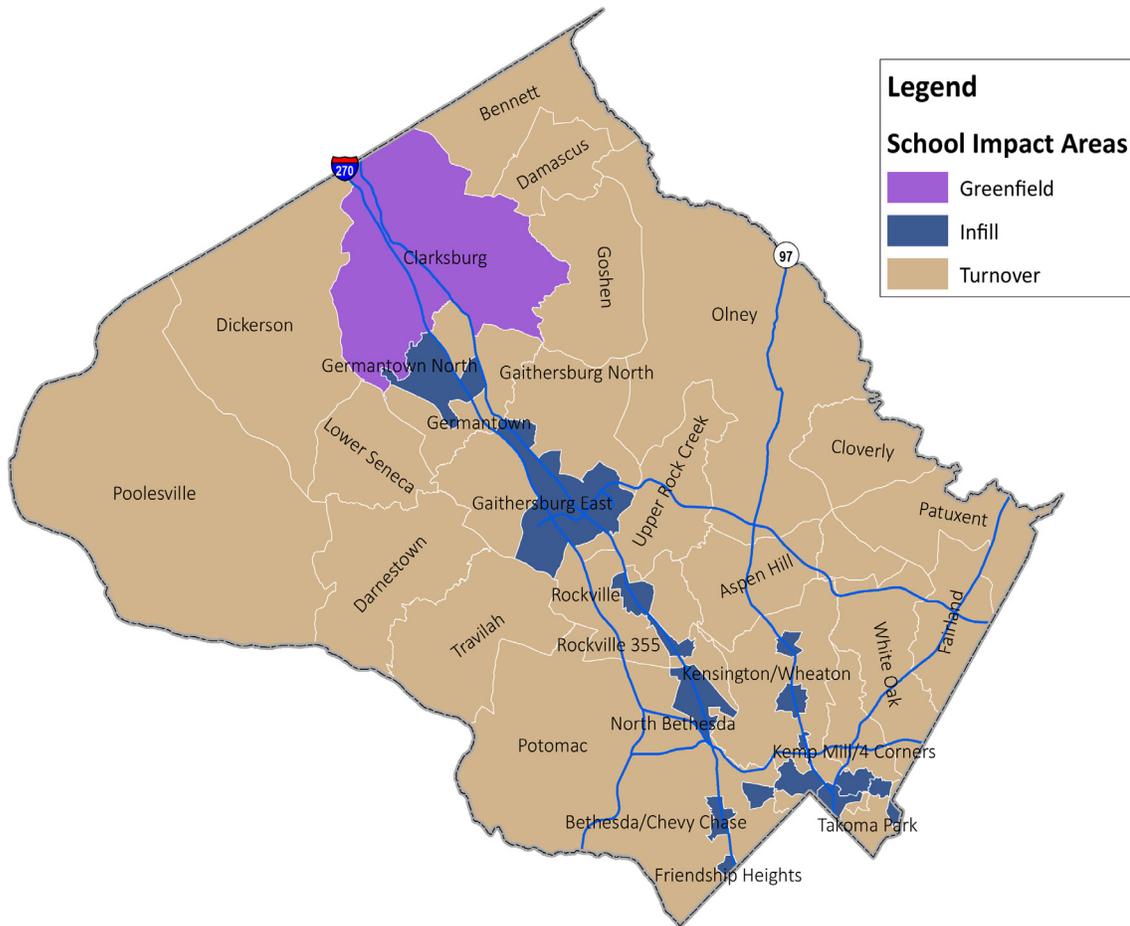
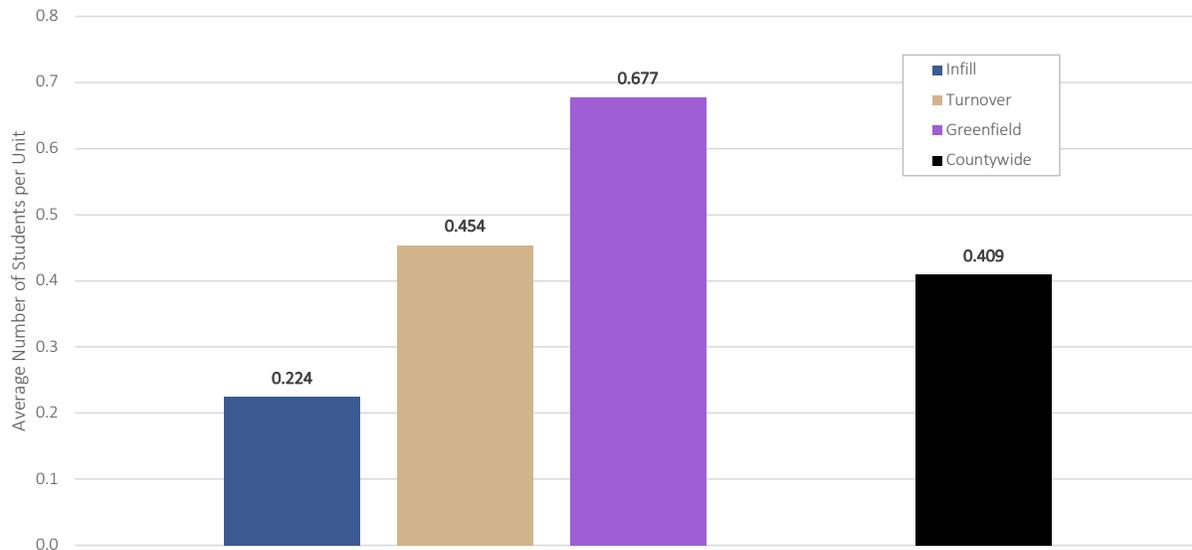


Figure 20 shows the difference in student generation rates for all units by School Impact Area. On a per unit basis, dwelling units in the Turnover Impact Area are generating more than twice as many students as those in the Infill Impact Area. The Greenfield Impact Area dwelling units are generating more than three times as many students as those in the Infill Impact Area.

Figure 20. K-12 Student Generation Rates by School Impact Area, 2019.



In keeping with a move toward a more context-sensitive policy, these three School Impact Areas have implications on how various aspects of the County Growth Policy (including the Annual School Test) and related funding mechanisms

are applied. For example, based on the different growth characteristics seen in each area, one major recommendation is to eliminate moratoria throughout the county, except in the Greenfield Impact Area (see Recommendation 4.9).

Annual School Test and Utilization Report

The current Subdivision Staging Policy (SSP) requires the Planning Board to assess school infrastructure adequacy through the Annual School Test no later than July 1 of each year. The test evaluates projected utilization rates at individual schools and across school clusters. When the test indicates that capacity is an issue, the area in question (an individual school or a school cluster) is placed in a residential development moratorium – a temporary halt to new residential projects in a designated area – to limit continued public school enrollment growth resulting from new housing.

The Annual School Test is currently a two-tier test that evaluates the adequacy of 1) cluster capacity at each school level (elementary, middle and

high school) and 2) capacity at each individual elementary and middle school.¹⁴ The countywide adequacy standards used to evaluate each cluster and school are based on projected utilization rates five years in the future.

- **Cluster Test.** An entire cluster service area is placed in moratorium if any school level (elementary, middle or high) is projected to exceed 120 percent capacity utilization cumulatively across the cluster five years in the future.

¹⁴ Since each cluster is defined by an individual high school, the cluster test at the high school level is the equivalent of an individual high school test.

CHAPTER 4

- **Individual Elementary School Test.** An individual elementary school service area is placed in moratorium if the school's projected utilization (capacity to enrollment ratio) five years in the future exceeds 120 percent and if the school is over capacity by at least 110 students.
- **Individual Middle School Test.** An individual middle school service area is placed in moratorium if the school's projected utilization (capacity to enrollment ratio) five years in the future exceeds 120 percent and if the school is over capacity by at least 180 students.¹⁵

The utilization rates used for the test are based on MCPS enrollment projections released each October. It is generally accepted that enrollment projections are most accurate in the shorter term across larger geographies. MCPS generally does a good job of projecting next year's countywide enrollment. But as the projection timeframe increases and/or the geographic scope of the projection gets smaller (countywide to cluster to individual school) there are many factors that hinder the accuracy of the projections, including unexpected school reassignments due to boundary changes or the relocation of special programs, unanticipated changes to external conditions such as the strength of the economy, unpredicted resident turnover in neighborhoods feeding a specific school and potentially unforeseen residential developments.

As part of the Annual School Test evaluation, staging ceilings are identified for each school and cluster that is not in moratorium. These thresholds identify the number of additional projected students required to trigger a moratorium in the school or cluster service area. It is against these thresholds that a residential development application is compared. If a development application is estimated to generate more students than the staging ceiling would allow, it cannot be approved.

In other words, both the identification of areas requiring residential development moratoria and the Planning Board's ability to approve new development in an area not in moratorium hinge

on projections for enrollment five years in the future that are known to be highly unreliable. In some cases, these determinations are made based on one or two projected students. The Planning Board thinks it is important to generally move away from a reliance on these longer-term projections and a process that assumes such precision and accuracy.

The current SSP language pertaining to the Annual School Test is confusing regarding the impacts of the pipeline of approved residential development on the test. It is unclear whether the test thresholds should change with each development approval so that the test takes into account the estimated enrollment impacts of previously approved development applications. As such, the Planning Board compares each development application to the staging ceilings *as identified in the Annual School Test*, even if another development application was approved earlier in the year that was estimated to generate students at the same schools.

Aside from establishing the adequacy standards and thresholds for residential development moratoria, the current SSP does not outline specific procedures for addressing some of the more complicated aspects of conducting the Annual School Test. These procedures include

- how to distribute enrollment and capacity across multiple clusters when a school feeds into more than one high school cluster,
- how to factor in enrollment relief provided by programmed capacity solutions at other schools, or
- how to adjust planned capacity based on solution (placeholder) projects¹⁶ the County Council includes in the Capital Improvements Program (CIP).

¹⁵ Projected utilization rate is calculated as projected enrollment divided by planned capacity. A projected seat deficit (or surplus) is calculated as planned capacity minus projected enrollment.



Recommendation 4.3: *By January 1, 2021, the Planning Board must adopt a set of Annual School Test Guidelines, which outline the methodologies used to conduct the Annual School Test and to evaluate the enrollment impacts of development applications and master plans.*

[Section 8-32\(c\) of County Code](#) pertains to Planning Board procedures related to review of development applications. Subsection (4) specifically indicates that the “Planning Board may establish procedures to carry out its responsibilities under this Section.” To provide more transparency and formally document the procedures used to conduct the annual school test, Recommendation 4.3 requires the Planning Board to adopt a set of Annual School Test Guidelines.

The guidelines will explain how the test is conducted, including the calculation of any modifications to the planned capacities or projected enrollments published by MCPS resulting from placeholder projects or approved CIP projects at other schools. The data for the Annual School Test come from MCPS enrollment projections and planned capacity included in its annual [Educational Facilities Master Plan](#). Adjustments to a school’s projected enrollment are made for any CIP project at other schools specifically described in their CIP

Project Description Form to relieve overcrowding at the subject school. In cases where the Project Description Form explicitly identifies an estimated number of students to be reassigned from the overcrowded school to the school with the CIP project, the Annual School Test results for these schools will be based on enrollment projections adjusted by the specified number.¹⁷ When the Project Description Form does not explicitly identify the number of students estimated to be reassigned, the Annual School Test results will be based on an assumed balance of projected utilization across all impacted schools in the tested year.¹⁸

The guidelines should also identify which student generation rates are to be used for what purposes. For instance, when estimating a development’s enrollment impact, the Planning Board recommends using School Impact Area student generation rates given that they are predicated on an area’s growth context and the impact of that growth on enrollment.



Recommendation 4.4: *The Annual School Test will be conducted at the individual school level only, for each and every elementary, middle and high school, for the purposes of determining school utilization adequacy.*

¹⁶ Solution projects, or placeholders, are projects added to the CIP by the County Council to provide enough capacity to a school to prevent its service area from entering a moratorium. These projects are described in the CIP as classroom additions, but they are only placeholders for a future solution not yet defined by MCPS. The County Council typically only includes a placeholder in the CIP when the following conditions are met:

- A school or cluster is projected to enter moratorium;
- MCPS is actively studying potential solutions to the enrollment burden at the school or cluster;
- The County Council anticipates that MCPS will implement the ultimate solution within the timeframe of the school test; and,
- There is development pressure in the applicable school or cluster service area.

¹⁷ For example, the Project Description Form for the expansion of Seneca Valley High School opening in September 2020 for many years indicated that there would be “approximately 900 seats available to accommodate[sic] students from Clarksburg and Northwest high schools when the project is complete.” In this case, until a boundary alignment was recommended in October 2019, MCPS made no other assumptions about the number of projected future students that would be reassigned. For purposes of the Annual School Test, Montgomery Planning staff would allocate 900 collectively from Clarksburg and Northwest high schools to Seneca Valley High School.

¹⁸ For example, the Project Description Form for DuFief Elementary School indicates that it is intended to relieve over-enrollment at Rachel Carson Elementary School but does not indicate how many students DuFief is expected to receive from Rachel Carson when the expansion is completed in September 2022. For purposes of the Annual School Test, Montgomery Planning staff assumes that the utilization rates for the two schools will be balanced in the test year. In this case, the two schools are projected to have a cumulative utilization of 95.0 percent in the test year. To achieve that at each school, the test assumes that 389 students

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The 2016 SSP update introduced the individual school test. The individual school test intends to better capture and call attention to the individual school experience.¹⁹ The cluster test, which takes a look at the cumulative utilization of all schools at the same level across a cluster, masks overcrowding at individual schools. Since 2016, we have also seen the opposite occur. In the James H. Blake cluster, a few overcrowded elementary schools pushed the entire cluster, with otherwise fine utilization rates, into a residential development moratorium. If the individual school test was the only test used, parts of the cluster could have remained open to residential development in a part of the county that is yearning, according to local stakeholders, for economic investment.

Removing the cluster test also eliminates the need to complicate the annual school test by splitting a school’s enrollment and capacity between clusters when it articulates to more than one high school. There are currently 21 elementary schools and 14 middle schools that each feed into more than one high school.

For these reasons, the Planning Board recommends eliminating the cluster test and only utilizing the individual school test.



Recommendation 4.5: *The Annual School Test will evaluate projected school utilization three years in the future using the following school utilization adequacy standards:*

School Adequacy Standards		Adequacy Status		
Projected Utilization	Projected Seat Deficit	Greenfield Impact Areas	Turnover Impact Areas	Infill Impact Areas
> 120%	N/A	UP Payment Required	UP Payment Required	UP Payment Required
> 125%	≥ 115 seats for ES ≥ 188 seats for MS N/A for HS	Moratorium		

Test Timeframe: Recommendation 4.5 changes the timeframe of the Annual School Test from five years in the future to three years in the future. The current policy is largely based on the idea that it generally takes about five years before an approved development application results in occupied units adding students to schools. However, that is not always the case. Some projects are completed quicker whereas others take longer than five years. Some are completed in phases over a decade or longer. Some are changed in scope before construction begins and still others never materialize at all.

There are a couple of significant concerns with using the five-year projections for measuring school adequacy.

- First, community members frequently contend that the projects programmed in the out years of the CIP are not guaranteed. Indeed, projects with construction funds originally programmed in the out years are often delayed once or twice before they are completed, due to unforeseen budget circumstances. Among the 61 capacity projects completed in the last 10 years, at least six were delayed one year and at least three were delayed two years. Among the 21 projects currently in progress, five have been delayed

¹⁹ Since 2016, 18 individual school service areas have entered into residential development moratoria. Among these schools, 11 service areas were able to exit their moratorium status after only one year, although one school reentered moratorium three years later. Four school service areas were in moratoria for two consecutive years, and one school service area for three years. Two school service areas have remained in moratoria for all four years

by a year. As further evidence that the out years of the CIP are unpredictable, over the last ten years there have been 14 capacity projects identified to be opened in the out years of the CIP that have been removed from the CIP for various reasons.²⁰ Some have argued that a CIP project should only be “counted” if construction funding is included in the first two years of the CIP, which tends to be more of a guarantee of the project’s completion and added capacity.

- The second, as discussed earlier, is that the five-year projections²¹ for individual schools are the most unreliable of MCPS’ projections. The shorter the timeframe, the more accurate the projections.

School Utilization Adequacy Standards:

Additionally, Recommendation 4.5 modifies the school utilization adequacy standards that exist under the 2016 Subdivision Staging Policy. The Planning Board recommends requiring developers to make Utilization Premium Payments when a school’s projected utilization three years in the future exceeds 120 percent (see Recommendation 4.16 for more information on Utilization Premium Payments). Given the addition of Utilization Premium Payments and the recommendation to use the more reliable projections for three years in the future, the Planning Board further recommends increasing the moratorium utilization threshold to 125 percent. For an elementary school’s service area to enter a moratorium, the school must also

have a projected seat deficit of 115 seats or more to enter a moratorium. For middle schools, the seat deficit threshold is 188 seats or more. As discussed in Recommendation 4.9, the Planning Board recommends only allowing moratoria in Greenfield Impact Areas.



Recommendation 4.6: *The Annual School Test will establish each school service area’s adequacy status for the entirety of the applicable fiscal year.*

The current Subdivision Staging Policy requires the Annual School Test results to report a staging ceiling for each elementary and middle school as well as elementary, middle and high school staging ceilings for each cluster.²² The staging ceiling identifies the number of additional projected students that would trigger a moratorium in the respective school or cluster. It is against these staging ceilings that a residential development application’s enrollment impact is currently evaluated.

Many have argued that the current process places too much emphasis on a false level of precision. The enrollment impacts of a development application

²⁰ Generally, when a project was removed it was because the project was no longer needed either due to planned implementation of another solution or because the enrollment projections had changed. So this is not a problem from the Annual School Test perspective, it just demonstrates that projects planned in the out years of the CIP are far from a guarantee.

²¹ It is also worth noting that these are frequently referred to as the six-year projections. When the projections are released in October, the projections are for six years in the future, but by the time the projections are used in the Annual School Test, which takes effect on July 1, they are for the school year five years in the future.

²² For example, the current SSP utilization adequacy standard for a high school is 120 percent utilization five years in the future, meaning the service area for any high school projected to have a utilization rate beyond 120 percent in the 2025-26 school year would be placed in moratorium. Gaithersburg High School has a planned capacity 2,443 student seats in 2025-26, meaning that a moratorium would be triggered if the projected enrollment was 2,932 students (2,443 multiplied by 120%) or more. MCPS’s 2025-26 enrollment projection for Gaithersburg High School is 2,840 students. Therefore, the staging ceiling for Gaithersburg High School is 92 students (2,932 minus 2,840).

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are based on regional student generation rates that assumes the new project will generate public school students at the average per dwelling unit rate of existing dwelling units in the region. Then those precise numbers (one estimated enrollment impact for each level – elementary, middle and high school) are compared to the staging ceilings that are based on understandably questionable

enrollment projections for five years in the future. With that, a decision is made as to whether or not the application meets the school adequacy standards.

Table 6. School Status Identified in the Annual School

Test.

School Status	Application Implication
Open	The school’s capacity is deemed adequate for new residential development in that given School Impact Area, meaning that an application can be approved.
In Moratorium	The school’s capacity is deemed inadequate for new development in Greenfield Impact Areas, ²³ meaning that an application <u>cannot</u> be approved unless it meets the requirements of a moratorium exception.
Utilization Premium Payments Required	The development is subject to a Utilization Premium Payment (discussed in Recommendation 4.16).

Under Recommendation 4.6, staging ceilings will not be used to evaluate residential development applications. Once a school service area’s status is determined by the Annual School Test, the status will remain in effect for the entire fiscal year (unless the County Council notifies the Planning Board of a material change to the MCPS CIP). That is not to say that a development application will not be reviewed for adequacy. The Annual School Test will report each school’s status for the year as either open, in moratorium or requiring Utilization Premium Payments, for each School Impact Area that applies to the school’s service area. These are explained more fully in Table 6.

generation and development pipeline data to incorporate in its enrollment projections. Because MCPS updates its projections annually and the school test is conducted annually based on the most current MCPS projections, there is ample time for MCPS projections to reflect approved projects in the development pipeline by the time they are expected to impact school enrollments.

Furthermore, a school’s status will not be changed during a fiscal year to reflect the impacts of new approvals in the development pipeline. Montgomery Planning will continue to provide MCPS with student



Recommendation 4.7: *The Annual School Test will include a Utilization Report that will provide a countywide analysis of utilization at each school level.*

Under the updated County Growth Policy, the Annual School Test results will now be accompanied by a school “Utilization Report” each year. The report will be a one-stop resource for data that provide a countywide context to an individual school’s condition.

Impact Areas.

²³ Based on Recommendation 4.9, moratoria will only be applicable in Greenfield

Data reported should include historical and projected:

- countywide utilization rates by school level, and
- share and number of schools at each level that fall into particular utilization categories (up to 80 percent utilized, between 80 and 100 percent utilized, between 100 and 120 percent utilized, and over 120 percent utilized)

The estimated enrollment impacts of future boundary realignments associated with capital projects will be taken into account for this reporting, as they are with the Annual School Test. However, the capacity impacts of any placeholder project will not be counted.

Examples of the type of data to be reported are identified in Table 7, Table 8 and Table 9.



Recommendation 4.8: *The Utilization Report will also provide additional utilization and facility condition information for each school, as available.*

In addition to providing countywide school infrastructure data, the Utilization Report will include data related to the facility conditions and infrastructure adequacy for each individual school.

The information provided will be helpful in preparing master plans and in evaluating development applications. The information would also facilitate discussions between developers and MCPS about potential ways the developers can make improvements to school facility conditions (roof replacements, HVAC system upgrades, etc.).

The information reported for each individual school will include:

- historical and projected enrollment, program capacity, and utilization²⁴
- information pertaining to the core capacity of each school and lunch periods, to the extent possible
- the current number of relocatable (portable) classrooms at the school
- the most current [MCPS Key Facility Indicator](#) data²⁵ and
- a list of the three nearest schools at the same school level along with the distance to the schools.

Figure 21 demonstrates the type of information that could be provided in the Utilization Report for an individual school, like South Lake Elementary School in Gaithersburg.

²⁴ Utilization should include the percent of capacity utilized and the number of students over/under capacity. Additionally, the five-year projections must be adjusted to estimate the impacts of anticipated future boundary changes on enrollment.

²⁵ The Key Facility Indicators provide an assessment conducted by MCPS of a school's major infrastructure elements utilizing scientific measurements against a series of industry standards.

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Table 7. Actual Countywide Enrollment, Capacity and Utilization by School Level, 2019-2020.

2019-20	Enrollment	Program Capacity	Seat Deficit/ Surplus	Utilization
Elementary Schools	76,541	75,228	-1,313	101.7%
Middle Schools	37,649	38,840	+1,191	96.9%
High Schools	50,528	49,147	-1,381	102.8%
All Schools	164,718	163,215	-1,503	100.9%

Source: Montgomery County Public Schools.

Table 8. Projected Countywide Enrollment, Capacity and Utilization by School Level, 2025-2026.

2025-26	Enrollment	Program Capacity	Seat Deficit/ Surplus	Utilization
Elementary Schools	77,511	80,146	+2,635	96.7%
Middle Schools	39,299	40,748	+1,449	96.4%
High Schools	55,725	52,127	-3,598	106.9%
All Schools	172,535	173,021	+486	99.7%

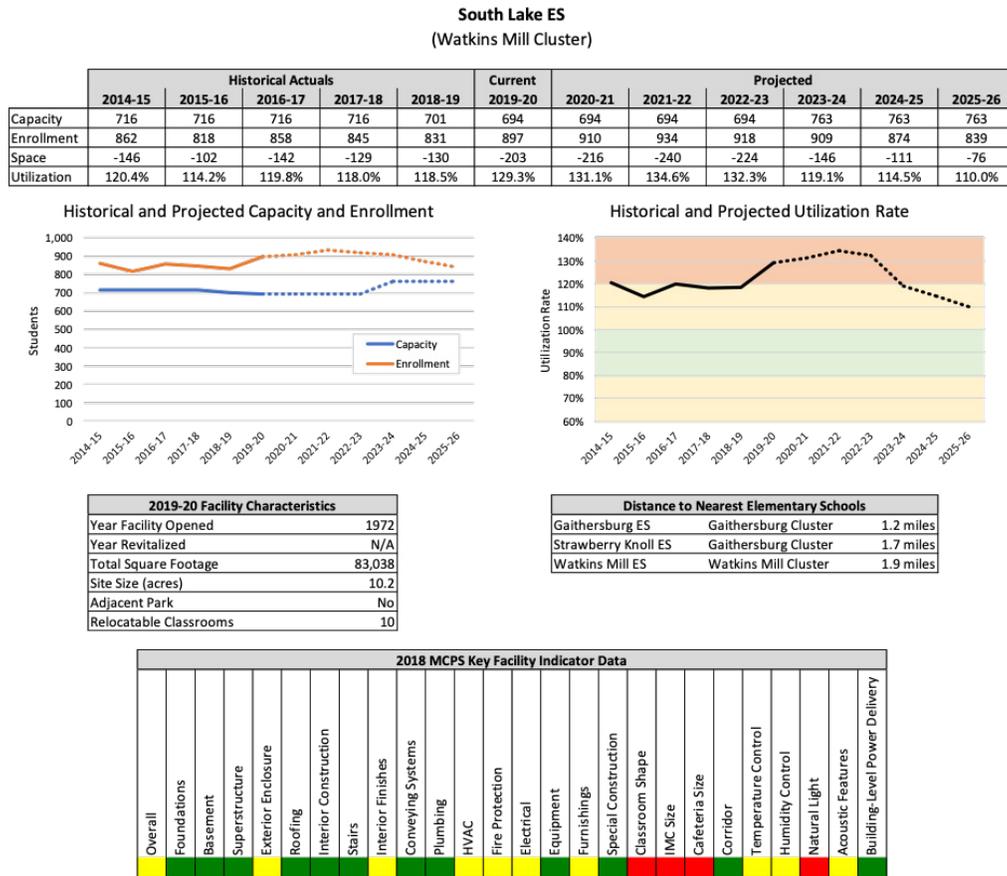
Source: Montgomery County Public Schools.

Table 9. Elementary School Facility Utilization by Range.

ELEMENTARY SCHOOLS	2019-20 Count	Percent of Schools	2025-26 Count	Percent of Schools
≤80% Utilization	16 schools	12%	25 schools	18%
80-100% Utilization	46 schools	34%	52 schools	38%
100-120% Utilization	51 schools	38%	48 schools	35%
>120% Utilization	22 schools	16%	12 schools	9%

Source: Montgomery County Public Schools.

Figure 21. Example of Individual School Data to be Reported in the Utilization Report.



Source: Montgomery County Public Schools.

Residential Development Moratorium

Under the current SSP, when schools reach 120 percent capacity utilization, the affected area goes into a moratorium, which means the Planning Board cannot approve new residential development. A moratorium generally lasts one year, or until school enrollment drops, school boundaries are changed, or additional classroom space is found or created.

During FY2020, 12 percent of the county's total land area was placed in a residential development moratorium as a result. The coverage and impact of this moratorium was considerably higher in the areas of many recently adopted master plans. The areas for the Forest Glen/Montgomery Hills Sector Plan adopted earlier this year, and the Grosvenor-Strathmore Metro Area Minor Master Plan adopted in 2017 were under moratorium. Similarly, the Rock Spring Sector Plan (99 percent of the plan area is in moratorium), the White Flint 2 Sector Plan (77 percent), the Veirs Mill Corridor Master Plan (58 percent), and the Greater Lyttonsville Sector Plan (50 percent) areas were all significantly impacted by the moratoria.

Some community members favor the idea of a moratorium on the premise that even a small number of additional students can be a burden to overutilized facilities and should be curbed. However, it is important to not lose sight of the county's other policy priorities pertaining to filling its housing supply gap, providing attainable housing and supporting sustainable economic growth in order to remove what might amount to a very small source of school enrollment growth.

In preparing the update to this policy, stakeholders raised several other concerns about the Subdivision Staging Policy's use of moratoria, and their particular impact on mixed-use infill development²⁶ that produces multifamily units that generate very few students per unit.

²⁶ Development of vacant parcels and redevelopment of under-used parcels within areas that are already largely developed.

- **Slows the County's Ability to Fill Its Housing Supply Gap.** The county needs an additional 10,000 housing units by 2030 to meet future housing demand from population and job growth. This is beyond the existing 31,000 housing units already forecasted through the most recently completed MWCOG forecast process, Round 9.1. By stopping development in the county's infill areas, the current moratorium policy makes it difficult for the county to fill this housing gap and meet its share of regionwide housing targets. Multifamily residential development, in particular, serves a critical role in fulfilling the county's projected housing demand and achieving housing affordability goals. The recently completed [Housing Needs Assessment](#) Housing Forecast by Type and Tenure suggested that by 2040, more than half of the new housing needed to accommodate new households over the 2020 to 2040 period is projected to be multifamily rental housing.
- **Impacts Housing Affordability.** By restricting the supply of housing in the face of increasing demand for it, the moratoria apply upward pressures on housing prices and threaten the preservation of the county's affordable housing stock. The moratoria also stifle the county's Moderately Priced Dwelling Unit (MPDU) inclusionary housing program, the most successful tool in growing the county's supply of affordable housing, by stopping new residential development projects that would have provided new MPDUs.
- **Hinders Economic Development.** Moratoria directly hinder important aspects of the county's economic health by stopping new mixed-use development with housing that can provide many benefits. The county's residential development helps strengthen the economy by investing in the future of our communities, creating local jobs and increasing the tax base.

Additionally, these infill projects add public amenities, shopping, restaurants and gathering spaces that attract new residents to vibrant, complete communities within the county's urban areas.

- **Prevents Sustainable Growth Patterns.**

By halting development in desired growth areas, moratoria encourage growth elsewhere and prevent sustainable growth patterns. The county's desired growth areas focus on activity centers and connected corridors that provide residents with easy, multimodal access to jobs and amenities. They also foster sustainable growth by preserving our natural resources and utilizing and enhancing existing investments in transportation, water and other public infrastructure.

- **Does Not Solve Overcrowding.** Stopping development does not actually solve overcrowding in the county's schools. A review of recent housing and enrollment growth data revealed that less than 30 percent of the county's enrollment growth can be attributed to new development. In many of the county's single-family neighborhoods, school enrollment continues to increase due to turnover of the existing stock (i.e., single-family homes being sold to families with school-aged children). On the other hand, moratoria limit the collection of school impact tax revenue, which is specifically dedicated to increase school capacity across the county. When the Planning Board stops approving new residential development, it cuts off the future collection of impact taxes.

- **Raises Equity Concerns.** The current moratorium policy also has unintended equity consequences. In general, MCPS does not make its capital improvements decisions based on the county's land use, economic or development priorities. However, pressure from developers and community members along with a desire to strengthen the county's economy often leads the County

Council to fund projects for schools at risk of moratorium in areas where developers are looking to build. Under constrained capital budgets, these decisions frequently and sometimes repeatedly delay projects at other overcrowded schools with substandard facilities located in areas with a lack of development interest. These overlooked schools can often have less-engaged parent advocates and a disproportionate share of high-needs students. But if there was less pressure on MCPS to relieve schools based on the amount of development interest, then more of the funding can be used to equitably ease crowding and improve facilities based on demonstrated need.



Recommendation 4.9: *Moratoria will only apply in Greenfield Impact Areas. The Planning Board cannot approve any preliminary plan of subdivision for residential uses in an area under a moratorium, unless it meets certain exceptions.*

In light of the above, the Planning Board recommends the new County Growth Policy limit the use of residential development moratoria, which are established when the Annual School Test determines that a school's utilization exceeds a particular threshold. Rather than applying moratoria countywide as is currently done, this type of moratoria would apply only to Greenfield Impact Areas. The Greenfield Impact Areas are still experiencing the type of development that originally led to the creation of the Adequate Public Facilities Ordinance in 1973, where the construction of new schools cannot keep pace with rapidly increasing enrollment caused by new development. Between 2013 and 2018, the Greenfield Impact Areas saw a 37.8 percent increase in population, a 40.1 percent increase in housing units, and a 50.7 percent increase in students attending MCPS schools. Figure 18 demonstrates how these growth rates compare to those countywide and in the Turnover and Infill

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Impact Areas and makes the case for continuing to use moratoria in the Greenfield Impact Areas.



Recommendation 4.10: *Exceptions to residential development moratoria will include projects estimated to net fewer than one full student at any school in moratorium, and projects where the residential component consists entirely of senior living units.*

As with the current SSP, the new County Growth Policy should provide a few reasonable exceptions to moratoria. This includes proposed developments (regardless of the number of units) that are estimated to generate fewer than one full student at any school in moratorium, as well as any that only include age-restricted units for seniors 55 and older. The recommended de minimis exception of projects estimated to generate fewer than one full student (on average) *at any school in moratorium* marks a change from the current SSP, which excepts projects of “three units or fewer.” Using the number of students as the threshold rather than the number of units directly connects the exception to the impact on enrollment. It also accounts for both the type

and number of units built and allows projects to be evaluated relative to their impact on the specific schools in moratorium.

The Planning Board considered higher de minimis student generation thresholds, but given that moratoria will only apply to Greenfield Impact Areas, where new development is the leading cause of school overcrowding and school construction cannot keep pace, it is acceptable to limit the moratorium exception to only those projects estimated to generate fewer than one full student, on average. Compared to the SSP’s current de minimis exception of three units or fewer, this new exception is generally more lenient and would allow more residential projects to be approved in a Greenfield Impact Area under moratorium, as long as they are not estimated to generate any new students. Based on the updated student generation rates discussed in more detail in Recommendation 4.13, Table 10 identifies the number of units that can be built in a Greenfield Impact Area before generating (on average) a single student.²⁷

Table 10. Maximum Number of Units Allowed Before Generating a Single Student.

	Maximum Number of Units Allowed Before Generating a Single:		
	ES Student	MS Student	HS Student
Single-family Detached	2 units	5 units	4 units
Single-family Attached	3 units	7 units	6 units
Multifamily	3 units	7 units	6 units

In other words, if a developer would like to build in an area that is in moratorium due to overcrowding at the middle school serving the property, then the developer can receive a waiver from the moratorium if the project is expected to generate fewer than one full middle school student. To achieve this, the developer could build up to five single-family

detached units, or five single-family attached units, or seven multifamily units. If the elementary school was in moratorium, then the number of units allowed would fall to two single-family detached, 3 single-family attached or 3 multifamily units.

²⁷ Current procedure rounds the estimates down to the nearest whole number. For example, four single-family detached units generate 0.824 students (4 units x an average of 0.206 students per unit), which is rounded down to zero.



Recommendation 4.11: *Establish a new exception that allows the Planning Board to approve residential development in an area under a moratorium if a school (at the same level as any school causing the moratorium) is located within 3, 5, or 10 network miles (ES, MS, or HS, respectively) of the proposed subdivision and has a projected utilization less than or equal to 105 percent.*

While the Planning Board supports a modified moratorium policy for the Greenfield Impact Areas, there is concern a moratorium there could curtail future housing opportunities in an area of the county where there is affordable single-family home construction. The Board therefore recommends allowing the approval of a residential development application in an area under moratorium if a nearby school is significantly less utilized. This recommendation is based on a recognition that one way to relieve overcrowding in a school is change the school boundaries and reassign students to another, less crowded school.



Recommendation 4.12: *Eliminate the moratorium exception adopted in 2019 pertaining to projects providing high quantities of deeply affordable housing or projects removing condemned buildings.*

In 2019, the County Council amended the 2016-2020 Subdivision Staging Policy (SSP) to include a new exception to moratoria. The new exception allows the Planning Board to approve an application for residential development in an area under

moratorium if it is estimated to generate 10 students or fewer at any school and either:

- replaces a condemned or previously condemned and vacant structure located within or abutting an Opportunity Zone; or
- produces more than 50 percent of its units as affordable to households earning 60 percent or less of area median income.

When the exception was adopted, it was understood that it would likely be a temporary amendment that would allow for the revitalization of urban infill areas and for the development of large quantities of deeply affordable multifamily housing in areas under moratorium. There was an expectation that the quadrennial update to the SSP would result in a more permanent solution to the obstacles the moratorium creates to building thriving communities with housing for all. The areas of the county that benefit from the 2019 moratorium exception are those recommended to be completely relieved of moratorium under Recommendation 4.9. Under the new County Growth Policy, the moratorium will only be applicable in Greenfield Impact Areas, where new development of single-family homes continues to generate large quantities of students. These are areas where the moratorium remains a valuable tool to prevent the overcrowding of schools. To ensure that the moratorium can be an effective tool in those Greenfield Impact Areas, it does not seem necessary or appropriate to maintain this exception.

Student Generation Rate Calculation

Student generation rates are officially updated effective July 1 of every odd-numbered year based on the most recent school year's enrollment data. Every other year, MCPS provides Montgomery Planning with a dataset that includes the address and grade of every MCPS student. All other personal identifying information is scrubbed from the dataset.

Montgomery Planning maps the address of each student to tie the anonymous student to a parcel of

land, which assigns the student to attributes of that parcel, including the type of residential structure on the parcel. From there, Montgomery Planning calculates student generation rates (the average number of students per dwelling unit) for various geographies, dwelling types and school levels.

For this County Growth Policy update, Montgomery Planning prepared and reviewed with the Schools Technical Advisory Team an assortment of alternate

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student generation rates based on neighborhood and parcel attributes. These data were used to inform many of the recommendations included in this update. Graphs highlighting some of these data are provided in Appendix G.



Recommendation 4.13: *Calculate countywide and School Impact Area student generation rates by analyzing all single-family units and multifamily units built since 1990, without distinguishing multifamily buildings by height.*

Prior to 2016, to calculate student generation rates based on dwelling type, all multifamily units regardless of the year the structure was built were considered, while for single-family units only those built in the last 10 years were considered. In both cases these produced the highest SGRs. In 2016, the units considered for calculating single-family student generation rates changed to include all units regardless of the year built as well, in better reflection of the average number of students generated over the lifetime of the unit. During the research stage of the current policy update, Montgomery Planning found that this reasoning stands for single-family units since they behave in predictable cycles - increasingly generating students when first sold regardless of the age of the home, then decreasing after about 10 years. Meanwhile, multifamily units tend to generate the same number of kids consistently, in large part because most are rental units that experience turnover more frequently.

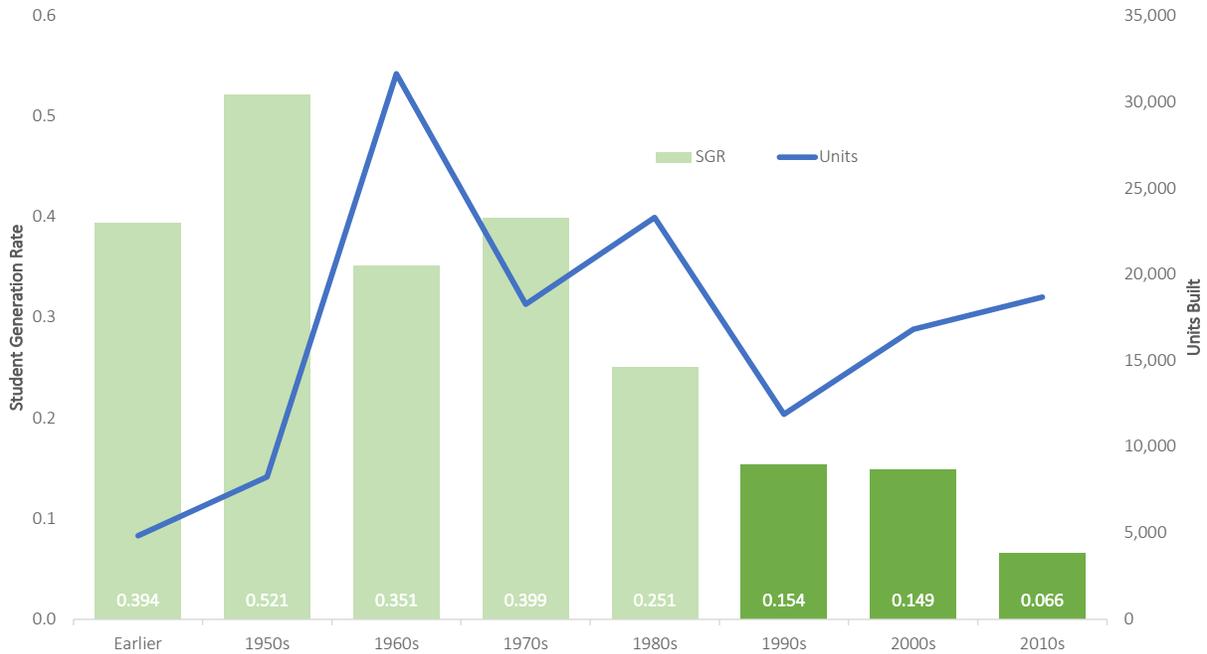
Low-rise/High-rise Distinction: Current student generation rates demonstrate a major difference between low-rise and high-rise housing units, with low-rise (four stories or fewer) generating on average across the county 3.58 times more students per unit than high-rise (five stories or more). Some of our recent generation rate analyses suggest that the distinction between low- and high-rise might be more of a distinction between old and new buildings, with the older multifamily structures tending to have fewer stories and larger units with more bedrooms. Additionally, there are several

methodological complications with separating multifamily into low-rise and high-rise:

- The land use designations in State Department of Assessments and Taxation (SDAT) parcel data are inconsistent and unreliable for multifamily uses and require an extensive amount of correction with each calculation of student generation rates. Also, SDAT is no longer maintaining the land use field.
- The original distinction between low- and high-rise was based on the construction type – less expensive lumber could be used to build four stories or fewer, but not five stories or more. Today, that distinction is blurred as lumber is frequently used to build structures of six stories.
- It is unclear how to classify buildings with multiple heights (four stories on one end of the building and five or more stories on the other end).

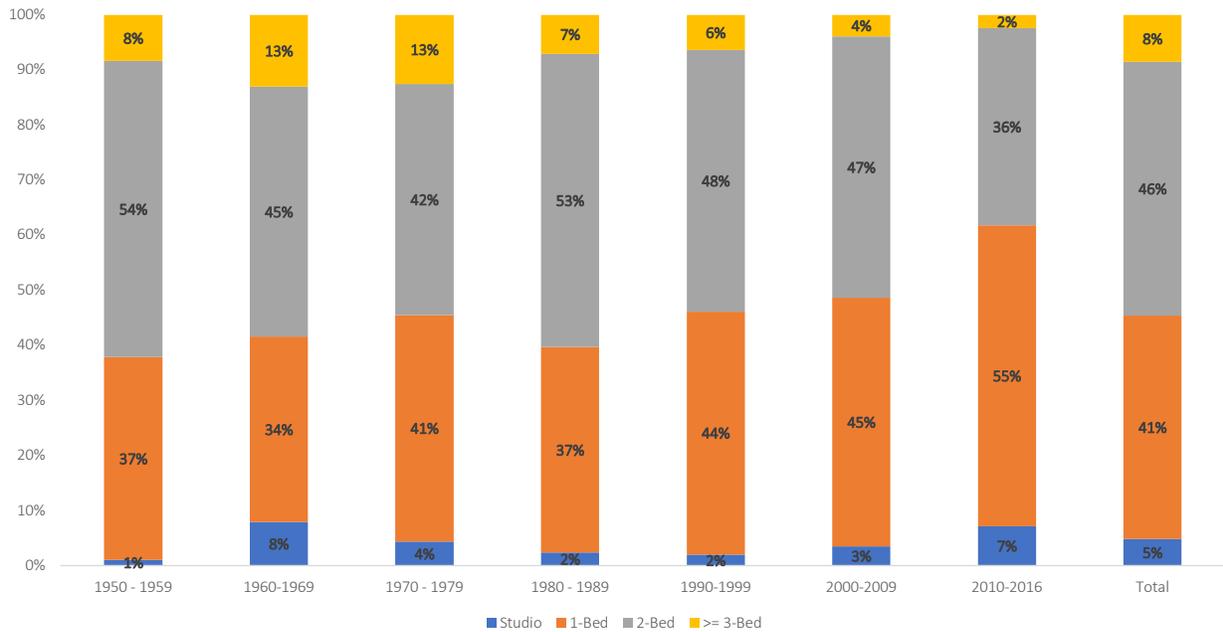
Multifamily Rates: A review of student generation rates by dwelling type and year built clearly indicates that multifamily units built in the last several decades generate students differently than older multifamily units. After running several tests, Montgomery Planning found that the average K through 12 student generation rate for multifamily structures built prior to 1990 was statistically different from the average for structures built in 1990 and later. Likewise, the multifamily student generation rate for structures built in the 1980s was significantly different statistically from the rate for those built in the 1990s and from the rate for multifamily units built since 1990. There was no statistical difference, however, between the average generation rates for multifamily structures built in the 1990s, 2000s and 2010s. The units built in more recent decades tend to have fewer bedrooms and be smaller and more expensive, making them less family oriented. Figure 22 demonstrates the relationship between decade built and student generation from multifamily units. Figure 23 shows the cumulative new housing units delivered since 1950 in multifamily buildings by unit size.

Figure 22. Multifamily Student Generation Rates and Units Built by Decade, 2018.



Sources: Montgomery County Public Schools and Maryland State Department of Assessment and Taxation.

Figure 23. Multifamily Rental Units Built by Unit Size, 1950-2016.



Source: Department of Housing and Community Affairs Rental Facility Survey

Attachment 13.d: County Growth Policy - Planning Board recommended draft (3318 : County Growth Policy)

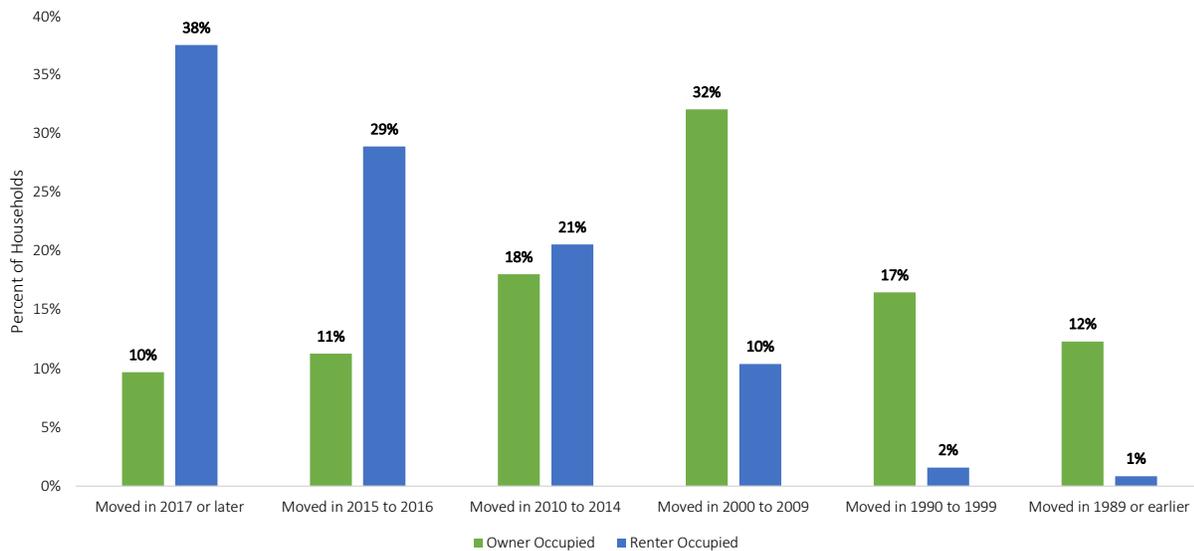
CHAPTER 4

Single-family: For single-family housing units, which are generally owner-occupied units, the relationship between year built and student generation is less clear because single-family homes tend to generate students in cycles based on how recently they were sold, regardless of age. Montgomery Planning analysis of enrollment data revealed that a single-family home is very likely to generate students for the first 10 to 15 years after being sold. Ten years post-sale, the average student generation begins to drop. Fifteen years post-sale, the typical single-family home generates no students for long periods of time until they are sold again. That turnover cycle for single-family homes, however, is long compared to multifamily units. As shown in Figure 24, 61 percent of the households in owner-occupied units, which tend to be single-family homes, have lived in their homes for more than 10 years (moved in 2009 or earlier). This explains why nearly three quarters of the county’s single-family detached homes have no public school students at all, as shown in Figure

25. In contrast, 38 percent of households in renter-occupied units have lived in their units for less than two years. In 2019, approximately 4 percent of the county’s single-family detached units were sold, whereas about 33 percent of the county’s renters move out of their apartments each year.

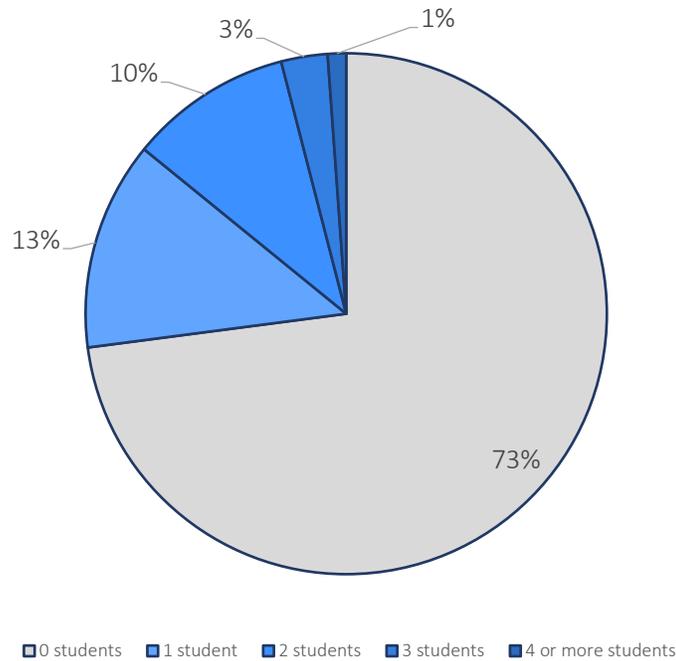
Prior to 2016, student generation rates for single-family units were calculated using only homes that had been built within the last 10 years. Homes built in the last 10 years are also ones that have sold in the last 10 years. As such, using recently built single-family homes excluded every home that last sold more than 10 years ago – homes that are far less likely to be generating students – and therefore resulted in biased rates that were disproportionately high. As a result, the County Council decided in 2016 to use student generation rates that captured the average student generation over the entire life of the home.

Figure 24. Year Householder Moved Into Unit, Owners/Renters.



Source: 2018 One-Year American Community Survey, U.S. Census.

Figure 25. Shares of Single-Family Detached Homes by Number of Students, 2019.



Updated student generation rates: Given the data discussed above, which give a better understanding of how single-family units and multifamily units generate students, Recommendation 4.13 calls for calculating countywide and School Impact Area student generation rates using all single-family units and only multifamily units built since 1990. The recommendation also calls for not distinguishing multifamily buildings by height, based on the increased difficulties this presents methodologically. As a result, Table 11 identifies the updated student generation rates, calculated by Montgomery Planning using 2019 enrollment and parcel data.



Table 11. 2019 Student Generation Rate Countywide and by School Impact Area.

		Student Generation Rates			
		ES	MS	HS	K-12
Countywide	Single-Family Detached	0.198	0.111	0.155	0.464
	Single-Family Attached	0.222	0.115	0.151	0.487
	Multifamily (Since 1990)	0.066	0.030	0.036	0.133
Infill Impact Areas	Single-Family Detached	0.190	0.096	0.133	0.419
	Single-Family Attached	0.171	0.086	0.112	0.369
	Multifamily (Since 1990)	0.050	0.020	0.024	0.093
Turnover Impact Areas	Single-Family Detached	0.193	0.109	0.155	0.457
	Single-Family Attached	0.229	0.120	0.160	0.510
	Multifamily (Since 1990)	0.097	0.050	0.060	0.208
Greenfield Impact Areas	Single-Family Detached	0.336	0.181	0.206	0.724
	Single-Family Attached	0.318	0.141	0.158	0.618
	Multifamily (Since 1990)	0.253	0.131	0.149	0.532

Development Application Review



Recommendation 4.14: Amend Chapter 50, Article II, Section 4.3.J.7. of the County Code to require a development application to be retested for school infrastructure adequacy when an applicant requests an extension of their Adequate Public Facilities validity period.

County Code currently limits the validity of an approved preliminary plan for a development's adequate public facilities (APF) approval to "no less than 5 and no more than 10 years after the preliminary plan is approved, as determined by the Board when it approved the plan."²⁸ If the applicant requests an extension of the APF validity period, County Code requires that the applicant demonstrate it has secured financing and met other markers indicating that project is moving forward. It also allows the Planning Board to require the applicant to submit an updated traffic study "to demonstrate how the extension would not be averse to the public interest."²⁹

²⁸ Montgomery County Code, Chapter 50. Section 4.3.J.5.

²⁹ Montgomery County Code, Chapter 50. Section 4.3.J.7.

Recognizing that school conditions and school tests also change over time, this recommended amendment to the County Code would require an updated schools APF determination for any remaining unbuilt residential units utilizing the school infrastructure adequacy test in place at the time of the Planning Board's review of the extension request.



Recommendation 4.15: Require MCPS to designate a representative to the Development Review Committee to better tie the development review process with school facility planning. Ensure this representative has appropriate authority to represent MCPS's official positions.

The Development Review Committee is established in County Code as a committee consisting of Montgomery Planning staff and representatives from utility companies and federal, state, county and municipal agencies. The committee's responsibility is to meet with development

applicants to review their application for regulatory conformance, reconcile conflicting requirements and generally facilitate agency review of the application. establishes the Development Review Committee and [Chapter 50, Article II, Section 4.2](#) identifies the reviewing agencies that serve on the committee. MCPS is currently identified as a reviewing agency that receives copies of all development applications. This recommendation would compel MCPS to provide a representative to serve on the Development Review Committee and provide comments when pertinent (i.e., on all

applications proposing residential development). MCPS's participation on the committee will benefit both MCPS and Montgomery Planning by fostering better understanding of school conditions, a development's potential impact on schools and any potential solutions. It will also afford the development applicant an opportunity during the development review process to negotiate with MCPS the terms of any potential land dedication, school construction or facility improvement to be performed by the applicant.

Utilization Premium Payments

Montgomery County must find ways to encourage economic development and desired growth patterns while solving overcapacity issues in schools. Chapter 6 includes recommendations related to impact taxes, which are paid per unit by developers to offset the enrollment impacts of new development, and the recordation tax, which is paid by homebuyers and can be used to mitigate the enrollment impacts of housing turnover. Currently, developers pay school impact taxes on all new residential development, whether or not the schools in the area of development are over capacity. The school impact tax helps pay for the construction or expansion of school facilities across the entire county and is calculated to cover 120 percent of the cost of each additional student seat a new housing unit generates. The school impact tax recommendations in Chapter 6 generally make the taxes lower and more context-sensitive based on the School Impact Areas.

Additionally, Recommendation 4.9 limits moratoria to Greenfield Impact Areas only. While this recognizes the unique context of those areas it also acknowledges that there is limited new development in Turnover Impact Areas and the type of development in the Infill Impact Areas has a limited per unit impact on enrollment. That is not to say that new development in these areas has no impact on enrollment. Enrollment in the Infill Impact Areas increased 15.3 percent between 2013 and 2018

and some of the schools serving those areas are overcrowded.

To help ensure the needed school construction funds, the Planning Board recommends shifting the developer impact burden to those areas with the most significant school capacity issues by introducing Utilization Premium Payments. The Utilization Premium Payments will be collected at the same time as impact taxes—when a developer applies for a building permit.



Recommendation 4.16: *Require applicants to pay Utilization Premium Payments when a school's projected utilization three years in the future exceeds 120 percent.*

With Utilization Premium Payments, if the schools serving a residential development project are overcapacity, the developer will be required as a condition of preliminary plan approval to pay more for further burdening the schools and to help provide the necessary school infrastructure. The payments would be made by the developer when it applies for a building permit, based on the payments required as indicated in the Annual School Test in effect at that time. If multiple schools serving the project site exceed the given threshold then payments are required for each.

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Table 12. Utilization Premium Payment Calculation Factors.

School Level	Payment Factor
Elementary School	25% of the standard impact tax for the School Impact Area and dwelling type
Middle School	15% of the standard impact tax for the School Impact Area and dwelling type
High School	20% of the standard impact tax for the School Impact Area and dwelling type

The Utilization Premium Payments will be calculated as a percentage of the applicable standard impact tax rates, as shown in Table 12. The factors vary by school level to reflect the relative impact housing units have on student enrollment at each level. Table 13 identifies the Utilization Premium Payment rates by School Impact Area, school level and dwelling type.

Table 13. Proposed Utilization Premium Payment Amounts by School Impact Area, School Level and Unit Type.

		Single-family Detached	Single-family Attached	Multifamily
Infill Impact Areas	Elementary School	\$4,927	\$4,328	\$1,093
	Middle School	\$2,956	\$2,597	\$656
	High School	\$3,941	\$3,462	\$874
Turnover Impact Areas	Elementary School	\$5,396	\$5,982	\$2,422
	Middle School	\$3,237	\$3,589	\$1,453
	High School	\$4,316	\$4,786	\$1,938
Greenfield Impact Areas	Elementary School	\$8,452	\$7,173	\$6,225
	Middle School	\$5,071	\$4,304	\$3,735
	High School	\$6,762	\$5,738	\$4,980

The Utilization Premium Payment amounts will be updated every two years, effective July 1 of each odd numbered year, when the standard impact tax rates are updated using the most current enrollment and school construction cost data from MCPS.

The only exemptions from the Utilization Premium Payments would be:

- legacy development projects that received their approvals prior to adoption of the County Growth Policy and therefore without the Utilization Premium Payment condition of approval, and
- MPDUs (and other affordable units).



CHAPTER FIVE

TRANSPORTATION ELEMENT RECOMMENDATIONS

Here are the key objectives of the County Growth Policy³⁰ transportation elements.

- Prioritizing human life over mobility and other objectives of the road system. The road system should be safe for all users, for all modes of transportation, and in every community.
- Recognizing that the county's communities span a variety of land use environments with a continuum of place-types across urban, suburban and rural areas, and the county's area master plans, zoning and other supporting policies reflect the varied expectations in each environment for ease of travel by foot, bike, transit or car.
- Ensuring that both private sector development and public sector transportation infrastructure proceed in a coordinated fashion to achieve the master plan vision.
- Incentivizing development attributes that improve the efficiency of the planned transportation infrastructure through the management of travel demand³¹ and parking supply.

Traffic is understandably a concern for people who live, work and play in Montgomery County. However, the solution isn't halting development. If we do not allow development in the county, people will move, and businesses will build and develop outside of Montgomery County. With these moves, they'll take their talent and contributions to the community –

and their jobs and tax dollars – elsewhere.

Increased traffic is a byproduct of having great things in our community. When everyone wants to be here, naturally roads get more congested. This is one of the reasons the County Growth Policy is so important. It provides guideposts for planning smarter with needed transportation infrastructure and diverse transportation options. But as the county's development patterns shift, we must ensure that the transportation tests we use to ensure a balance between proposed new development and transportation infrastructure shift to reflect these new realities.

The County Growth Policy plays a large role in offering better transportation options and mitigating increased traffic. The policy's transportation elements serve a single purpose: ensuring that new residential and commercial development provides adequate public infrastructure facilities in an appropriate manner and to an appropriate extent. The policy is the process by which the county defines the term "adequacy" for transportation infrastructure and by which it defines the nexus between development and transportation adequacy. In particular, the County Growth Policy defines the processes for assessing how the travel demand generated by new development contributes to the need for, and the provision of, transportation facilities and services that are explicitly defined in master plans or consistent with those plans.

³⁰ Note: Consistent with Recommendation 3.1, we will refer to the updated 2020-2024 Subdivision Staging Policy as the County Growth Policy. We will continue to refer to the current policy, last updated in 2016, as the Subdivision Staging Policy, or SSP.

³¹ Trips resulting from new residential and/or commercial development.

Currently, there are three means by which the development approval process affects the provision of transportation capacity, described below from the broadest to the narrowest focus.

- The Transportation Impact Tax assesses the degree to which all development contributes to funding the provision of significant master-planned transportation projects that the county is responsible for constructing. The impact tax, governed by Section 52 of the County Code, is not technically part of the County Growth Policy, but it is integral to the consideration of transportation impacts. This document recommends changes to the impact tax to be implemented concurrently with the County Growth Policy recommendations.
- The Local Area Transportation Review (LATR) process assesses the degree to which transportation conditions in the immediate vicinity of the development site are adequate, the extent of which is determined by the size of the project. The LATR is a set of transportation adequacy tests (applied to motor vehicle, transit, bike and pedestrian travel) for determining new development impacts on travel demand and intersection performance for local roads near the proposed development site. These tests are used to determine whether an area can support new development. If it cannot support new development, the LATR process determines what transportation facilities must be in place for new development to move forward or what traffic mitigation payment must be made toward areawide transportation needs.
- Finally, many site development approval conditions related to transportation are derived from other elements of the regulatory process, notably site layout design, mode

access and internal travel circulation features, and are based on design standards that are independent of the County Growth Policy.

The Subdivision Staging Policy features multiple tools and measurements to determine if transportation infrastructure is adequate to support future development. It does this by analyzing current and future travel conditions; this analysis also informs how to create future land use and transportation balance in master plans. In addition, the SSP should align (to the extent possible) with other high priority county policies and initiatives – such as Vision Zero. Currently, the SSP relies on the application of: (1) the multimodal Local Area Transportation Review (LATR) process and Unified Mobility Programs (UMPs)³² for the evaluation of transportation adequacy for subdivision applications and (2) the motor vehicle transportation adequacy test for the evaluation of master plans.

To assist in updating the transportation elements of the policy, Montgomery Planning formed the Transportation Impact Study Technical Working Group (TISTWG). The TISTWG consists of key stakeholders, including staff representing the Montgomery Planning, Montgomery County Department of Transportation (MCDOT), Maryland State Highway Administration (MDSHA) and representatives of civic groups and the private development community. The TISTWG, working in collaboration with the Fehr & Peers DC/Toole Design consulting team, informed Montgomery Planning staff with the evaluation of alternative approaches and development of recommendations for the County Growth Policy. Further information about the TISTWG, including a member roster, is documented in Appendix J.

³² Unified Mobility Programs are pro-rata share districts in which each development contributes resources (whether facility construction or funding) towards a well-defined set of projects with the contribution defined in proportion to the relative level of demand contributed by that development. The pro-rata share concept can be expressed as a fraction in which the numerator is the private sector funding for total system supply and the denominator is the unit of development demand. Beyond this basic concept, the details of defining the numerator and denominator vary from place to place; they are dependent upon the physical, environmental, and political context. Currently, an UMP is operational in White Oak and another is under development in Bethesda.

Montgomery County Policy Areas

Montgomery County is diverse, ranging from Metrorail-served Central Business Districts like Bethesda and Silver Spring to the rural Agricultural Reserve, with a wide range of built environments in between. The SSP has long recognized a one-size-fits-all approach does not satisfy the county's transportation needs, but instead require a context-sensitive approach to defining transportation system adequacy, assessing impacts and developing and implementing solutions.

Montgomery County's organizing approach has been to identify policy areas that broadly gauge the diversity of places within the county and help assess transportation needs from an areawide perspective. A major outcome of the 2016-2020 SSP was the division of the county into 38 different policy areas classified as Red, Orange, Yellow or Green.³³ This change reflected the recognition that Policy Areas vary greatly by many characteristics, such as density, land use types, function and capacity of the road network, and availability of transit, bike and pedestrian facilities and services.

Most importantly, the transportation network serving each Policy Area has performance expectations that are established through the master plan process describing how these characteristics are to change over time. A more quantitative accounting of how Policy Areas differ now and in the future was developed as part of the 2016-2020 SSP review process as a means of distinguishing among place types so that the eventual "tests" for adequacy might

better align with existing conditions as well as the future vision in the *1993 General Plan*.

Using existing Policy Area geographies, the Policy Areas are categorized (as depicted in Figure 26) by: (1) observed Non-Auto Driver Mode Share (NADMS)³⁴ for work trips; (2) observed land use density and (3) land use density forecasts. Relative to earlier policy area categorizations, the current Policy Area grouping is better aligned with the *1993 General Plan*, area master/sector plans and Road Code guidance regarding place types.

Currently, the SSP organizes County Policy Areas into four (4) categories. The map in Figure 26 identifies the location of each area based on a series of Planning Board recommendation contained within this chapter. Updated descriptions of the policy area categories are provided below as well:

Red: Downcounty Central Business Districts and policy areas characterized by high-density development and the availability of premium transit service (i.e., Metrorail/Purple Line).

Orange: Corridor cities, town centers, and emerging Transit-Oriented Development (TOD) areas where premium transit service (i.e., Corridor Cities Transitway, bus rapid transit) is planned.

Yellow: Low-density areas of the county characterized by mainly residential neighborhoods with community-serving commercial areas.

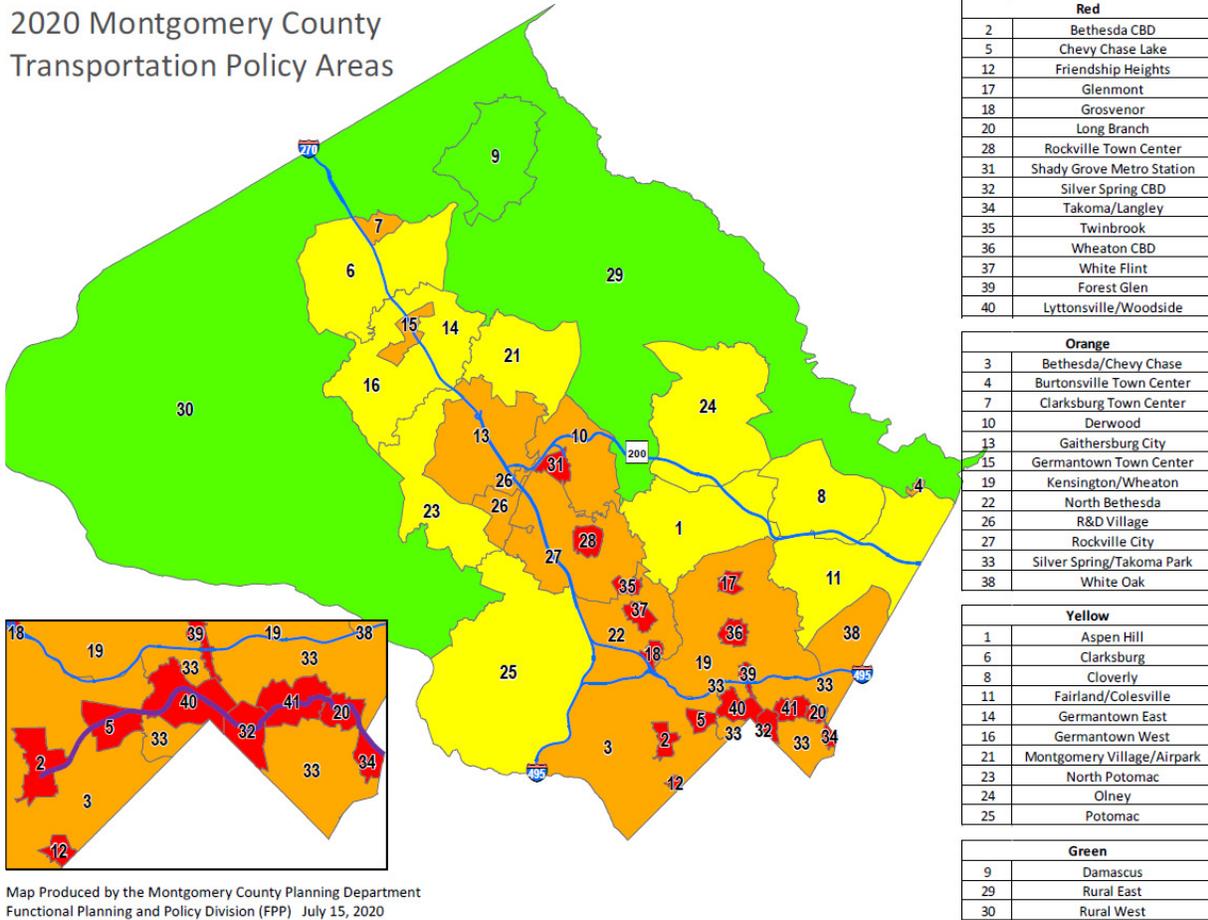
Green: The county's Agricultural Reserve and rural areas.

³³ The Forest Glen MSPA will be added as the 39th policy area as part of this SSP update.

³⁴ Non-Auto Driver Mode Share is defined as the sum of all person trips made not as the driver of an automobile.

Figure 26. County Policy Areas Organized by Four Categories.

2020 Montgomery County
Transportation Policy Areas



Map Produced by the Montgomery County Planning Department
Functional Planning and Policy Division (FPP) July 15, 2020

Multimodal Local Area Transportation Review

Local Area Transportation Review (LATR) is the transportation adequacy test used to evaluate local-level transportation conditions affected by proposed development. The current process is context-sensitive in its application, with individual tests for vehicular, pedestrian, bicycle and transit travel, as described below.

Motor vehicle adequacy is defined by a series of intersection level of service standards by policy area and includes volume to capacity ratios, average vehicle delay, and Critical Lane Volume (CLV). For signalized intersections located within Red or Orange policy areas, the Highway Capacity Manual (HCM) operational (delay-based) level of service standard applies to all study intersections. For signalized intersections located within Yellow or Green policy areas, the CLV-based level of service standard applies to study intersections with a CLV of 1,350 or less, and the Highway Capacity Manual delay-based level of service standard applies to study intersections with a CLV of more than 1,350. The concept of travel time reliability was introduced to the *2017 LATR Guidelines* through a reference to the regional congestion management report; signalized intersections on roadway segments that have an observed travel time index of 2.0 must perform a network analysis that considers queuing and spillback.

Pedestrian system adequacy is defined as providing level of service (LOS) D³⁵ service or better for any signalized crosswalk. The methodology for evaluating pedestrian level of service is described in the 2010 HCM in Chapter 18. Any site that generates more than 50 pedestrian peak hour trips (including trips to transit) must:

- Fix (or fund) Americans with Disabilities Act (ADA) non-compliance issues within a 500-foot radius of site boundaries, and
- Ensure LOS D for crosswalk pedestrian delay (or no more delay than existing) at LATR study intersections within 500 feet of site boundaries or within areas where the county's

road construction code specifies use of urban design standards.

Regardless of the development size and location, if an intersection operational analysis is triggered for any intersections within a Road Code Urban Area (RCUA)³⁶ or Bicycle Pedestrian Priority Area (BPPA)³⁷ mitigation must not increase average pedestrian crossing time at the intersection.

Bicycle system adequacy is defined as providing a low Level of Traffic Stress (LTS) for bicyclists. For any proposed development generating at least 50 peak-hour, non-motorized trips and located within a quarter mile of an educational institution or existing/planned bikeshare station, the applicant must make improvements needed to provide low Level of Traffic Stress (LTS-2) conditions that link the site to or otherwise extend an LTS-2 facility within 750 feet of a development site boundary or implement a master-planned improvement that provides an equivalent improvement in LTS.

Transit system adequacy for LATR is defined as providing a peak load of LOS D for bus transit service routes (1.25 transit riders per seat) during the peak period (in the peak direction). For any development generating at least 50 peak-hour transit riders, the applicant must inventory bus routes at stations/stops within 1,000 feet of the site and identify the peak load for each route at that station. The applicant must coordinate with the transit service provider to identify and implement (or fund) improvements that would be needed to address conditions worse than LOS D due to additional patrons generated by the development.

Over time, in lieu of LATR, the county will expand the application of Unified Mobility Programs for specific small areas countywide. In its simplest form, UMPs involve the development of: (1) trip forecasts for a sub-area and (2) the capital costs necessary to fund the supporting sub-area master-planned infrastructure in order to determine a cost per trip to be applied to proposed development within the area in question.

Motivation for Changes to the Local Area Transportation Review Adequacy Test

The 2016-2020 Subdivision Staging Policy guides the current LATR process. This process was not informed by the [county's adoption of Vision Zero](#)³⁸ earlier that same year.

The county's [2020 Vision Zero Action Plan](#) recommends updating the Subdivision Staging Policy to align with Vision Zero principles, some of which can be conceivably incorporated into LATR and transportation impact studies. These Vision Zero principles include:

- **Transportation-related deaths and severe injuries are preventable and unacceptable.**
- **Human life takes priority over mobility and other objectives of the road system.**
The road system should be safe for all users, for all modes of transportation, and every community
- **Human error is inevitable;** the transportation system should be designed to anticipate error, so the consequences are not severe injury or death. Advancements in vehicle design and technology, as well

as roadway engineering advancements, personal electronic device innovations, etc., are necessary components for avoiding the impacts of human errors.

- **People are inherently vulnerable, and speed is a fundamental predictor of crash survival.** The transportation system should be designed for speeds that protect human life.
- **Safe human behaviors, education and enforcement are essential contributors to a safe system.**
- **Policies at all levels of government need to align, making safety the highest priority for roadways.**

The transportation recommendations described below seek to better reflect these principles in the current LATR process.

35 <https://montgomeryplanning.org/planning/transportation/highway-planning/road-code/>

36 <https://www.montgomerycountymd.gov/dot-dte/BiPPA/index.html>

37 Vision Zero is a proven strategy to prevent transportation-related deaths and severe injuries.

38 Pedestrian level of service D – a pedestrian's freedom to select walking speed and pass others is restricted, there is a high probability of conflicts for reverse or

Vision Zero Resources



Recommendation 5.1: *Design roads immediately adjacent to new development to account for all identified recommendations from applicable planning documents including Functional Plans, Master Plans and Area Plans.*

Since adopting the Vision Zero Action Plan, the county launched several Vision Zero-related initiatives. These initiatives should be leveraged and incorporated into the LATR process. Some of these initiatives have been completed and adopted while others are ongoing and could be incorporated in the future, including

- [Bicycle Master Plan](#) – adopted
- [Pedestrian Master Plan](#) – ongoing
- [High Injury Network](#) – completed
- [Predictive Safety Analysis](#) – ongoing
- [Bicycle Level of Traffic Stress Map](#) – completed

- [Pedestrian Level of Comfort Map](#) – ongoing
- [Vision Zero Toolkit](#) – ongoing
- [Complete Streets Design Guide](#) – ongoing

The resources listed above, in particular the Bicycle Level of Traffic Stress and Pedestrian Level of Comfort Map, are only useful if the models are built on data that accurately reflects the conditions for bicyclists and pedestrians. To support Recommendation 5.1, the transportation consultant shall check the accuracy of the bicycle and pedestrian network attributes in the county's database relative to the observed existing conditions in the context of performing a transportation impact study for any development project. The consultant should identify any inaccurate network attributes and any attributes to be updated in accordance with the development "as built" plans and report this information to Montgomery Planning to update the county's databases accordingly.

Mitigation Priorities

Mitigation strategies to increase vehicular capacity or reduce delay for motor vehicles may be counter to Vision Zero principles. Increases in speed or increasing motor vehicle capacity through roadway widening, signal phasing or timing changes may increase hazards for pedestrians, bicyclists and drivers. It is critical that any capacity-based mitigation strategy does not negatively impact the safety of any roadway user. As listed in preferential order below, the current *LATR Guidelines* prioritize the application of modal mitigation approaches as follows when projected traffic generated from proposed projects exceeds the applicable policy area congestion standard:

- Transportation demand management (TDM) approaches to reduce vehicular demand
- Pedestrian or bicycle improvements

- Transit facility or service improvements
- Intersection operational improvements
- Roadway capacity improvements

In Road Code Urban Areas (RCUAs) and Bicycle Pedestrian Priority Areas (BiPPAs), adjusting the prioritization of mitigation approaches listed above may allow for developer mitigation payment in lieu of construction.



Recommendation 5.2: *Prioritize motor vehicle mitigation strategies designed to improve travel safety.*

A developer must mitigate **all** failing LATR tests (safety, transit, bicycle, pedestrian and motor vehicle). However, typical motor vehicle congestion mitigation strategies (widening roads

or intersections, or even modifying signal timing), can often counter to desired safety conditions and other mitigation strategies related to other modes of travel. As a result, the Planning Board recommends prioritizing motor vehicle mitigation as follows:

1. transportation demand management (TDM) approaches to reduce vehicular demand
2. payment in lieu of mitigation
3. intersection operational improvements
4. roadway capacity improvements

In the event that intersection operational improvements or roadway capacity improvements proposed by the developer run counter to the county's Vision Zero goals or directly detriment safety, transit or non-motorized improvements required by the other LATR tests, the Planning Board may alternatively require the developer to make payments to MCDOT in lieu of motor vehicle mitigation.



Development Review Committee

Upon submission of a development application, the Development Review Committee (DRC), comprised of representatives from public agencies and utilities, discuss the application with Montgomery Planning and provide comments on the development application. Staff then prepares recommendations to present to the Planning Board as part of the public hearing on the proposed site plan. The DRC plays an important role in the development review process and should be used as a platform to elevate travel safety principles. An appropriate individual with a focus on Vision Zero, representing a public agency or Vision Zero advocacy group, should be incorporated into the committee.



Recommendation 5.3: *Given the additional focus on Vision Zero principles in the development review process, designate a Vision Zero representative to the Development Review Committee to review the development application and Vision Zero elements of LATR transportation impact studies and to make recommendations regarding how to incorporate the conclusions and safety recommendations of LATR transportation impact studies.*

Transportation Impact Study Approach and Scope

A literature review of similar efforts by other selected jurisdictions aided Montgomery Planning in identifying approaches for enhancing integration of Vision Zero goals and objectives into the multi-modal LATR process. The findings derived from the literature review informed identification of the transportation impact study approach recommendations described below.



Recommendation 5.4: *Introduce a Vision Zero Impact Statement for all LATR studies pertaining to subdivisions that will generate 50 or more peak-hour person trips.*

To ensure development is executed to better align with Vision Zero principles, all LATR studies must include a Vision Zero Impact Statement that describes:

- any segment of the high injury network located on the development frontage.
- crash analysis for the development frontage.
- an evaluation of the required sight distance for all development access points.
- identification of conflict points for drivers, bicyclists and pedestrians and a qualitative assessment of the safety of the conflict.

- a speed study including posted, operating, design and target speeds.
- any capital or operational modifications required to maximize safe access to the site and surrounding area, particularly from the Vision Zero Toolkit.³⁹

In addition, mitigation recommendations from the capacity-based adequacy determination must address the needs identified in the Vision Zero Impact Statement and the current Pedestrian and Bicycle Impact Statement. A goal of the requirements listed immediately above is to ensure Vision Zero resources accurately reflect conditions on the development frontage.



Recommendation 5.5: *For LATR studies of new development generating 50 or more peak-hour weekday person trips, couple current multi-modal transportation adequacy tests with options that can be implemented over time utilizing Vision Zero-related tools and resources currently available and under development. When the appropriate set of tools (described in the Vision Zero Resources section above) are operational, the current multi-modal transportation adequacy tests should be updated as described below.*

Because the various modes of the transportation system are not isolated, adequacy tests are required if the new development produces greater than 50 peak-hour weekday person trips. The motor vehicle system adequacy test is required if the site generates at least 50 peak-hour person trips. The pedestrian, bicycle and transit system adequacy tests are required if the given mode generates at least five peak-hour trips by that mode, with an exception for the Americans with Disabilities Act (ADA) component of the pedestrian system adequacy test which is required if the site generates 50 or more peak-hour pedestrian trips.

Safety System Adequacy

Safety system adequacy will be defined through a Vision Zero test. This test will entail a safety performance analysis that will be performed utilizing a safety performance function (SPF). A SPF is an equation used to predict the number of crashes per year at a location as a function of exposure, land use and roadway or intersection characteristics. Development can impact the factors that influence the estimated number of crashes. The county is conducting a Predictive Safety Analysis for estimating SPFs and the estimated number of crashes for common crash types. Upon Planning Board approval following completion

of the Predictive Safety Analysis, safety system adequacy will be defined as providing a reduction in the overall estimated number of crashes (based on SPFs) for the build conditions at all intersections and street segments within the study scope. This method should factor in development-generated site trips as well as development-related changes to the transportation network and public space. If the number of expected crashes is found to increase with the new development traffic, safety mitigation must be applied in order to reduce the overall number of expected crashes at study intersections and street segments to below predevelopment levels. The developer should make a fair share contribution to mitigation at study intersections that are not direct access points to the development.

The geographic scope of the safety system test is one network-based mile from the site frontage or a distance determined by the size of the development project and the number of peak-hour vehicle trips generated (as shown in Table 14), whichever is less.

Table 14. Proportional Approach to Determining the Scope of Safety System and Motor Vehicle Adequacy Tests.

Maximum Peak-Hour Vehicle Trips Generated	Minimum Signalized Intersections in Each Direction
< 250	1
250 – 749	2
750 – 1,249	3
1,250 – 1,749	4
1,750 – 2,249	5
2,250 – 2,749	6
> 2,750	7

39 The Montgomery County Planning Department is developing a detailed document for community members to explain Vision Zero concepts and crash mitigation strategies for common crash risks. A draft toolkit is under review by the Department.

CHAPTER 5

The process for utilizing the SPF approach in the Vision Zero test will be refined and described in greater detail after the Montgomery County Planning Department completes the Predictive Safety Analysis.

Motor Vehicle System Adequacy

The Planning Board's recommended motor vehicle system adequacy standards are described in Recommendation 5.7. In this context, vehicular capacity mitigation must not negatively impact the results of the safety test. The scope of the motor vehicle adequacy test is based on the size of the project and the number of peak-hour vehicle trips generated by the project, as shown in Table 14. When mitigation is required, it will be based on the prioritization identified in Recommendation 5.2, with the developer required to mitigate its impact on any failing intersection (or down to the policy area standard, whichever is less).

Pedestrian System Adequacy

The current standard for pedestrian system adequacy, will be updated as described below upon Planning Board approval of Pedestrian Level of Comfort map completion.

- For any site generating at least 50, but fewer than 100 peak-hour *person* trips:

Demonstrate the achievement of a “somewhat comfortable” or “very comfortable” Pedestrian Level of Comfort⁴⁰ (PLOC) score for walking to destinations within 250 feet of a development site boundary – including commercial centers, transit stations, schools, parks, libraries, recreation centers, medical facilities, among other things – or transit stops within 500 feet of the development site boundary. If current conditions are not adequate, the applicant must construct up to 500 feet of improvements to achieve adequacy from the site frontage. Specific improvements to be constructed should be identified in consultation with Montgomery Planning.

⁴⁰ <http://montgomeryplanning.org/wp-content/uploads/2018/10/Pedestrian-Level-of-Comfort-Description.pdf>

The pedestrian adequacy test should also include an evaluation of existing street lighting based on Montgomery County Department of Transportation (MCDOT) standards along roadways or paths from the development to destinations within 250 feet of the development site boundary or to transit stops within 500 feet of the development site boundary. Where standards are not met, street lighting shall be upgraded to meet the applicable standards. The streetlight field review shall include a field inventory of existing streetlight and pedestrian scale fixtures with current spacing and general location of luminaire noted (utility pole mounted, stand-alone pole mount, or pedestrian scale). All longitudinal spacing or intersection locations that do not meet MCDOT standards should be noted. Note this inventory is not intended to be a full lighting study with measurement of illuminance levels but will identify missing lighting locations at intersections as well as longitudinal spacing deficiencies as per MCDOT streetlight standards.

- For any site generating 100 or more peak-hour *person* trips:

Demonstrate the achievement of a “somewhat comfortable” or “very comfortable” Pedestrian Level of Comfort (PLOC) score for walking to destinations within 500 feet of a development site boundary – including commercial centers, transit stations, schools, parks, libraries, recreation centers, medical facilities, among other things – or transit stops within 1000 feet of the development site boundary. If current conditions are not adequate, the applicant must construct up to 1000 feet of improvements to achieve adequacy from the site frontage. Specific improvements to be constructed should be identified in consultation with Montgomery Planning.

The pedestrian adequacy test should also include an evaluation of existing street lighting based on Montgomery County Department of Transportation (MCDOT) standards along roadways or paths from the development to destinations within 500 feet of the development site boundary or to transit stops within 1000 feet of the development site boundary. Where standards are not met, street lighting shall be upgraded to meet the applicable standards. The streetlight field review shall include a field inventory of existing streetlight and pedestrian scale fixtures with current spacing and general location of luminaire noted (utility pole mounted, stand-alone pole mount, or pedestrian scale). All longitudinal spacing or intersection locations that do not meet MCDOT standards should be noted. Note this inventory is not intended to be a full lighting study with measurement of illuminance levels but will identify missing lighting locations at intersections as well as longitudinal spacing deficiencies as per MCDOT streetlight standards.

- Additionally, any site generating at least 50 pedestrian peak-hour trips (including to transit) must address all ADA noncompliance issues within a 500-foot radius of site boundaries.

Bicycle System Adequacy

Maintaining the adequacy measurement from the current LATR Guidelines, bicycle system adequacy will be defined as providing a low or very low Level of Traffic Stress (LTS) for bicyclists. The current test should be updated as described below.

- For any site generating at least 50, but fewer than 100 peak-hour *person* trips:

Conduct existing adequacy test to ensure low Level of Traffic Stress conditions within 375 feet of the site frontage. If

current connections are not adequate, the applicant must construct up to 375 feet of side-paths, separated bike lanes, or trails that create or extend a low level of traffic stress up to 375 feet from the site frontage. In consultation with Montgomery Planning, the improvements to be constructed will be informed by the Bicycle Master Plan priority tiers.

- For any site generating 100 or more peak-hour *person* trips:

Conduct existing adequacy test to ensure low Level of Traffic Stress conditions within 750 feet of the site frontage. If current connections are not adequate, the applicant must construct up to 750 feet of side-paths, separated bike lanes, or trails that create or extend a low level of traffic stress up to 750 feet from the site frontage. In consultation with Montgomery Planning, the improvements to be constructed will be informed by the Bicycle Master Plan priority tiers.

Transit System Adequacy

To better reflect access to transit stops, the capacity-based adequacy test for the transit system will be maintained from the current LATR Guidelines but should be updated as described below.

- For any site generating at least 50, but fewer than 100 peak-hour *person* trips:

The standard for transit system adequacy is defined as providing a peak load of level of service (LOS D) for bus transit service routes (1.25 transit riders per seat) during the peak period in the peak direction. The development applicant must inventory bus routes at stations/stops within 500 feet of the site and identify the peak load for each route at that station. The applicant must coordinate with the transit service provider to identify and implement (or fund)

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improvements needed to address conditions worse than LOS D due to additional patrons generated by the development.

- For any site generating 100 or more peak-hour *person* trips:

The standard for transit system adequacy is defined as providing a peak load of level of service (LOS D) for bus transit service routes (1.25 transit riders per seat) during the peak period in the peak direction. The development applicant must inventory bus routes at stations/stops within 1,000 feet of the site and identify the peak load for each route at that station. The applicant must coordinate with the transit service provider to identify and implement (or fund) improvements needed to address conditions worse than LOS D due to additional patrons generated by the development.

Application of LATR in Red Policy Areas



Recommendation 5.6: *Eliminate the LATR study requirement for motor vehicle adequacy in Red Policy Areas (Metrorail Station Policy Areas and Purple Line Station Areas).*

The Red policy areas of the county share several characteristics that make the application of the traditional LATR study approach in these areas problematic.

- The application of capacity-based level-of-service (LOS) measures often results in mitigation requirements that are in direct conflict with Vision Zero-related travel safety goals and objectives.
- For transportation efficiency, development is most desirable in these areas to leverage the significant investment in the Metrorail system, so streamlining the development approval process is most important in these areas.

- Relative to other areas, the transportation infrastructure in Red Metrorail Station Policy Areas is the most complex, and desired master-planned improvements are most likely to be multimodal and operational in nature rather than capacity-based improvements for any single mode.
- The multimodal environment in these areas supports the long-standing policy acceptance of higher levels of traffic congestion (a 120 seconds/vehicle Highway Capacity Manual average intersection vehicle delay standard); combined with the fact that most MSPAs have a robust street grid that disperses traffic resulting in relatively few LATR studies requiring transportation improvements.

For these reasons, this recommendation eliminates the motor vehicle adequacy component of the LATR study requirement for Red Policy Areas. Instead, the assessment of motor vehicle transportation system performance in these areas should be performed through the biennial monitoring program⁴¹ including a Comprehensive Local Area Transportation Review⁴² (or comparable analysis), to identify and prioritize master planned infrastructure implementation needs. Concurrently, the establishment of Unified Mobility Programs (UMPs) should be considered for Red Policy Areas, as appropriate.

Motor Vehicle LATR Intersection Congestion Standards



Recommendation 5.7: *Expand the application of the Critical Lane Volume (CLV) analysis methodology as a screening tool to determine the necessity for the application of the more robust Highway Capacity Manual (HCM) analysis methodology for the motor vehicle transportation adequacy analysis.*

Currently, for intersections located within Red or Orange policy areas, the Highway Capacity Manual

(HCM) delay-based level of service standard applies to all signalized intersections subject to a LATR motor vehicle transportation adequacy study. For signalized intersections located within Yellow and Green policy areas, the Critical Lane Volume (CLV) level of service standard applies to signalized study intersections exhibiting a CLV of 1,350 or less, and the HCM delay-based level of service standard applies to signalized study intersections exhibiting a CLV greater than 1,350.

This recommendation modifies and expands the application of CLV as a screening tool for the

application of the HCM methodology in Orange, Yellow and Green policy areas. Pursuant to Recommendation 5.6, the motor vehicle adequacy test will not be applied in Red policy areas. When a motor vehicle LATR study is required, the initial analysis will be a CLV evaluation. Only signalized intersections exhibiting a CLV exceeding the applicable policy area CLV congestion standard will require the HCM delay-based analysis. Motor vehicle mitigation (as prioritized in Recommendation 5.2) is required for any intersection failing the HCM test (i.e., exhibiting delay exceeding the applicable policy area HCM delay standard).

Transit Corridor LATR Intersection Congestion Standard

Two major planning initiatives that focus on increasing the level of high-quality transit service in the county were recently adopted or are in various stages of long-range planning or implementation. These initiatives and supportive proposed policy changes are described below.

Montgomery County Transit Corridors

The adopted *2013 Countywide Transit Corridors Functional Master Plan* (CTCFMP) recommends the corridors depicted in Figure 27 for bus rapid transit (BRT) service. Several of these BRT corridors are currently identified for project implementation in Visualize 2045, the federally required long-range transportation plan for the National Capital Region.⁴³

These transit corridors traverse Red, Orange and, to a much lesser degree, Yellow policy areas currently designated with average delay standards ranging from 51 to 120 seconds/vehicle for signalized intersections.



Recommendation 5.8: *Increase the intersection delay standards to 1,700 CLV and 100 seconds/vehicle for transit corridor roadways in Orange and Yellow policy areas to promote multi-modal access to planned Bus Rapid Transit service in transit corridors.*

This proposed change reflects a conceptual “hybrid” of the average intersection adequacy standards

currently designated for Red and Orange policy areas. The current applicable standards for other signalized intersections not located along transit corridor roadways in these Orange and Yellow policy areas will be retained. This policy change is consistent with the recommendation in the recently adopted *2019 Veirs Mill Corridor Master Plan* for signalized intersections along Veirs Mill Road (MD 586).

This County Growth Policy update recommends the elimination of the LATR Motor Vehicle Adequacy test requirement in Red policy areas. As a result, this proposed 100 seconds/vehicle average intersection delay policy will not apply to signalized intersections along transit corridor roadways in Red policy areas.

Table 15 depicts the current and proposed intersection congestion standards for the transit corridor roadways that will result from the application of this policy.

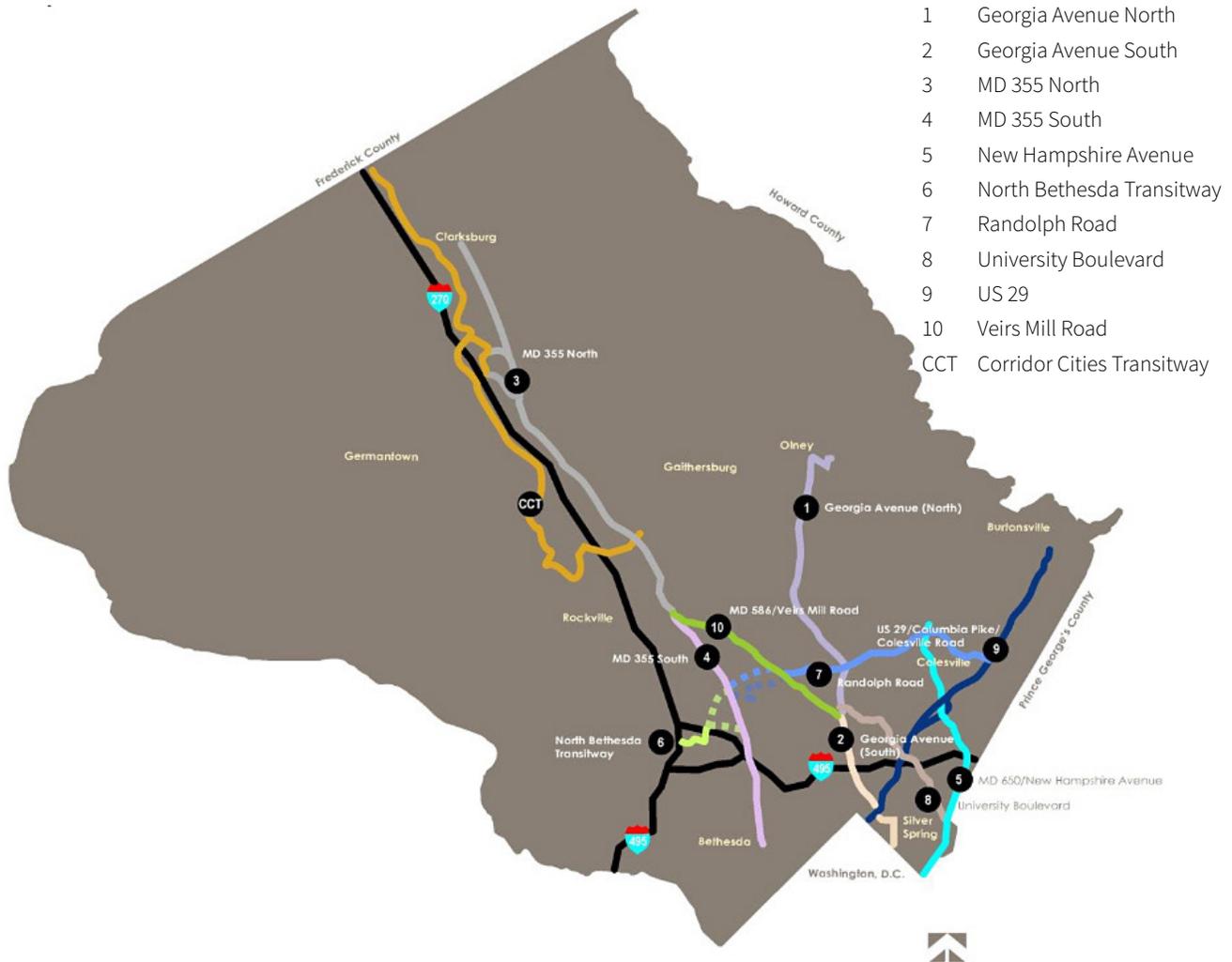
⁴¹A key element of the program would be a Biennial Report to be developed during the spring of each odd-numbered year and incorporated with biennial status reports that help inform development of the County Executive's biennial Capital Improvement Program during the following fall.

⁴²A comprehensive transportation analysis that will identify and recommend for County Council approval and action specific projects and services necessary to promote adequate transportation service

⁴³ Montgomery County BRT projects identified in Visualize 2045 are US 29, MD 355, New Hampshire Avenue, Randolph Road and the Corridor Cities Transitway

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Figure 27. Recommended Transit Corridors Identified in the Countywide Transit Corridors Functional Master Plan, 2013.



Notes for Table 15:

- (1) Proposed policy would not apply to roadway segments traversing Red policy areas. Pursuant to Recommendation 5.6, the LATR intersection congestion standard in Red policy areas is proposed to be eliminated.
- (2) Proposed intersection congestion standard policy change would be consistent with the State Highway Administration's planned road diet along Old Georgetown Road.
- (3) Proposed policy already established on this roadway pursuant to recommendation of the adopted 2019 *Veirs Mill Corridor Master Plan*.
- (4) Much of the Corridor Cities Transitway alignment south of Metropolitan Grove is within the municipalities of Gaithersburg and Rockville, which administer their own adequate public facilities policies. As a result, this proposed policy will not apply to roadways within the municipal rights of way.

Table 15. Proposed Transit Corridor Roadway Congestion Standards (for signalized intersections).

Transit Corridor Roadway (1)		Policy Area(s) Traversed	Policy Area Category	Current Congestion Standard (secs/veh)	Proposed Congestion Standard (secs/veh)
1.	Georgia Avenue North	Olney	Yellow	55	100
		Aspen Hill	Yellow	59	
2.	Georgia Avenue South	Kensington/Wheaton	Orange	80	100
		Silver Spring/Takoma Park	Orange	80	
3.	MD 355 North	Clarksburg	Yellow	51	100
		Clarksburg Town Center	Orange	63	
		Germantown East	Yellow	51	
		Germantown Town Center	Orange	63	
		Gaithersburg City	Orange	51	
		Rockville City	Orange	63	
4.	MD 355 South	Rockville City	Orange	63	100
		North Bethesda	Orange	71	
		Bethesda/Chevy Chase	Orange	80	
5.	New Hampshire Avenue	Fairland/Colesville	Yellow	59	100
		White Oak	Orange	80	
6.	North Bethesda Transitway: Old Georgetown Road (2) Rock Spring Drive	North Bethesda	Orange	71	100
7.	Randolph Road	Kensington/Wheaton	Orange	80	100
		White Oak	Orange	80	
8.	University Boulevard	Kensington/Wheaton	Orange	80	100
		Silver Spring/Takoma Park	Orange	80	
9.	US 29	Burtonsville Town Center	Orange	71	100
		Fairland/Colesville	Yellow	59	
		White Oak	Orange	80	
		Kensington/Wheaton	Orange	80	
		Silver Spring/Takoma Park	Orange	80	
10.	Veirs Mill Road (3)	Kensington/Wheaton	Orange	80	100
		Aspen Hill	Yellow	59	
		North Bethesda	Orange	71	
		Rockville City	Orange	63	
11.	Corridor Cities Transitway (4): Century Boulevard Observation Drive	Germantown West	Yellow	51	100
		Germantown Town Center	Orange	63	
		Germantown East	Yellow	51	
		Clarksburg	Yellow	51	

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The Purple Line

Construction is currently underway for the Purple Line (Montgomery County alignment depicted in Figure 28 below), a proposed 16-mile light rail transit (LRT) line with 21 stations, which will run from Bethesda to New Carrollton and provide direct connections to Metrorail, local and inter-city bus, the MARC train and Amtrak. This project will serve as an east-west route connector for Montgomery and Prince George’s counties. Completion of construction is anticipated in 2023.

The Purple Line alignment traverses three areas currently designated as Purple Line station policy areas, where planned Purple Line transit service should be leveraged to support transit-oriented development:

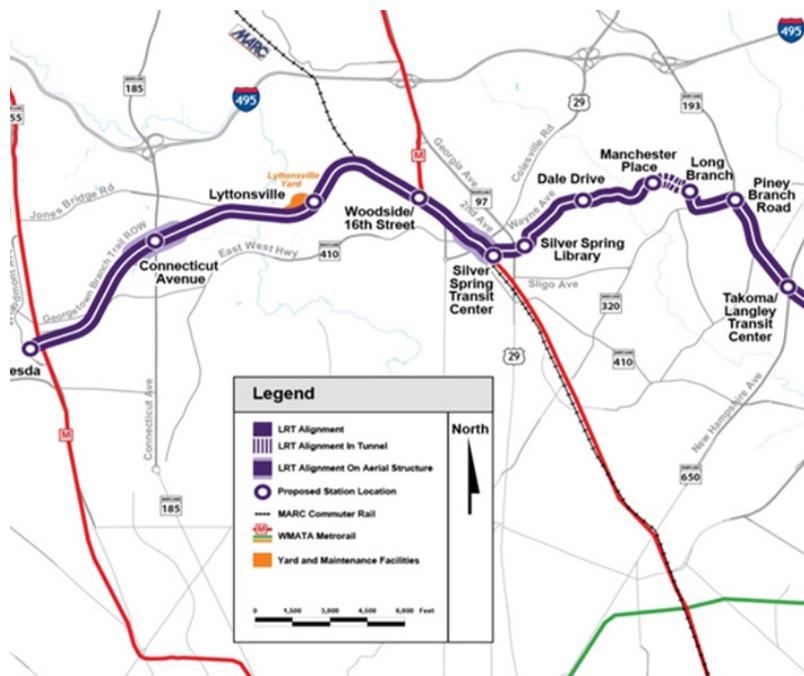
- Long Branch (Policy Area 20),
- Takoma/Langley (Policy Area 34), and
- Chevy Chase Lake (Policy Area 5).

As described in Recommendations 5.18 and 5.19, this Planning Board proposes the establishment of two new Purple Line station policy areas, which are also traversed by the Purple Line alignment:

- Lyttonsville/Woodside (Policy Area 40) and
- Dale Drive/Manchester Place (Policy Area 41),

Currently, these Purple Line Station policy areas are categorized as orange – consistent with their “parent” Bethesda/Chevy Chase and Silver Spring/Takoma Park policy areas. In recognition of the availability of improved transit service and development potential the Purple Line will bring to the Purple Line Station policy areas, a change in how these areas are categorized in the County Growth Policy is warranted. The proposed new Purple Line Station policy areas should be categorized similarly.

Figure 28. Montgomery County Purple Line Alignment

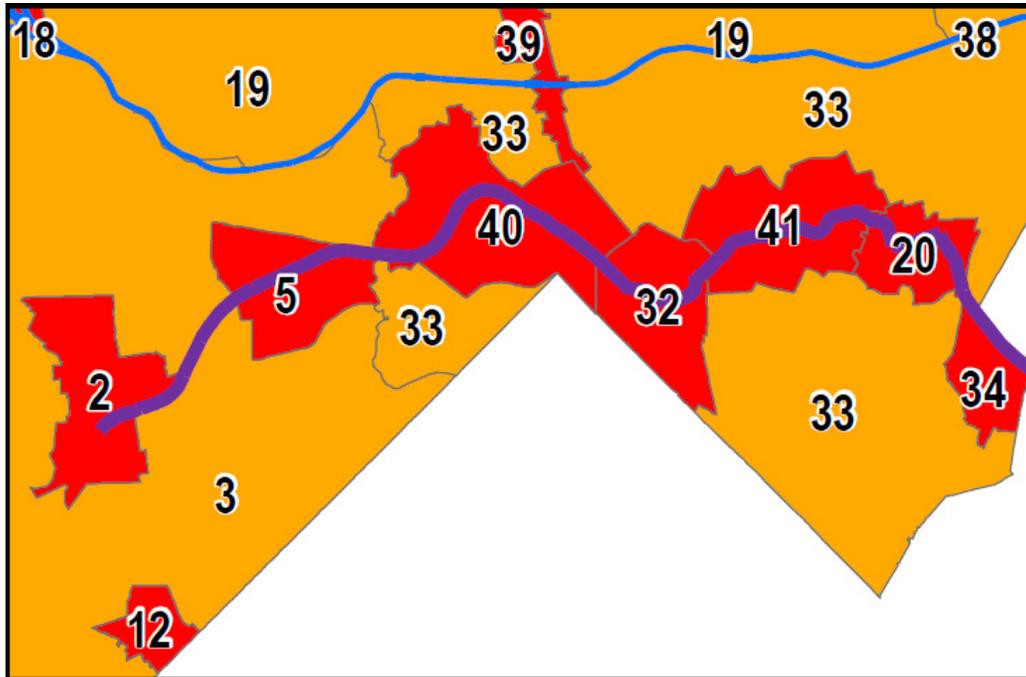




Recommendation 5.9: Place all Purple Line Station policy areas (existing and proposed) in the Red policy area category.

Figure 29 identifies the location of the updated transportation policy area categories, reflecting Planning Board recommendations, including the new Purple Line station areas.

Figure 29. Proposed New Purple Line Station Policy Areas .



Purple Line Station Areas (Red)	
5	Chevy Chase Lake
20	Long Branch
34	Takoma/Langley
40	Lyttonsville/Woodside
41	Dale Drive/Manchester Place



Recommendation 5.10: Continue producing the Travel Monitoring Report (formerly the Mobility Assessment Report) on a biennial schedule as a key travel monitoring element of the County Growth Policy.

This recommendation recognizes and supports the need for increased reliance on travel monitoring requirements going forward in response to the proposed changes to LATR transportation study requirements.

The Travel Monitoring Report (formerly the Mobility Assessment Report) is a biannual monitoring report that summarizes transportation datasets to track and measure various mobility metrics in Montgomery County. A key purpose of the report is to inform residents and public officials of how the transportation system is changing, evolving, and performing within the county.

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Re-introduction of a Policy Area-level Review for Master Planning

Ideally, every master plan balances its proposed land use with its proposed transportation network and services. For more than two decades, the county defined this “balance” as what is needed to meet the current adequate public facilities (APF) requirements as described in the Subdivision Staging Policy (SSP). Achieving this balance in a master plan is not an academic exercise; if a plan is not balanced, then at some point a proposed master-planned development will be unable to proceed because it has no means to meet the APF requirements.

The adopted 2016-2020 SSP eliminated the policy area-level transportation adequacy test, largely due to the desire to streamline the subdivision review process. The LATR transportation adequacy test was retained and updated in the 2016-2020 SSP to reflect traffic congestion standards for signalized intersections in Montgomery County policy areas based on volume/capacity ratio (using the Highway Capacity Manual method), which translates to an average vehicle delay measured in seconds/vehicle and equivalent level of service (LOS) for automobile travel.



To determine whether or not a master plan is in balance, the County Council applies the LATR transportation adequacy test in the context of a long-range planning horizon (typically 20 to 25 years into the future). This test (as described in the Vision Zero integration into LATR discussion provided above) evaluates the traffic generated by master-planned development buildout in combination with a transportation network that assumes certain intersection improvements. This analysis methodology has utility when used to evaluate local transportation adequacy for a subdivision application in a Capital Improvement Program (CIP) planning horizon context (i.e., five to six years into the future). However, the utility of this approach raises some concerns when used to evaluate transportation adequacy for master plans/sector plans in the context of a long-range planning horizon, including:

- **No Consideration of Areawide Effects:** The current HCM-based LATR analysis process is limited to the evaluation of the local signalized intersection roadway network within a master plan study area to assess the adequacy of the master-planned transportation system to accommodate master-plan recommended land use development. However, this process does not help understand the implications of master plan recommendations in a broader areawide context. Conventional intersection-

based analysis also typically emphasizes the additive nature of automobile trips generated by land use development. However, well-planned land use development also has the potential to change trip distribution patterns, to shorten trips, and to shift the mode of travel by providing new destination options in closer proximity.

- **Limited Confidence in Analysis Results:** The application of the HCM intersection delay analysis process is appropriate in the context of a CIP planning horizon (five to six years) when traffic signal-phasing and signal-timing operations parameters used as key analysis inputs can be generally assumed with confidence rather than in a long-term master-planning horizon (20-25 years) when assumptions pertaining to these parameters are far more speculative. As a result, the confidence associated with projecting accurate estimates of intersection delay in the context of a long-term master-planning horizon is limited.

The following recommendations focus on re-introducing a policy area-level transportation adequacy review process for the evaluation of master plans and sector plans to address the concerns cited above associated with using LATR for this purpose.

Policy Area Review

Following are recommendations pertaining to alternative areawide transportation adequacy review approaches to replace the current LATR-based approach used to evaluate the transportation adequacy of master plans. The tests best suited for each master plan may vary, however, the Planning Boards recommends including each of these in the evaluation toolbox.

Thresholds for the proposed metrics are typically set at a value greater or less than the future baseline conditions. Future baseline conditions currently reflect the modeled land use program for the year 2040, including the Metropolitan Washington

Council of Governments' (MWCOC) cooperative forecasts and any adopted master plans, as well as any programmed transportation improvements for the year 2040. These may be revised as plans are updated. In the case of the Low-Stress Bike Accessibility metric, the 2018 Montgomery County Bicycle Master Plan provides the bicycle network baseline, while land use changes would reflect the MWCOC cooperative forecasts and any adopted master plans.

Any changes contemplated in an evaluated master plan will be compared against conditions in the

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region in the absence of the changes contemplated in the master plan under evaluation using the information available at the time of evaluation. This comparison to future baseline is used to evaluate whether the master plan under evaluation continues to provide the same level (or an improved level) of public-facility adequacy relative to a previously adopted plan.

A high-level overview of calculation methodologies is described below for purposes of illustrating the meaning of the metrics. Montgomery Planning anticipates retaining the flexibility to adjust the specific calculation approach at the time of master plan evaluation, including sensitivity to the rounding of threshold values.

Finally, application example discussions are provided for each metric. These examples do not reflect complete, calculated results from model runs, they are designed to illustrate how the metrics might play out in practice.

Auto and Transit Accessibility



Recommendation 5.11: *The proposed auto and transit accessibility metric is the average number of jobs that can be reached within a 45-minute travel time by automobile or walk access transit.*

This metric indicates accessibility to destinations and better reflects existing and planned multi-modal travel options and transit-supportive land use densities, and better aligns growth with the provision of adequate public facilities. This metric can also demonstrate accessibility tradeoffs of new destination options, increased density of development, increased congestion and transportation network changes.

As the number of jobs in the region grows, each county resident will have access to more jobs. With increasing traffic congestion, job accessibility in some policy areas will slightly decrease. As long as these policy areas already have above average access to jobs, the net effect of adding more residents to those policy areas is to increase average jobs accessibility – thereby encouraging development in more accessible locations.

Auto and transit accessibility must meet or exceed future baseline conditions. The threshold proposed for auto and transit accessibility is the average number of jobs accessible within 45 minutes for future baseline conditions. Montgomery County’s regional travel demand model known as “Travel/4,”⁴⁴ provides “skims,” which are tables representing the auto and transit time needed to travel from each transportation analysis zone (TAZ) to every other TAZ in the modeled region. For each TAZ, the number of jobs accessible to that TAZ is equal to the sum of the number of jobs in that TAZ with a skim value less than or equal to 45 minutes. These values are then averaged for all of Montgomery County, weighted by the population of each TAZ to reflect the average number of jobs accessible to a Montgomery County resident. When calculated using the Travel/4 model in February 2020, these values were:

- 1,159,950 jobs on average accessible within 45 minutes by auto
- 134,160 jobs on average accessible within 45 minutes by transit

Hypothetical Application Example – Clarksburg (Yellow Policy Area)

A proposed master plan for Clarksburg contemplates the addition of significantly more housing than included in the future baseline, with all other considerations being equal. Because Clarksburg has lower average values of both jobs accessible by auto within 45 minutes (349,250) and jobs accessible by transit (850) than the Montgomery County average, it is likely that this increase in residents will reduce the Montgomery County average and the master plan will not meet the thresholds. To meet the thresholds, Clarksburg does not need to reach the Montgomery County average; it just needs to maintain or improve the overall Montgomery County average. What are examples of the ways the master plan could be modified to improve the county average and demonstrate adequacy?

⁴⁴ Travel/4 is a Montgomery County-focused adaptation of the regional travel demand model used by the Metropolitan Washington Council of Governments.

- Improve the jobs/housing balance by adding jobs and housing. This will increase auto accessibility to jobs within Clarksburg, but also improve access for all areas within 45 minutes of where the jobs are added, which will likely improve the county’s average auto access to jobs.
- If in the example above the jobs are also added near the limited existing transit service within the Clarksburg policy area, it may also improve the county’s average transit access to jobs.
- Add transit service to connect the new housing (or other existing housing in the master plan area) to jobs. This will improve the county’s average transit access to jobs.

Hypothetical Application Example – Wheaton Central Business District (Red Policy Area)

A proposed master plan for the Wheaton Central Business District (CBD) contemplates the addition of significantly more housing than included in the future baseline, with all other considerations being equal. In a relatively dense and congested location, adding development may slightly reduce

the auto travel shed- the area accessible by auto within a given amount of time – thereby reducing the jobs accessible by auto. However, because the Wheaton CBD has lower average values of both jobs accessible by auto within 45 minutes (1,713,440) and jobs accessible by transit (492,900) than the Montgomery County average, it is likely that this increase in residents will improve the county average and the master plan will meet the thresholds.

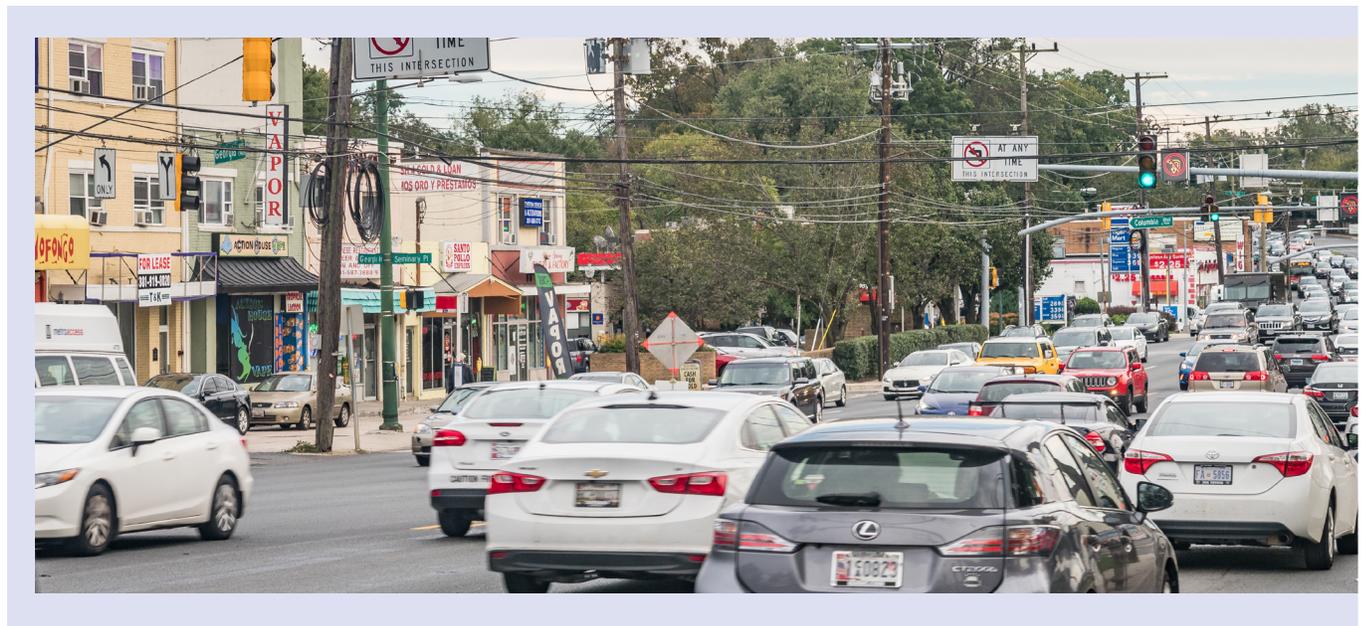
If, however, the increased congestion reduces auto accessibility for residents elsewhere in the county to the extent that it reduces overall county job access by auto, adjustments to the land use program or transportation network may be necessary to maintain or improve auto accessibility.

Auto and Transit Travel Times



Recommendation 5.12: *The proposed metric for auto and transit travel times is average time per trip, considering all trip purposes.*

This metric indicates the total amount of time spent traveling per trip and is a more intuitive measure of travel time burden than intersection delay. Changes in transportation service and facilities in a policy area affect travel times not only for that policy area but also for much of the county. Traffic



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congestion may increase, but effects on travel times for individual trips may be offset by changes to trip distribution patterns and shorter trip distances afforded by new destination options in closer proximity.

Auto and transit travel times must not exceed future baseline conditions. The threshold proposed for policy area-level analysis is average travel time per trip (all trips) for the future baseline. The Travel/4 model provides the duration of each trip and the metric is a simple average of all Montgomery County trips. When calculated using the Travel/4 model in February 2020, these values were:

- 18.8 minutes for auto
- 51.7 minutes for transit

Vehicle Miles Traveled (VMT) per Capita



Recommendation 5.13: *The proposed metric for vehicle miles traveled per capita is daily miles traveled per “service population,” where “service population” is the sum of population and total employment for a particular TAZ.*

This metric, indicative of the total amount of driving per person, assesses how well people’s needs can be met without traveling by car and prescribes a more

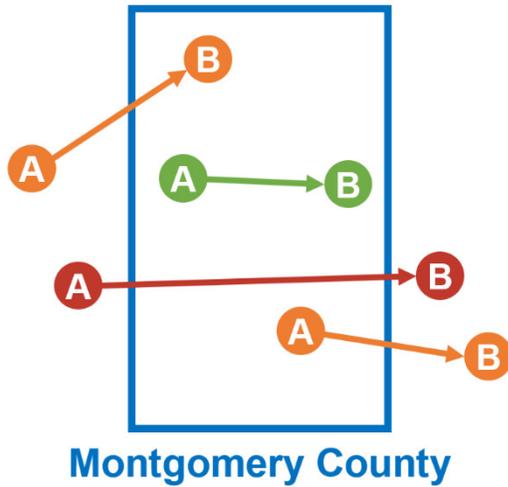
efficient use of space. Changes in transportation service and facilities in a policy area affect VMT not only for that policy area but also for other parts of the county. VMT per capita (demonstrated in Figure 30) will reflect changes in trip distribution patterns, trip lengths, and shifts in mode of travel due to changing destination options.

Vehicle miles traveled per capita must not exceed future baseline conditions. The threshold proposed for policy area-level analysis is daily vehicle miles traveled per “service population” for the future baseline. The Travel/4 model provides matrices of the total number of vehicle trips between TAZs and “skims” of the length (distance) of those trips. Combining the two results in VMT, which is then divided by the “service population” of each TAZ to estimate VMT per capita. The VMT per capita metric includes 100 percent of miles traveled for trips that both start and end in Montgomery County, 50 percent of the mile traveled that either begin or end in Montgomery County, zero percent of the miles traveled for trips that only pass through Montgomery County (See Figure 31). VMT per capita can then be aggregated to the county level using an average weighted by “service population.” When calculated using the Travel/4 model in February 2020, the threshold value was 12.4 VMT per capita.

Figure 30. Calculation of Vehicle Miles Traveled (VMT) per Capita.

$$\begin{array}{c}
 \text{Vehicle Miles Traveled} \\
 \text{(VMT)} \\
 \text{[Car Icon]} \\
 \hline
 \text{[House Icon]} + \text{[Building Icon]} \\
 \text{Population + Employment} \\
 \text{(Service Population)}
 \end{array}
 = \text{VMT per Capita}$$

Figure 31. Montgomery County Vehicle Miles Traveled.



$$\begin{aligned}
 &100\% \text{ of mileage from trips completely within the county} \\
 &+ \\
 &50\% \text{ of mileage from trips that begin OR end in the county} \\
 &+ \\
 &0\% \text{ of mileage from trips that only pass through the county} \\
 &= \\
 &\text{Vehicle Miles Traveled (VMT)}
 \end{aligned}$$



Non-Auto Driver Mode Share (NADMS)



Recommendation 5.14: *The proposed metric for non-auto driver mode share is the percentage of non-auto driver trips (i.e., HOV, transit and nonmotorized trips) for trips of all purposes.*

This metric is indicative of the use of non-auto modal options for all trips and reflective of the degree to which master plan recommended NADMS goals are achieved. Changes in transportation service and facilities in a policy area affect mode choice decisions not only for that policy area but also for other parts of the county.

Non-auto driver mode share must meet or exceed future baseline conditions. The threshold proposed for policy area-level analysis is the percentage of non-auto driver trips for the future baseline. The Travel/4 model provides estimates of the number of trips by each mode, including SOV, HOV2, HOV3+, transit, and nonmotorized (combined pedestrian and bicycle trips). NADMS is estimated as the total share of all person trips by HOV2, HOV3+, transit and nonmotorized modes. When calculated using the Travel/4 model in February 2020, the threshold value was 46 percent NADMS.

Low-Stress Bicycle Accessibility



Recommendation 5.15: *The proposed metric for bicycle accessibility is the Countywide Connectivity metric documented in the 2018 Montgomery County Bicycle Master Plan (page 200).*

This metric estimates the percentage of potential bicycle trips that can be made on a low-stress bicycling network that is “appropriate for most adults” or “appropriate for most children.” This metric is indicative of bike accessibility to destinations in the county and is a proxy for safe segment and crossing connectivity. The threshold proposed for policy area analysis is a Countywide Connectivity percentage greater than or equal to the value calculated for the Bicycle Master Plan buildout (estimated at 80.0 percent in the Bicycle Master Plan, but subject to annual adjustments).

Policy Area Designations

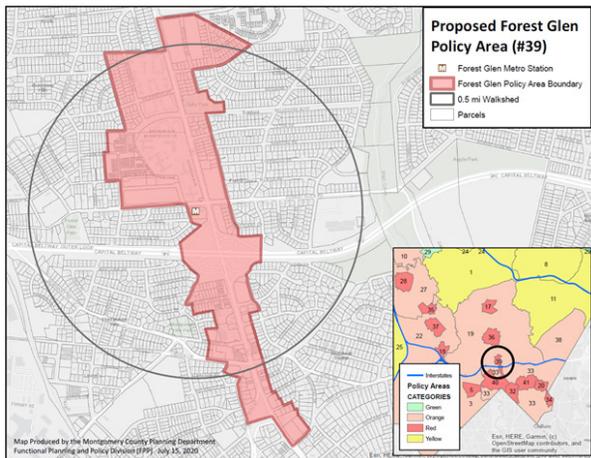
The following subsections describe recommendations pertaining to policy area boundary designations of two Metro Station Policy Areas and two proposed new Purple Line Stations policy areas.

Forest Glen Metro Station Area Boundary Establishment

Recommendation 5.16: Define the boundary of the Forest Glen Metro Station Policy Area.

In accordance with a provision in the resolution approving the recently adopted Forest Glen/Montgomery Hills Sector Plan, the precise boundary of the new Forest Glen Metro Station Policy Area is to be determined as part of the 2020 County Growth Policy. The proposed boundary of this MSPA, as depicted in Figure 32, generally mirrors the boundary of the Forest Glen/Montgomery Hills Sector Plan between Medical Park Drive and 16th Street.

Figure 32. Forest Glen Metro Station Policy Area.

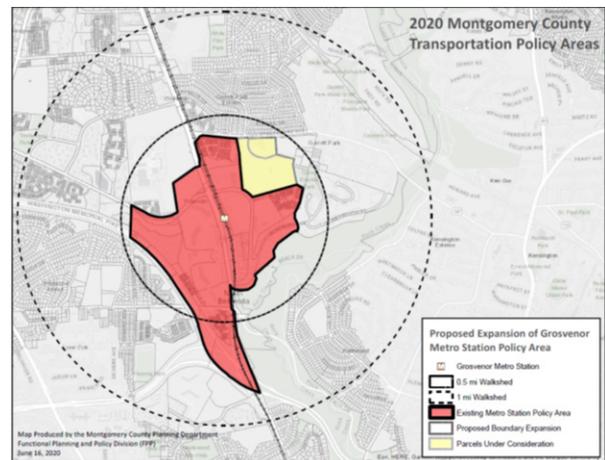


Grosvenor Metro Station Area Boundary Change

Recommendation 5.17: Expand the boundary of the Grosvenor Metro Station Policy Area.

The R-60 zoned Academy of the Holy Cross and Saint Angela Hall properties abutting the northeast end of the Grosvenor MSPA are contemplated to be rezoned to accommodate residential development. As a parallel action, the Planning Board recommends these properties are incorporated within the boundary of this policy area as depicted in Figure 33.

Figure 33. Expanded Grosvenor Metro Station Policy Area.



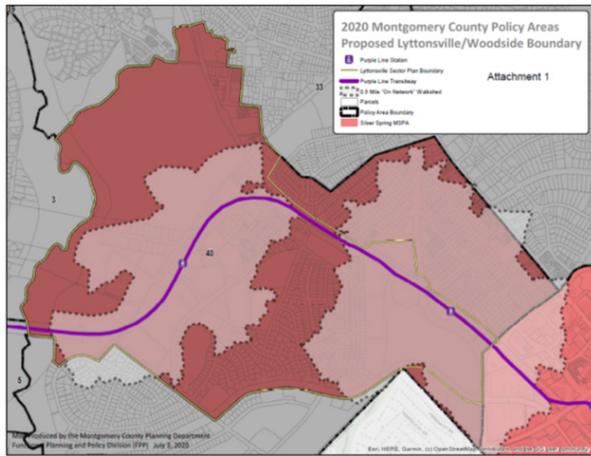
Lyttonsville/Woodside Purple Line Station Area Establishment

Recommendation 5.18: Establish the proposed Lyttonsville/Woodside Purple Line Station policy area as a Red policy area.

As depicted in Figure 34, the proposed Lyttonsville/Woodside Purple Line Station policy area combines the Greater Lyttonsville Sector Plan area and the roughly 1/2 mile walkshed surrounding the planned

16th Street/Woodside Purple Line station into a single policy area. Consistent with the categorization proposed for the currently designated Purple Line Station policy areas, the Planning Board recommends the categorization of this policy area as Red.

Figure 34. Proposed Lyttonsville/Woodside Purple Line Station Policy Area.



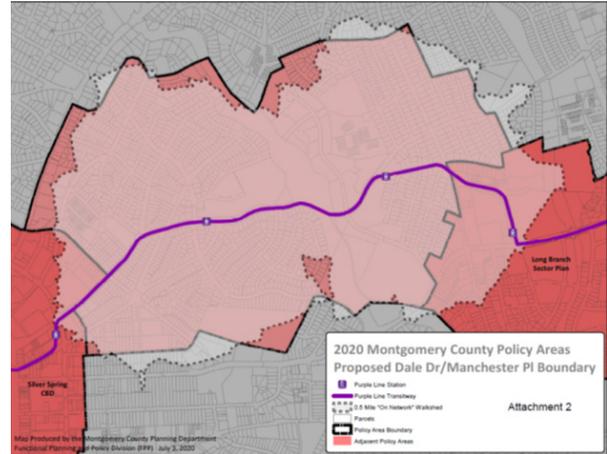
Dale Drive/Manchester Place Purple Line Station Area Establishment

Recommendation 5.19: Establish the proposed Dale Drive/Manchester Place Purple Line Station policy area as a Red policy area.

As depicted in Figure 35, the proposed Dale Drive/ Manchester Place Purple Line Station area generally combines the respective ½ mile walksheds surrounding the planned Dale Drive and Manchester Place Purple Line stations into a single policy area. Consistent with the categorization proposed for the currently designated Purple Line Station

policy areas, the Planning Board recommends the categorization of this policy area as Red.

Figure 35. Proposed Dale Drive/Manchester Place Purple Line Station Policy Area.

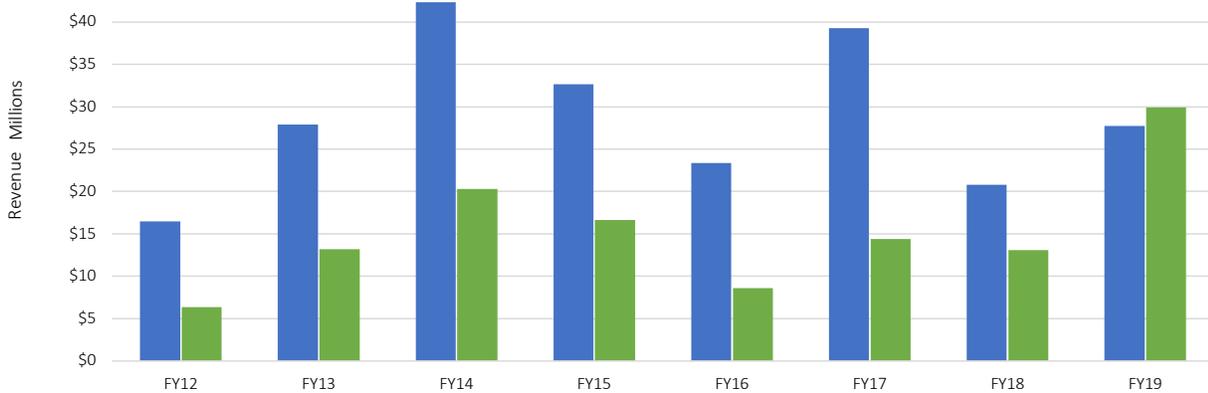


CHAPTER SIX

TAX RECOMMENDATIONS

Private developers share the responsibility of investing in public schools and roads by paying impact taxes for both. Traditionally, updates to the Subdivision Staging Policy have been conducted concurrently with reviews of development impact taxes. A frequent refrain heard from various stakeholders is the need to generate more funding for the MCPS capital budget. Impact taxes play a role, funding approximately 8 percent of the MCPS capital budget in both FY19 and FY20. Figure 36 demonstrates the amount of both school and transportation impact taxes collected over the last eight years.

Figure 36. Development Impact Taxes Collected Annually, FY12-FY19.



Source: Montgomery County Department of Finance, Controller's Division

School Impact Taxes

Currently, developers pay school impact taxes on all new residential development, whether or not the schools in the area of development are over capacity. The school impact tax helps pay for the construction or expansion of school facilities across the entire county and is currently calculated at 120 percent of the cost of each additional student seat generated by a new housing unit. In addition to the 120 percent factor, the current tax calculation uses countywide student generation rates, by dwelling type, and per student school construction costs provided by MCPS.



Recommendation 6.1: *Change the calculation of school impact taxes to include one tax rate for all multifamily units, in both low-rise and high-rise buildings, based on the student generation rate for multifamily units built since 1990.*

The school impact taxes currently include two different impact taxes for multifamily housing, one for high-rise buildings (five stories or more), and one for low-rise (four stories or less). Montgomery Planning recommends charging one impact tax for multifamily regardless if the units are in low-rise or

high-rise buildings. As discussed earlier in Chapter 4, there is no distinguishable difference in the student generation rates of low-rise and high-rise multifamily units constructed since 1990. This recommendation is consistent with Recommendation 4.13 pertaining to updated student generation rates.



Recommendation 6.2: Calculate standard school impact taxes at 100% of the cost of a student seat using School Impact Area student generation rates. Apply discount factors to single-family attached and multifamily units to incentivize growth in certain desired growth and investment areas. Maintain the current 120% factor within the Agricultural Reserve Zone.

In 2016, the County Council changed the calculation of impact taxes, which had previously been calculated at 90 percent of the cost of a student seat, to be calculated at 120 percent of the cost of a student seat. This was done, in part, to compensate for elimination of additional developer payments, that were required when a cluster exceeded certain projected utilization thresholds. With the introduction of Utilization Premium Payments (see Recommendation 4.16) for schools that are identified as overcrowded, the Planning Board recommends setting the calculation of the standard school impact tax rates using a 100 percent factor.

The [Montgomery County Housing Needs Assessment](#) demonstrated that housing cost burden, defined as households who pay more than 30 percent of their income for housing, is rising within the county's transit corridors – many of which connect the county's Activity Centers.⁴⁵ Activity Centers are typically where future housing growth is directed due to proximity to multi-modal transportation and employment centers. Some Activity Centers, however, are not projected for growth and others are experiencing large amounts of growth today without impact tax incentives. The

Planning Board recommends charging 60 percent of the school impact tax for single-family attached (townhouse) and multifamily development in desired growth and investment areas. This would include all Activity Centers located within Infill and Turnover Impact Areas, except for the following:

- Olney Activity Center (large area, little growth, not projected for large amounts of growth);
- Kensington Activity Center (large area, little growth, not projected for large amounts of growth);
- NIH Walter Reed Activity Center (little growth, not projected for large amounts of growth);
- Bethesda Activity Center (already experiencing high levels of growth); and
- Clarksburg Activity Center (already experiencing high levels of growth).

In addition to the select Activity Centers, the Planning Board recommends providing the discounted school impact taxes to development on parcels within a 500 foot buffer of an existing Bus Rapid Transit (BRT) line or planned BRT line with construction funding included in the county's adopted Capital Improvements Program. At this point in time, this includes the planned BRT routes along US 29, MD 355 and Veirs Mill Road. This approach will help encourage a desired type of growth in these areas by helping to lower development costs. Not only is this consistent with smart and sustainable growth principles, it can help reduce the cost burden in these areas by both increasing the housing supply generally and increasing the amount of affordable housing. Figure 37 shows the location of the desired growth and investment areas relative to the School Impact Areas.

⁴⁵ Activity Centers are identified by the Metropolitan Washington Council of Governments in conjunction with local planning agencies. The 23 Montgomery County Activity Centers are concentrated in urban centers, towns and along major transportation corridors

Figure 37. Map of School Impact Areas and Designated Growth and Investment Areas.

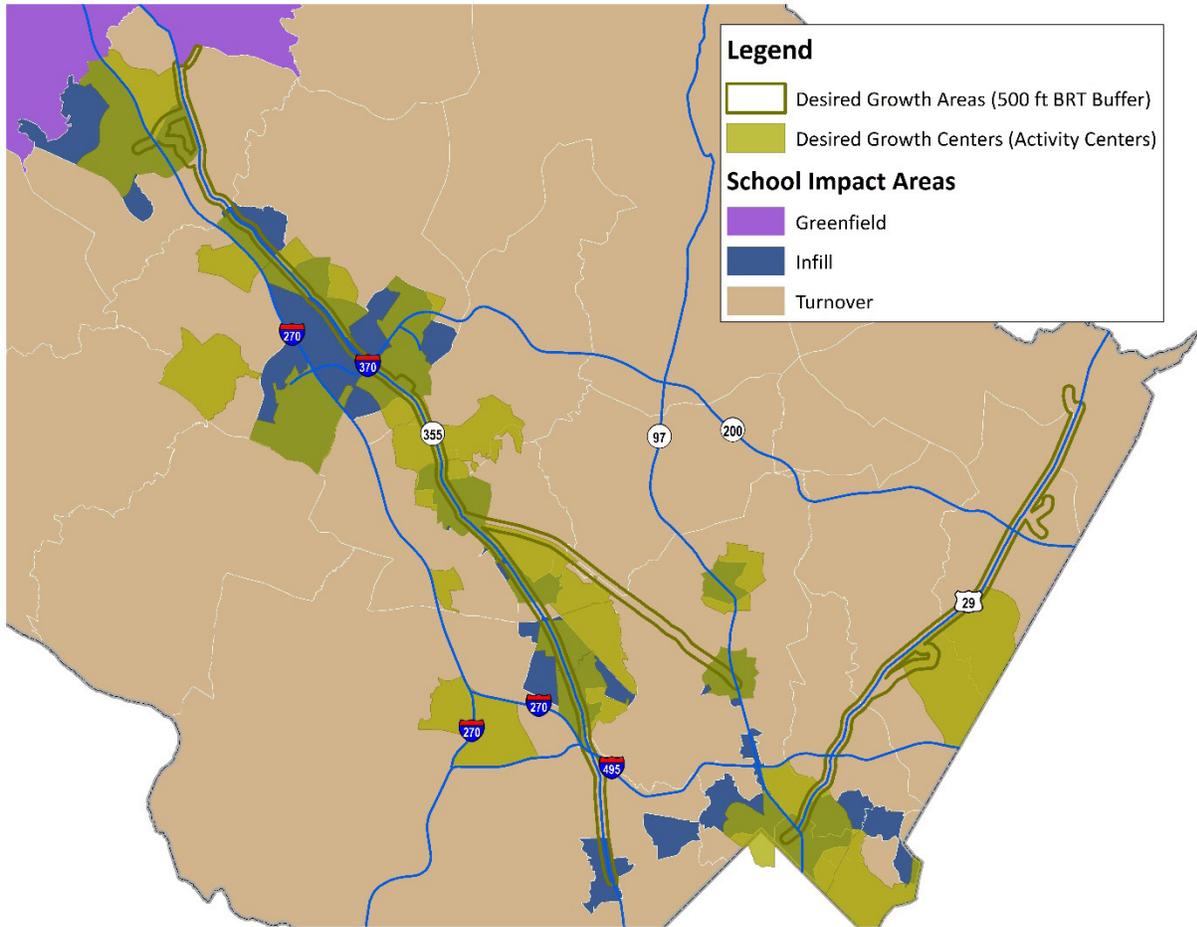
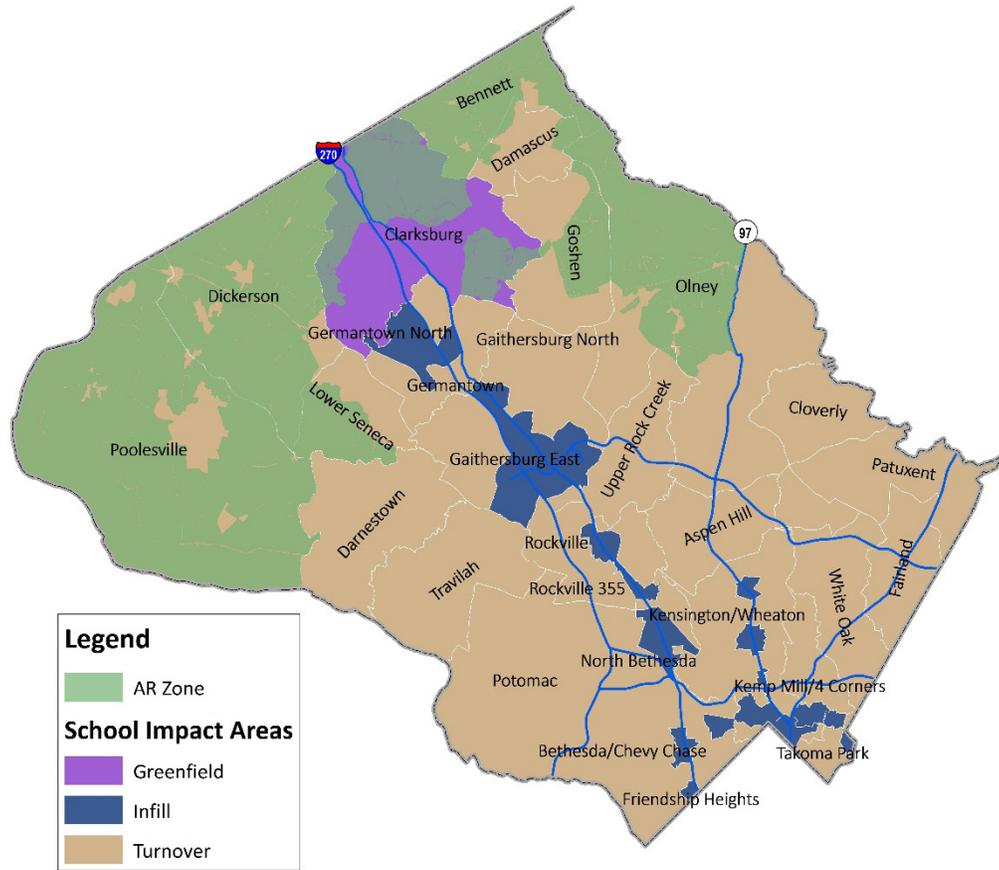


Figure 38. Map of School Impact Areas and the AR Zone.



CHAPTER 6

Maintaining the current 120 percent factor for school impact taxes collected on housing units built within the Agricultural Reserve zone recognizes that we do not want to encourage growth in these areas. This zone already limits development density to one unit per 25 acres and does not see large scale development anyway. Figure 38 shows the location of lands in the Agricultural Reserve zone relative to the School Impact Areas.

Table 16 provides a comparison of the proposed per unit school impact taxes based on the Planning Board’s recommendations, compared to the current rates.

Table 16. Proposed Context Sensitive School Impact Tax Rates.

			Single-family Detached	Single-family Attached	Multifamily Low-Rise	Multifamily High-Rise	
Current Countywide Rates			\$26,207	\$27,598	\$21,961	\$6,113	
Proposed Rates	Infill Impact Areas	Standard	\$19,707	\$17,311	\$4,370		
		Desired Growth	\$19,707	\$10,387	\$2,622		
	Turnover Impact Areas	Standard	\$21,582	\$23,928	\$9,688		
		Desired Growth	\$21,582	\$14,357	\$5,813		
	Greenfield Impact Areas	AR Zone	\$25,898	\$28,714	\$11,626		
		Standard	\$33,809	\$28,691	\$24,898		
			AR Zone	\$40,571	\$34,429	\$29,878	

 **Recommendation 6.3:** Allow a school impact tax credit for any school facility improvement constructed or funded by a property owner with MCPS’s agreement.

Impact tax credits are currently available for the value of dedicated land and any improvements that add classroom capacity. This recommendation allows a credit for other school facility condition improvements (roof replacements, HVAC system upgrades, etc.) made or paid by the developer.

 **Recommendation 6.4:** Eliminate the current impact tax surcharge on units larger than 3,500 square feet.

Developers are currently charged an impact tax premium surcharge of \$2.00 for each square foot of gross floor area that a single-family unit exceeds 3,500 square feet, to a maximum of 8,500 square feet. As demonstrated in Figure 39, student generation data show that there is no relationship between the size of a single-family unit and the number of public school students generated. In other words, larger single-family homes do not necessarily generate more students compared to smaller-sized homes.

Figure 39. Single-Family Detached Student Generation Rates by Gross Floor Area.

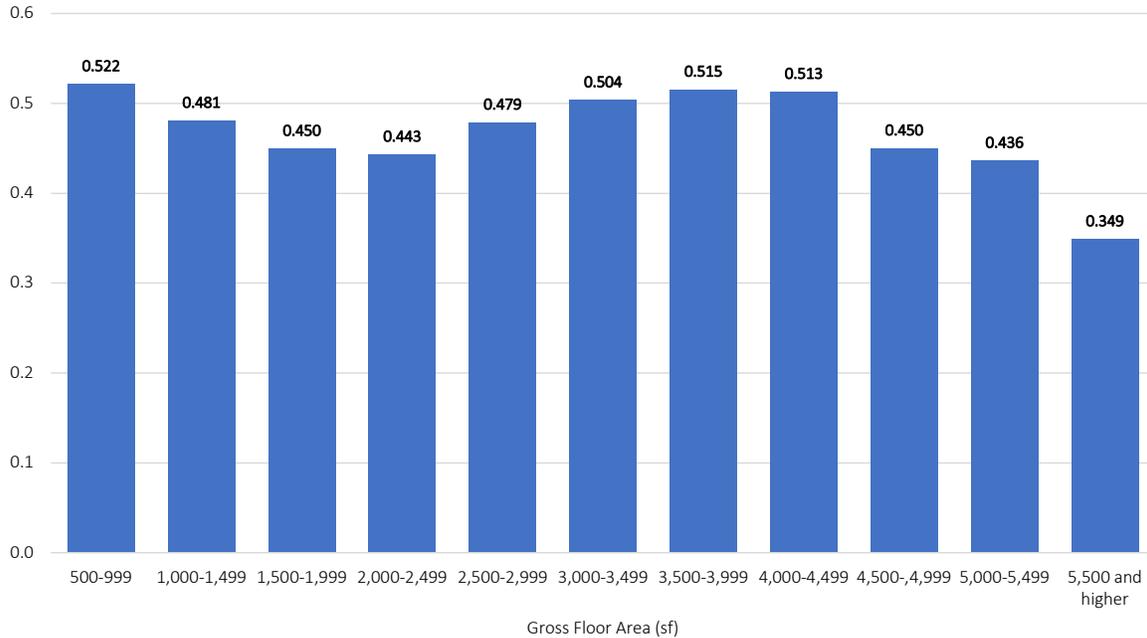
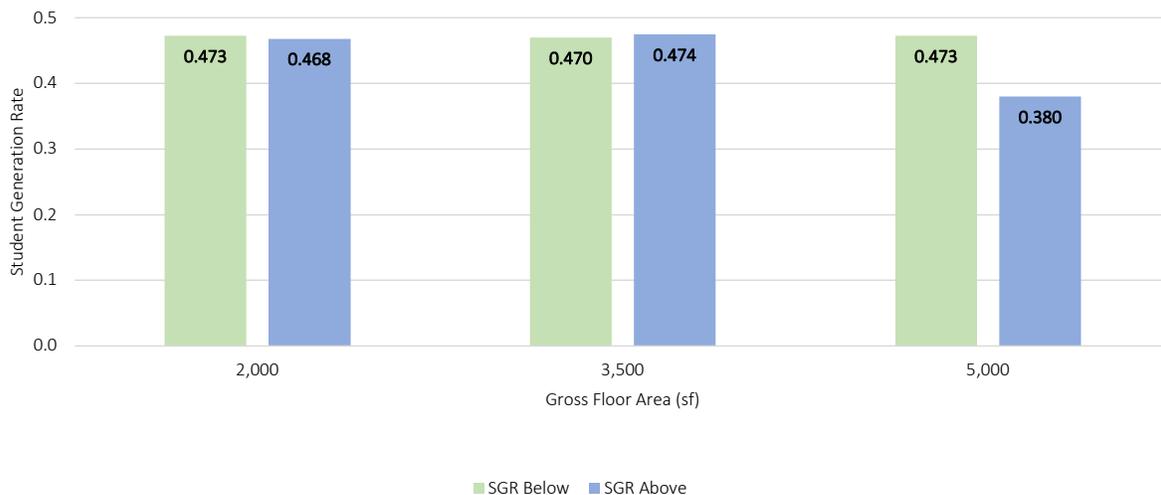


Figure 40 further highlights the difference between home size above and below three different thresholds: 2,000 square feet, 3,500 square feet and 5,000 square feet. These data demonstrate no connection between the size of the home and the number of public school students living in the home.

Figure 40. Single-Family Detached Student Generation Rates Above and Below Particular Gross Floor Area Thresholds.



Attachment 13.d: County Growth Policy - Planning Board recommended draft (3318 : County Growth Policy)

Impact Tax Exemptions on Residential Uses

Table 17 identifies the school and transportation impact tax exemptions that currently apply to residential uses, and indicates which the Planning Board recommends amending.

Table 17. Exemptions to Development Impact Taxes.

Current Exemption	School	Transportation	Recommended
1 Any Moderately Priced Dwelling Unit (MPDU)	Exempt	Exempt	Maintain
2 Any dwelling unit for which the price or rent charged is limited for at least 15 years to make the unit affordable to households earning equal to or less than 60% of the area median income, adjusted for family size	Exempt	Exempt	Maintain
3 Any Personal Living Quarters unit that meets the price or rent eligibility standards for an MPDU	Exempt	Exempt	Maintain
4 Any dwelling unit in an Opportunity Housing Project, which meets the price or rent eligibility standards for an MPDU	Exempt	Exempt	Maintain
5 Any dwelling unit built by high school students under a program operated by the Board of Education	Exempt	Exempt	Maintain
6 Any farm tenant dwelling	Not exempt	Exempt	Maintain
7 Any dwelling unit in a development that is age-restricted for seniors 55 and older	Technically not exempt, but rate set to \$0	Not exempt	Maintain
8 Any development located in an Enterprise Zone designated by the state or in an area previously designated as an Enterprise Zone	Exempt	Exempt (including commercial uses)	Amend to excluded former Enterprise Zones and add Qualified Opportunity Zones
9 Any otherwise non-exempt dwelling unit in a development in which at least 25% of the dwelling units are exempt under number 1, 2, 3 or 4 above	Exempt	Exempt	Amend to limit the exemption and require the affordable units be placed in the MPDU program

The Planning Board recommends maintaining the exemptions identified as numbers 1 through 6 above. Exempting impact taxes on these affordable units helps make them more financially viable to the developer and supports the construction of affordable housing in the county.

Communities that are age-restricted for residents 55 and older can still have school-aged residents, although a quick review of 2018 countywide enrollment data revealed that there are very few MCPS students residing in age-restricted units. The need for housing that meets the needs of

older adults, however, will grow significantly in Montgomery County in the years to come, largely because of the aging baby boom generation population increasing the county's already large base of residents 55 and older.

The Planning Board does have recommendations on the final two exemptions pertaining to Enterprise Zones and providing 25 percent affordable units, described below.

Enterprise Zone Exemptions

The Maryland Enterprise Zone program designates areas of the state meeting certain requirements as targets for employment growth. A business owner in an Enterprise Zone may apply for income tax credits based on the number of jobs created by the business within the zone. Property tax credits are also available for businesses that hire new employees or invest in capital improvements. The Enterprise Zone designations are for a period of 10 years. In Montgomery County there are former Enterprise Zones in Wheaton (expired in 2019) and the Silver Spring CBD (expired in 2006), and current Enterprise Zones in Olde Towne Gaithersburg (expires in 2028), Glenmont (expires in 2023), Long Branch/Takoma Park (expires in 2023), and Burtonsville/Briggs Chaney (expires in 2027).



Recommendation 6.5: *Eliminate the current impact tax exemptions for development in former Enterprise Zones.*

The purpose behind exempting Enterprise Zones from impact taxes was to encourage revitalization and support economic growth within the zone by making development more affordable. In 2007, the County Council increased the transportation and school impact taxes significantly. Recognizing that the Silver Spring CBD's Enterprise Zone designation had recently expired, and the district was only just beginning to experience the desired redevelopment, the Council chose to extend the impact tax exemptions to former Enterprise Zones. Fourteen years have passed since the expiration of the Silver Spring CBD Enterprise Zone designation, and both Silver Spring and Wheaton have experienced strong revitalization efforts.

Both former Enterprise Zones are also located within Desired Growth Areas. The Planning Board recommends applying an impact tax discount to development within identified Desired Growth Areas, as discussed in Recommendation 6.2. Most of both areas are also located within Qualified Opportunity Zones. In Recommendation school Infill Impact Areas and transportation Red Policy Areas, where

impact taxes are lowest. Therefore, reintroducing impact taxes to these former Enterprise Zones is not expected to hinder development in either area but will help generate funds needed to support the school and transportation CIP projects from which these areas benefit.

Opportunity Zone Exemptions

An Opportunity Zone is an economically distressed community where private investments may be eligible for capital gain tax incentives. They were created in 2017 as part of the federal Tax Cuts and Jobs Act. The program requires state-nominated areas to be certified by the US Treasury Department. There are 14 census tracts in the county that have been certified as Qualified Opportunity Zones. These have been aggregated into the areas shown in Figure 41. Once a designation is made, it remains for 10 years.

In many ways these are similar to Enterprise Zones, which are state designated areas that provide property tax credits to businesses that create new jobs. While the Opportunity Zone program is relatively new, the county can still use the designations to help target investments, and the Planning Board recommends incentivizing growth in these areas by exempting development in Qualified Opportunity Zones from all impact taxes.



Recommendation 6.6: *Any development located in a Qualified Opportunity Zone certified by the United States Treasury Department is exempt from development impact taxes.*

Figure 41. Qualified Opportunity Zones in Montgomery County.



25 Percent Affordable Housing Exemptions

The benefits of Montgomery County’s inclusionary zoning program, the Moderately Priced Dwelling Unit (MPDU) Ordinance, are well documented. Enacted in 1973, the MPDU law requires any development with 20 or more residential units to include a minimum of either 12.5 percent or 15 percent of all units to be set aside as affordable. The units are rented or sold to households earning between 65 and 70 percent of the area median income, which makes them affordable to households (of four) earning between \$82,000 and \$88,000 per year. Currently, over 4,500 MPDUs are under a control period.

The benefits of the units also extend beyond providing housing for Montgomery County households. The Century Foundation’s [Housing Policy Is School Policy](#) found that low- and moderate-income children housed in MPDUs in Montgomery County and attending lower-poverty schools significantly outperformed (in reading and math) their lower- and moderate-income peers that did not live in MPDUs.

In 2015, the County Council amended the impact tax law to provide a new exemption based on

the amount of affordable housing in a project. If 25 percent of the residential units qualify for an affordable housing impact tax exemption (those identified as number 1, 2, 3 or 4 in Table 17), then all residential units in the project receive the exemption. Since that time, over twenty projects in various stages of the application process have either used the waiver or signaled their intent to do so. Nine projects have gone to building permit and had a total of over \$30 million in transportation and school impact taxes waived. Six have received Planning Board approval, and six projects are in the early stages of the application process but have signaled their intent to use the waiver. In total, if all twenty-one projects use the waiver potentially over \$100 million in total impact taxes will have been waived.⁴⁶ Of note, together the twenty-one projects will create over 600 additional MPDUs beyond what would otherwise have been required. In the past five years, the MPDU program has created on average around 220 MPDUs per year (both rental and for-sale).

At least nine of the projects have a homeownership component, creating affordable and attainable homeownership opportunities that are sorely needed. The [Montgomery County Housing Needs Assessment](#) noted that the household income required to afford the county's median home value is higher than the county's median household income.⁴⁷ The Housing Needs Assessment also noted a receding supply of market-rate units since 2014. In that year, the county had a surplus of 5,700 units affordable to households at 65 percent of AMI. By 2018, that number receded to a surplus of only 800 units. If this trend continues, there will be a gap of available units in the 65 percent range. Increased MPDU production can help fill this anticipated gap. The MPDU program also helps fill a critical need for households earning below 60 percent of AMI. One-third of MPDUs serve households below 60 percent of AMI, mainly through partnerships with non-profits and the Housing Opportunities Commission.

The benefit provided to a developer by this exemption varies by type of unit and by geography (currently due to the transportation policy areas but also due to the school impact areas in the future). Since the adoption of this exemption, the County Council has also modified the Moderately Price Dwelling Unit (MPDU) law to increase the MPDU requirement for new development projects to 15 percent in areas with high median incomes.



Recommendation 6.7: *Modify the current impact tax exemptions applied to all housing units when a project includes 25% affordable units to:*

- 1. require the affordable units be placed in the county's or a municipality's MPDU program, and*
- 2. limit the exemption amount to the lowest standard impact tax in the county for the applicable dwelling type.*

The Montgomery County Planning Board recognizes the importance of balancing county priorities, including affordable housing production and schools and transportation infrastructure. The suggested modifications to the impact tax exemption seek to strike a balance between the existing county priorities of incentivizing affordable housing production and ensuring adequate schools and transportation infrastructure.

Recommendation 6.7 advances the following amendments to the impact tax code:

1. Exemption Rate. The exemption is allowed county-wide for projects that provide 25% MPDUs, and the exemption is only equal to the lowest possible standard impact tax rate for unit type.
2. MPDU Program. Requiring the affordable housing units constructed to be placed in the MPDU program ensures the control period on the units is maximized. The MPDU program safeguards the affordability of rental units for a control period of 99 years, whereas other affordable housing programs have much shorter control periods.
3. Transition clause. The Planning Board recommends that amendments made to the impact tax exemptions apply to any development for which a preliminary plan application is filed and accepted after the amendments take effect. (Amendments to the impact tax rates would apply to any application for a building permit filed on or after the effect date of the impact tax bill.)

Figure 42 and Figure 43 demonstrate how the Board's proposed revisions to this exemption would be applied for school and transportation impact taxes, respectively.

⁴⁶ These totals are estimated using the current impact tax rates, not the rates proposed in this report by the Planning Board.

⁴⁷ In 2018, the household income required to afford the median home value was \$125,000 and the actual median income was \$108,000.

CHAPTER 6

Figure 42. Application of the 25% MPDU School Impact Tax Exemption.

		Single-family Detached			Single-family Attached			Multifamily		
		Impact Tax	Exemption	To Pay	Impact Tax	Exemption	To Pay	Impact Tax	Exemption	To Pay
Infill	Standard	\$19,707	\$19,707	\$0	\$17,311	\$17,311	\$0	\$4,370	\$4,370	\$0
Impact Areas	Desired Growth	\$19,707	\$19,707	\$0	\$10,387	\$17,311	\$0	\$2,622	\$4,370	\$0
Turnover Impact Areas	Standard	\$21,582	\$19,707	\$1,875	\$23,928	\$17,311	\$6,617	\$9,688	\$4,370	\$5,318
	Desired Growth	\$21,582	\$19,707	\$1,875	\$14,357	\$17,311	\$0	\$5,813	\$4,370	\$1,443
Greenfield Impact Areas	AR Zone	\$25,898	\$19,707	\$6,191	\$28,714	\$17,311	\$11,403	\$11,626	\$4,370	\$7,256
	Standard	\$33,809	\$19,707	\$14,102	\$28,691	\$17,311	\$11,380	\$24,898	\$4,370	\$20,528
	AR Zone	\$40,571	\$19,707	\$20,864	\$34,429	\$17,311	\$17,118	\$29,878	\$4,370	\$25,508

Figure 43. Application of the 25% MPDU Transportation Impact Tax Exemption.

	Single-family Detached			Single-family Attached			Multifamily Low-rise			Multifamily High-rise			Multifamily Senior		
	Impact Tax	Exemption	To Pay	Impact Tax	Exemption	To Pay	Impact Tax	Exemption	To Pay	Impact Tax	Exemption	To Pay	Impact Tax	Exemption	To Pay
Red Policy Area	\$7,838	\$7,838	\$0	\$6,413	\$6,413	\$0	\$4,986	\$4,986	\$0	\$3,561	\$3,561	\$0	\$1,424	\$1,424	\$0
Orange Policy Area	\$19,591	\$7,838	\$11,753	\$16,030	\$6,413	\$9,617	\$12,465	\$4,986	\$7,479	\$8,904	\$3,561	\$5,343	\$3,562	\$1,424	\$2,138
Yellow Policy Area	\$24,490	\$7,838	\$16,652	\$20,038	\$6,413	\$13,625	\$15,582	\$4,986	\$10,596	\$11,130	\$3,561	\$7,569	\$4,452	\$1,424	\$3,028
Green Policy Area	\$24,490	\$7,838	\$16,652	\$20,038	\$6,413	\$13,625	\$15,582	\$4,986	\$10,596	\$11,130	\$3,561	\$7,569	\$4,452	\$1,424	\$3,028





Recommendation 6.8: *Continue to apply impact taxes on a net impact basis, providing a credit for any residential units demolished.*

This recommendation affirms the current policy in response to Bill 34-19 Housing Impact Fairness Act,⁴⁸ which would have applied school impact taxes to single-family homes that replace demolished homes. Currently, impact taxes are not paid on the replacement homes, as long as construction on the new home begins within a year of the demolition of the original home.

Montgomery Planning analysis of student generation rates among recently torn down and rebuilt homes shows that they generate slightly fewer students on average than other single-family homes that have recently been sold (regardless of the home's

age). The 848 replacement homes built across the county between 2014 and 2018 were generating, on average, 0.557 students per home, or 20.6 percent more students per home than the average single-family detached home across the county (regardless of year built), however, a review of single-family detached homes sold between 2014 and 2018 revealed that they were generating 0.622 student per home on average in 2018, or 11.7 percent more than replacement homes.

Furthermore, when a single dwelling unit replaces another single-dwelling unit, the net housing impact is zero. Over the life of the new home, it will be expected to generate as many students on average in any given year as the original home.

⁴⁸ Bill 34-19 was introduced on October 15, 2019 by lead sponsor Councilmember Evan Glass and co-sponsor Councilmember Will Jawando. The bill would apply the school impact tax on certain replacement homes and create an excise tax for replacement homes that exceed the square footage of the original home. The bill does not alter the applicability of the transportation impact tax. The purpose of the bill is to increase revenue for affordable housing initiatives and public school capital projects.



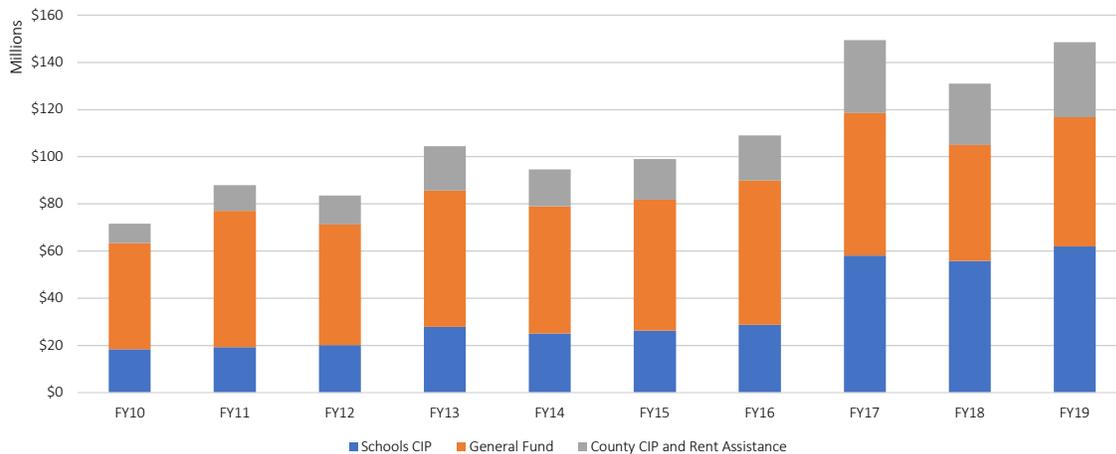
Recordation Tax

The recordation tax is paid on the sale of a property by the purchaser,⁴⁹ The tax is progressive in that the amount paid is based on the sales price of the property and the rate paid increases at higher sales prices. The recordation tax is another source of funding for the MCPS Capital Improvements Program (CIP). In recent years, it has generated more revenue for the schools CIP than development impact taxes.

In May 2016, the County Council adopted Bill 15-16, which took effect on September 1, 2016 and dedicated more funding to the MCPS CIP. The

portion dedicated to schools was increased from \$1.25 for each \$500 increment in sales price to \$2.37 (the other changes to the tax are shown in Table 18). The impact of this change can be seen in Figure 44 as the funding for the schools CIP increased from \$28.8 million in FY2016 to \$58.1 million in FY2017.

Figure 44. Recordation Tax Revenue, FY2010 to FY2019.



Source: Montgomery County Department of Finance, Treasury Division

Countywide, Montgomery Planning estimates that more than 70 percent of recent countywide growth in MCPS enrollment can be attributed to turnover of existing dwelling units. The rate is even higher if replacement homes are considered turnover instead of new homes.⁵⁰ Given the large role that single-family turnover plays in enrollment growth, the Planning Board is recommending a modification to the calculation

⁴⁹ During the sale of a property, there can sometimes be arrangements that the recordation tax payment is split between the seller and the buyer. The tax is also paid when a mortgage is refinanced, and the new amount borrowed is higher than the principal remaining on the original mortgage.

⁵⁰ Replacement homes do not increase the housing supply as it is one new home replacing an older existing home. Sometimes, there is no change in ownership. But often there is, and that is simply a transfer of improved property from one owner to another and thus should be viewed as turnover.

of the recordation tax to contribute more funding to the MCPS capital budget and to further support the county's housing priorities.



Recommendation 6.9: *Incorporate progressive modifications into calculation of the Recordation Tax to provide additional funding for school construction and the county's Housing Initiative Fund.*

The Recordation Tax is a progressive tax that helps fund numerous initiatives. Table 18 highlights the current recordation tax steps and rates and the respective funding targets and compares these to the recommended modifications. Currently, the recordation tax provides \$2.37 to the MCPS CIP for every \$500 interval (or part thereof) above \$100,000 in sales price. The Planning Board recommends increasing that component by 50 cents to \$2.87. Additionally, the Board recommends adding a new 50 cent charge earmarked for the MCPS CIP for every \$500 interval above \$500,000. To help make homeownership attainable to more people, the Planning Board recommends increasing the recordation tax exemption for first-time homebuyers from the first \$100,000 in sales price to the first \$500,000.

The Planning Board also recognizes the increasing need for rental assistance, which is funded through the Housing Initiative Fund. [The Montgomery County Housing Needs Assessment](#) noted that the number of cost burdened households in Montgomery County has increased by almost 10,000 households since

2009.

The Housing Initiative Fund (HIF) is a locally funded housing trust fund that receives revenue from a variety of sources including loan repayments and property tax revenue. Administered by Montgomery County's Department of Housing and Community Affairs, the fund provides loans to the Housing Opportunities Commission (HOC), nonprofit developers, experienced rental property owners, and for-profit developers to build new housing units, renovate deteriorated multifamily housing developments, preserve existing affordable housing, and provide housing for people with disabilities.

The portion of the Recordation Tax that supports the HIF must be used for rental assistance to low- and moderate-income households. These revenues are used to pay traditional monthly rental subsidies but can also be used to permanently buy down the cost of a unit to make it more affordable (for example, making a unit that would have been affordable to a household earning 60 percent AMI to one earning 30 percent AMI).

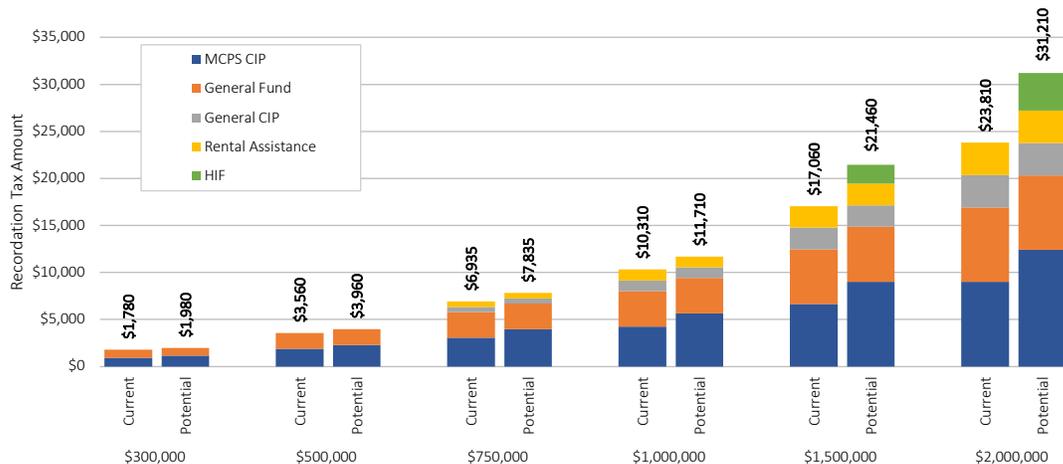
The Planning Board recommends a more progressive Recordation Tax structure to further support rental assistance funding through the HIF. The Board recommends a charge of \$1.00 for every \$500 interval in excess of \$1 million. The proposed charge would only be applied to the sale of single-family dwelling units (both detached and attached).

CHAPTER 6

Table 18. Past, Current and Proposed Changes to the Recordation Tax.

	Prior to September 1, 2016	Current Recordation Tax	Proposed Recordation Tax
Exemptions	<ul style="list-style-type: none"> First \$50,000 of consideration payable, if it's the homebuyer's principal residence 	<ul style="list-style-type: none"> First \$100,000 of consideration payable, if it's the homebuyer's principal residence 	<ul style="list-style-type: none"> First \$100,000 of consideration payable, if it's the homebuyer's principal residence First \$500,000 of consideration payable, if the purchaser is a first-time homebuyer and it's the homebuyer's principal residence
For each \$500 that the sales price exceeds \$100,000	<ul style="list-style-type: none"> \$1.25 to the CIP for schools⁵¹ \$2.20 to the county's general fund 	<ul style="list-style-type: none"> \$2.37 to the MCPS CIP \$2.08 to the county's general fund 	<ul style="list-style-type: none"> \$2.87 to the MCPS CIP \$2.08 to the county's general fund
For each \$500 that the sales price exceeds \$500,000	<ul style="list-style-type: none"> \$1.55 split evenly between the county CIP and rental assistance 	<ul style="list-style-type: none"> \$2.30 split evenly between the county CIP and rental assistance 	<ul style="list-style-type: none"> \$2.30 split evenly between the county CIP and rental assistance \$0.50 to the MCPS CIP
For each \$500 that the sales price of a single-family home exceeds \$1 million	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> \$1.00 to the county's Housing Initiative Fund

Figure 38. Potential Change to Recordation Tax and Components by Home Sales Price.



51 Prior to the 2016 amendment, this portion could also be spent on Montgomery College information technology capital projects.

Table 19. Estimated Impact of Proposed Recordation Tax Changes by Home Sales Price.

	Home Sales Price					
	\$300,000	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000
Tax Increase	11%	11%	13%	14%	26%	31%
Tax Increase Amount	\$200	\$400	\$900	\$1,400	\$4,400	\$7,400
Increase as Share of Price	0.07%	0.13%	0.12%	0.14%	0.29%	0.37%
MCPS Funding Increase	21%	21%	29%	33%	36%	38%

Figure 38 and Table 19 demonstrate the impacts of the proposed changes on the recordation tax applied to homes sold at various price points. While all price points will pay more, the amount of the increase is larger for the higher priced homes. While these calculations account for the exemption on the first \$100,000 of a principal residence, it does not account for potential reductions in recordation tax charges due to the proposed exemption for first-time homebuyers.

Based on the actual recordation tax revenue reported by the Montgomery County Department of Finance, Montgomery Planning has roughly estimated that the proposed changes would have generated approximately \$20 million more in revenue for school construction in FY19 (this does not account for offsets from the proposed first-time homebuyer exemption). A more detailed analysis, including the impact of the proposed HIF portion will be conducted by the Department of Finance as the proposed changes advance through the legislative process.





Mayor & Council Meeting Date: September 14, 2020
Agenda Item Type: Approval
Department: Finance
Responsible Staff: Stacey Webster

Subject

Financial Advisory Board FY 2020 Annual Report and FY 2021 Action Plan

Recommendation

The Financial Advisory Board ("Board") recommends that the Mayor and Council review and approve the Board's Action Plan for FY 2021.

Discussion

The Financial Advisory Board held a meeting on July 1, 2020, where they unanimously approved an Action Plan for FY 2021. The Board would like the Mayor and Council to review and approve the Action Plan. The Board believes that the Action Plan (attached) is consistent with the Board's "Duties and Responsibilities" as outlined in the City Code.

In addition to the FY 2021 Action Plan, attached is the FY 2020 Annual Report. The Annual Report outlines the Board's accomplishments for the prior fiscal year.

Mr. Bob Wright, Board Chair, will present these reports to the Mayor and Council.

Mayor and Council History

The Mayor and Council approved the FY 2020 Action Plan on September 16, 2019.

Boards and Commissions Review

The Financial Advisory Board unanimously approved the FY 2021 Action Plan on July 1, 2020.

Attachments

Attachment 14.a: FAB_FY2020 Annual Report_FY2021 Action Plan (PDF)


Rob DiSpirito, City Manager 9/9/2020

MEMORANDUM

DATE: July 1, 2020

FROM: Financial Advisory Board
City of Rockville

TO: Mayor and Council
City of Rockville

SUBJECT: Annual Report for FY 2020 and the Proposed FY 2021 Action Plan

On July 1, 2020 the Board approved (1) the Financial Advisory Board's Annual Report for FY 2020 and (2) the Financial Advisory Board's proposed Action Plan for FY 2021. These two documents are enclosed. The Board requests Mayor and Council approve the Action Plan for FY 2021.

Mr. Kuan Lee is no longer on the Board. His term expired and he chose to not seek reappointment to the Board. We thank him for his service and wish the best for him in seeking other service to the City of Rockville.

During FY 2020 Mayor and Council appointed two new members to the Board, Mr. Harold Hodges and Ms. Huei-Chi Hsu. We believe they will be extremely valuable and productive Board members. Mayor and Council reappointed Mr. Darryl L. Parrish and Mr. Jack Kelly to the Board.

The Board met seven (7) times in FY 2020: September 4, October 17, and November 21, 2019; January 7, February 27, March 11 and April 23 (virtual), 2020. These meetings satisfied the founding documents requirement of meeting at least once per quarter. Meetings are publicly noticed on the City's website at <https://www.rockvillemd.gov/AgendaCenter/Financial-Advisory-Board-20>.

Because it was completed the following action is removed from the Action Plan for FY 2021.

Review the City staff's final draft Request for Proposal (RFP) and the final draft work products by the contractor with regard to the study that the Human Resources Department proposes to initiate in FY 2019 to review the City's current employee compensation and classification structure.

The "Stay at Home" response to the coronavirus pandemic interrupted the Board's typical on-demand schedule of meetings as City Hall was closed. However, the highlight for the fiscal year did occur through a combination of actual and virtual meetings. The Board through Mr. Kelly's diligence and Mr. Parrish's assistance discovered significantly inaccurate spending data (in the neighborhood of \$32 million) for Master Agreement purchases as reported in the Procurement Annual Reports. Working with the City Manager and the Director of Procurement, along with the help of the Finance Department, accurate spending through Master Agreements was established. Thus, a more complete comparison of competitive versus noncompetitive procurement by the City is now possible.

At this time the Board proposes no new actions. That leaves 11 actions in the Action Plan for FY 2021. If during FY 2021 an issue arises that the Board believes merits its attention, we will petition the Mayor

and Council to amend the Action Plan. The Board thanks Mayor and Council for their support during the past year.

The Board greatly appreciates the support of Ms. Stacey Webster as the City Staff liaison to the Board. She is an invaluable asset for the City. Councilmember Feinberg, as the Mayor and Council liaison, continues to be a valuable resource for the Board. She brings a wealth of knowledge and understanding on many issues from the Council and from her career in budget, finance and procurement with Montgomery County.

Members of the Financial Advisory Board

Mr. Andrew Brammer
 Mr. Harold Hodges
 Ms. Huei-Chi Hsu
 Mr. Jack Kelly
 Mr. Corey Orlosky
 Mr. Darryl L. Parrish
 Dr. Robert Wright, Chair

CC: Ms. Stacey Webster, Staff Liaison to the Board, Deputy Director, Department of Finance
 Councilmember Beryl L. Feinberg, Mayor and Council Liaison to the Board
 Mr. Rob DiSpirito, City Manager
 Mr. Gavin Cohen, Director, Department of Finance

Enclosures: Financial Advisory Board Annual Report for FY 2020
 Financial Advisory Board Proposed FY 2021 Action Plan

**CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD
ANNUAL REPORT FOR FY 2020**

INTRODUCTION

Fiscal Year 2020 ended with seven members on the Board—a full complement. During the fiscal year Mayor and Council appointed two new members to the Board, Mr. Harold Hodges and Ms. Huei-Chi Hsu. Mayor and Council also reappointed Mr. Darryl L. Parrish and Mr. Jack Kelly to the Board. All terms on the Board are for 3 years.

The Board met seven times during the year. It met on September 4, October 17, and November 21, 2019. It met on January 7, February 27, March 11, and April 23 (virtual meeting), 2020. It fulfilled the requirement to meet at least once per calendar quarter. City Hall was closed for the entire second quarter of 2020, but the Board chose to meet virtually in April to continue with its duties and responsibilities as stated in Chapter 2 of the Rockville City Code, Administration, Division 2.

In FY 2020 the Mayor and Council liaison to the Board was Councilmember Beryl L. Feinberg. The City Staff liaison was Ms. Stacey Webster, Deputy Director, Department of Finance. Both individuals proved to be great assets for the Board.

ACCOMPLISHMENTS IN THE FY 2020 ACTION PLAN

1. Annually review the City’s Comprehensive Annual Financial Report (CAFR), the Single Audit Report, and all other reports issued by the auditors and published in final form. The review should encompass and include any management letters and audit findings, as appropriate. **[Orlosky and Parrish]**

As reported in the Boards and Commission Review section for Agenda Item 15 for the Mayor and Council meeting on December 9, 2019 the Financial Advisory Board met on November 21, 2019, to discuss the FY 2019 Comprehensive Annual Financial Report and accompanying letters. Prior to the meeting, Board members read the CAFR and associated communications from the City’s auditor and came to the meeting prepared to ask questions of the City’s Controller. A majority of the discussion focused on the \$93 million restatement related to fixed asset depreciation for certain of the City’s assets, as described on page 57 of the CAFR, and as identified as a material weakness on the auditors’ letter to the City dated October 30, 2019. The Board’s questions on this and other items in the CAFR, as well as questions related to the auditors’ communications to the City, were satisfactorily addressed by the City’s Controller. Details of the discussion between the Board and the City’s Controller can be found in the minutes of the Financial Advisory Board meeting for November 21, 2019. No further action was required on this topic after the conclusion of the Board meeting.

- a. In addition, review the Popular Annual Financial Report (PAFR)

At the Board meeting on January 7, 2020 Ms. Webster responded to comments and questions regarding the FY 2019 Popular Annual Financial Report (PAFR). This document is always well received, and this year was no different. Several Board members complimented Ms. Webster for the well prepared PAFR. There were no changes and additions recommended to the document.

2. Annually review the City's Financial Management Policies published in the City's budget document to evaluate whether those policies are appropriate. Include the cost recovery policy in the review. **[Orlosky]**

Mr. Corey Orlosky provided an update to the City's Financial Management Policies at the Board's meeting on September 4, 2019. The cost recovery policies that were updated for Recreation and Parks can be used as a guide for reviewing the cost recovery policies of other City departments. The review in other departments will occur in FY 2021.

3. Annually review the City's investment policy to evaluate whether that policy is appropriate. **[Brammer]**

A current year review of the City's Investment Policy was previously discussed and determined to not be required for the FY 2020 Action Plan. The prior review resulted in several recommendations by Mr. Brammer. Mr. Cohen and Ms. Webster discussed the recommendations with Mr. Brammer and accepted them. Subsequently the recommendations were presented to Mayor and Council.

4. Review the City's cash and investment report when published. **[Parrish]**

Reports for the first three fiscal quarters of FY 2020 had been reviewed as of the date of this report. Amounts invested and under management by the investment advisor are consistent with the City's Investment Policy.

5. Review the City's quarterly financial reports (QFR) to assess whether spending and revenue collection are tracking with adopted and amended budgets, analyzing variances, and to highlight problem areas, if any. **[Parrish and Brammer]**

Quarterly financial reports for the first three fiscal quarters of FY 2020 had been reviewed as of the date of this report. Ms. Stacey Webster addressed the few questions forwarded to her, and there are no outstanding concerns at this time.

6. Annually provide comments and recommendations, as appropriate, regarding the next fiscal year's Operating and Capital budgets. **[Chair, et. al.]**

The Financial Advisory Board met on March 11 and April 23, 2020 to discuss the FY 2021 proposed budget, including a review of the staff's proposed pandemic-related changes for Mayor and Council's consideration, dated April 13, 2020. Board questions and requests for clarification were documented and were satisfactorily addressed by City staff. There were no material issues identified in the original budget, or in the changes proposed by City staff. The Board will continue to work with the City's staff with respect to any outstanding questions not yet addressed.

The COVID-19 pandemic has resulted in the temporary closure of City Hall and all public-facing facilities during the latter stages of the development of the FY 2021 budget, though essential services remain in place. In the event facility closures and social distancing measures continue beyond July 1, 2020, financial performance in the upcoming fiscal year could be impacted, as contemplated in the staff's proposed changes discussed above. The Board will be prepared to assist the Mayor and Council in reviewing any amendments to the budget and CIP that may be necessary. Mayor and Council adopted a FY 2021 budget and CIP at their meeting on May 11, 2020.

7. Review proposed City actions to implement the 2015 Purchasing Study. **[Kelly]**

The Director of Procurement, Ms. Jessica Lewis, made the revised Procurement Guide available to the Financial Advisory Board in September 2019. Mr. Kelly reviewed the Guide and documented his comments in writing. Because of higher priority issues mentioned below, he has not yet presented those comments to the Financial Advisory Board.

Mr. Kelly received a draft of the 42-month update on the status of Procurement Action Plan implementation report on December 9, 2019. He provided his comments to the Board and City staff on December 16, 2019. On January 3, 2020, Mr. Kelly was provided a copy of the FY 2019 Procurement Annual Report. The Mayor and Council were scheduled to receive both of these reports at their January 27, 2020 meeting.

Mr. Kelly presented his comments and recommendations on both Procurement presentations at the Board's meeting on January 7, 2020. The Board agreed to language to be placed in the "Boards and Commissions Review" sections of the respective agenda items for both presentations. Both sets of Board language approved for the agenda items mentioned that specific comments and recommendations on both documents would be presented in separate memoranda to the City Manager. The Board also agreed on the language for the memo to be sent to the City Manager regarding the Action Plan Update. Mr. Kelly, Mr. Parrish, and Mr. Wright agreed to meet to discuss the concerns about the Procurement Annual Report before preparing a memorandum to the City Manager.

On January 13, 2020, the Board sent its detailed recommendations on the 42-month Procurement Action Plan Update to the City Manager. The City Manager responded on January 26, 2020 with his reasons for not accepting the Board's recommendations.

Mr. Kelly, Mr. Parrish, and Mr. Wright met on January 17, 2020 to discuss the path forward on the Annual Procurement Report concerns. During Citizen Forum at the January 27, 2020 meeting of the Mayor and Council, Mr. Kelly announced the Board's intention to provide recommendations on the FY 2020 Procurement Annual Report. Over the next two months, Mr. Kelly, Mr. Parrish, and Mr. Wright reviewed several analyses of procurement spending that focused on problems with the data on spending through Master Agreements. They also met on February 4, 2020 with the City Manager and Director of Procurement. In the Board meeting on March 11, 2020, Mr. Cohen, the Director of Finance, provided a copy of a report that contained the spending data needed. Mr. Wright said that he would set up a meeting with the City Manager and the Director of Procurement to discuss this new information. On March 12, 2020, Mr. Wright sent an email message to the City Manager requesting that meeting. Soon thereafter, the COVID-19 pandemic resulted in the City closing City Hall, making in-person meetings impossible.

On June 3, 2020, Mr. Kelly and Mr. Wright participated in a virtual meeting with the City Manager, the Director of Procurement, Councilmember Feinberg and Mayor Newton. During the meeting, the Director of Procurement said that she had been able to obtain the needed Master Agreement spend information and would amend the FY 2019 Procurement Annual Report and revise the FY 2020 Procurement Annual Report accordingly. She anticipates several months of effort for the changes and believes the effort will be complete by September 2020.

Once the spending data issues with Master Agreements were resolved, Mr. Kelly sent an email to the Director of Procurement with suggestions on how the new data could provide additional opportunities to improve the revised FY 2019 report. Once the revised FY 2019 report has been prepared for the Mayor and Council, Mr. Kelly will provide the Board with recommendations

regarding the FY 2020 Procurement Annual Report. Once the outstanding issues with the Procurement Annual Report are resolved, Mr. Kelly plans to discuss with City staff his comments on the Procurement Guide.

8. As part of the annual review of the Operating Budget, also review the Performance Measures in the budget. [**Lee, Kelly and Brammer**]

On December 11, 2019, Mr. Jack Kelly and Mr. Kuan Lee met with Mr. Craig Simoneau, Director of Public Works and Mr. Steve Sokol, Superintendent of Operations & Maintenance about improvements made within the Department's performance measures. Mr. Sokol updated Mr. Kelly and Mr. Lee about the changes made within the level of service and tracking form for "Street & Signs". The Department is hoping to acquire a new ERP system within a year. With the more detailed tracking system, their experience has been better communication and input between supervisors and crew, resulting in: Standardize performance, Promote consistency, Know expectancy, Identify needed resources, Efficiency, and Better response to residents. Currently, the Department is working on breaking down services within sewer operations and maintenance. Mr. Lee recommended updates from the Department on changes that would help Board's tasks in crafting a "good" performance guideline.

9. Review updates to the Water and Sewer Rates. Review the water and the sewer rate structure study. [**Wright**]

In FY 2018 the Board reviewed the 3-year water and sewer rates proposed by Santec and found them appropriate. Santec has been a consultant for the City's water and sewer rates for the past 5 years. The proposed water and sewer rates were adopted in the FY 2019 and FY 2020 budgets. Due to the negative economic impacts of the novel coronavirus that resulted in "stay at home" guidance by the State and Montgomery County, water and sewer rates were not increased in the FY 2021 budget. Santec was let a contract to study the water and sewer rate structure and its effect on different users. The Study most likely will be discussed with City staff early in FY 2021.

10. Review potential financial impacts from repurposing the King Farm Farmstead and be aware of proposals for remediation and improvements of the facilities at the King Farm Farmstead. [**Parrish**]

Mr. Parrish spoke with Mr. Tim Chesnutt, Director of Parks and Recreation, on December 12, 2019. Mr. Chesnutt indicated the work to shore-up the horse barn, as provided for in the FY 2020 budget, was complete. Due to very limited responses under the original timeline the deadline for the existing Request For Information (RFI) related to developer inputs on potential uses of the Farmstead sought by the City was extended. The Proposed FY 2021 Action Plan reflects recent developments with respect to the Board's involvement in future use of the Farmstead property.

11. Review the City staff's final draft Request for Proposal (RFP) and the final draft work products by the contractor with regard to the study that the Human Resources Department proposes to initiate in FY 2019 to review the City's current employee compensation and classification structure. **[Kelly, Brammer]**

The Board reviewed the final draft Request for Proposal (RFP) for the Classification and Compensation Study and provided comments to City staff. The Board was not given a copy of the final report in time to comment on it prior to its presentation to the Mayor and Council, nor advance notice of that presentation. However, the Board reviewed the final report and the video of its presentation and found it to be a much better work product than the presentation on this topic given in 2015.

12. Review and comment regarding the implementation of a "Supplemental Employee Contribution" to the defined benefit part of the City of Rockville pension plan for employees. **[Chair, et. al]**

On October 17, 2019 the Financial Advisory Board met with Jack Rodgers and Gavin Cohen, members of the City of Rockville Retirement Board, to discuss the Supplemental Employee Contribution to the defined benefit part of the employees' retirement plan.

On May 28, 2020 Mr. Hodges, Ms. Hsu and Mr. Wright met to discuss the strategic approach to the review of the Supplemental Employee Contribution to the defined benefit part of the Rockville pension plan. A draft memorandum to Mayor and Council with the Board's recommendations is being developed. The Board anticipates the memorandum will be forwarded to Mayor and Council early in Fiscal Year 2021.

Actions in the Charter (Rockville City Code, Administration, Division § 2-236) for the Financial Advisory Board

NO.	ACTION	FAB LEAD	NARRATIVE	ORIGIN	RKV STAFF
1	<p>Annually review the City's Comprehensive Annual Financial Report (CAFR), the Single Audit Report, and all other reports issued by the auditors and published in final form. The review should encompass and include any management letters and audit findings, as appropriate.</p> <p>Additionally review the Popular Annual Financial Report (PFAR).</p>	ORLOSKY PARRISH	<p>In FY 2020 the Board reviewed the FY 2019 Comprehensive Annual Financial Report (CAFR) and identified no issues of material concern. The Board now includes the review of the Popular Annual Financial Report (PFAR) that is closely associated with the CAFR as part of this action and not as a separate action.</p>	§ 2-241 (c)	Kim Francisco 8413 Stacey Webster 8407
2	<p>Annually review the City's Financial Management Policies published in the City's budget document to evaluate whether those policies are appropriate. Include the cost recovery policy in the review.</p>	ORLOSKY	<p>Comprehensive changes to the Recreation and Parks cost recovery policies (which are included in the Financial Management Policies) were presented to the Board in FY 2019. The Board unanimously approved the policies with changes, and they were included in the FY 2020 budget adopted by the Mayor and Council on May 6, 2019. The principles embraced for the cost recovery policies for Recreation and Parks will be used to review the cost recovery policies of other City departments.</p>	§ 2-241 (d)	Stacey Webster 8407
3	<p>Annually review the City's investment policy to evaluate whether that policy is appropriate.</p>	BRAMMER	<p>The Board reviews the City's investment policy when changes are made to it. If there are no changes, the Board's previous review stands. The most recently elected (November 2019) Mayor and Council have the opportunity to take a fresh look at the City's investment policy. The Board will follow closely the staff's presentation and recommendations to Mayor and Council regarding the City's investment policy.</p>	§ 2-241 (e)	Stacey Webster 8407

Attachment 14.a: FAB_FY2020 Annual Report_FY2021 Action Plan (3226 : Financial Advisory Board FY

4	Review the City's cash and investment report when published	PARRISH	Review the cash and investment fiscal quarter reports as they are posted on the City's website.	§ 2-241 (f)	Stacey Webster 8407
5	Review the City's quarterly financial reports (QFR) to assess whether spending and revenue collection are tracking with adopted and amended budgets, analyzing variances, and to highlight problem areas, if any.	PARRISH BRAMMER	Review the quarterly financial reports as they are posted to the City's website.	§ 2-241 (g)	Stacey Webster 8407
6	Annually provide comments and recommendations, as appropriate, regarding the next fiscal year's Operating and Capital budgets.	HSU BOARD	All members of the Board will review the FY 2022 Operating Budget and Capital Improvements Program. The review will be coordinated with the City's schedule for preparing the FY 2022 Budget.	§ 2-241 (h)	Stacey Webster 8407

Actions Proposed by the Financial Advisory Board to Mayor and Council for Approval for FY 2021

NO.	ACTION	FAB LEAD	STATUS	ORIGIN	RKV STAFF
7	Review proposed City actions to implement the 2015 Purchasing Study.	KELLY	The Board will coordinate its review of these biannual reports with City staff including Annual Procurement Reports. The Board received the Procurement Guide early in the previous year but withheld its comments until issues with the Procurement Annual Report were resolved. The Board intends to share its comments on the Procurement Guide with City staff this fiscal year.	Proposed FY 2021	Jessica Lewis 8432

Attachment 14.a: FAB_FY2020 Annual Report_FY2021 Action Plan (3226 : Financial Advisory Board FY

Financial Advisory Board Proposed Action Plan for FY 2021

July 1, 2020

8	As part of the annual review of the Operating Budget, also review the Performance Measures in the budget.	KELLY BRAMMER	The Board began a general review of the outcome performance measures in the FY 2019 Proposed Budget. For FY 2021, the Board will continue to work with City staff to improve the performance measures presented in the City's annual budgets.	Proposed FY 2021	Stacey Webster 8407
9	Review updates to the water and sewer rates. Review the consultant's report on the water and sewer rate structure.	HODGES	In FY 2018 the Board reviewed the 3-year water and sewer rates proposed by Santec and found them appropriate. The proposed water and sewer rates were adopted in the FY 2019 and FY 2020 budgets. Due to the negative economic impacts of the novel coronavirus that resulted in "stay at home" guidance by the State and Montgomery County, water and sewer rates were not increased in the FY 2021 budget. Santec was let a contract to study the water and sewer rate structure and its effect on different users. The Study most likely will be discussed with City staff early in FY 2021.	Proposed FY 2021	Stacey Webster 8407
10	As requested evaluate potential financial impacts from repurposing the King Farm Farmstead. Review large (>\$1,000,000) single project changes to infrastructure at the King Farm Farmstead.	PARRISH HODGES	Mayor and Council continue to seek potential new uses for the King Farm Farmstead, and it has directed the City Staff to draft an RFP with a view toward an appropriate repurposing of the property. Councilmember Feinberg has asked the City Staff to include the Board in the RFP drafting process	Proposed FY 2021	Tim Chestnut 8602
11	Review and comment on a "Supplemental Employee Contribution" (SEC) to the defined benefit part of the City of Rockville pension plan for employees.	WRIGHT HODGES HSU	At the Mayor and Council meeting on Monday, 16 September 2019, the FY 2020 Action Plan was amended by a motion requesting the Board to review and comment on a Supplemental Employee Contribution to the defined benefit part of the Rockville pension plan. The Board's review is anticipated to be complete in early FY 2021.	Proposed FY 2021	Gavin Cohen 8402



Mayor & Council Meeting Date: September 14, 2020
Agenda Item Type: Discussion
Department: Human Resources
Responsible Staff: Colette Anthony

Subject

Diversity Hiring Strategy

Recommendation

Staff recommends that the Mayor and Council review the City's diversity hiring strategy.

Discussion

The City of Rockville values diversity and strives to achieve a diverse workforce through its recruitment practices. As the City population becomes increasingly diverse, our managers recognize the importance of hiring individuals who can effectively serve a diverse community and represent the diversity of the available labor pool. As a result, in order to recruit, hire and retain the best people from every background and community, we must foster diversity in the City's workforce, manage it effectively, and value what it has to offer.

We are no different than other public employers in trying to recruit and retain a high performing workforce. We take seriously the need to be competitive, strategic, and innovative to ensure that all possible candidates are aware of our career opportunities, and related quality of life and the benefits of working for the City of Rockville.

A diverse workforce is critical for the City to improve and maintain a competitive advantage. Focusing on diversity and looking for ways to achieve an inclusive environment is not just a "nice to have objective," it makes good business sense. A diverse workforce offers greater productivity and a competitive edge. Diversity improves the quality of our workforce and offers a higher return on our investment in human capital.

What is diversity hiring?

Diversity hiring is hiring based on merit with special care taken to ensure procedures are free from biases related to a candidate's age, race, gender, religion, sexual orientation, and other personal characteristics that are unrelated to their job performance.

Confusion over diversity hiring sometimes lies in the mistaken perception that the goal of diversity recruitment is to increase workplace diversity for the sake of diversity.

The goal of diversity hiring is to identify and remove potential biases in sourcing, screening, and shortlisting candidates that may be ignoring, turning off, or unintentionally discriminating against qualified, diverse candidates.

Existing Hiring Process

The Human Resources department recognizes that people are our most important asset. We also recognize that diversity, inclusion, and opportunity are essential to the City's ability to effectively carry out its mission. These fundamental and value-enhancing tenets of our mission-oriented culture dictate that we continuously work to attract, hire, develop, and retain high-quality, diverse talent. Doing so allows us to build and maintain a workforce that reflects a diversity of backgrounds and experiences. We also strive to cultivate an inclusive work environment in which all employees are meaningfully engaged and have the opportunity to develop and succeed.

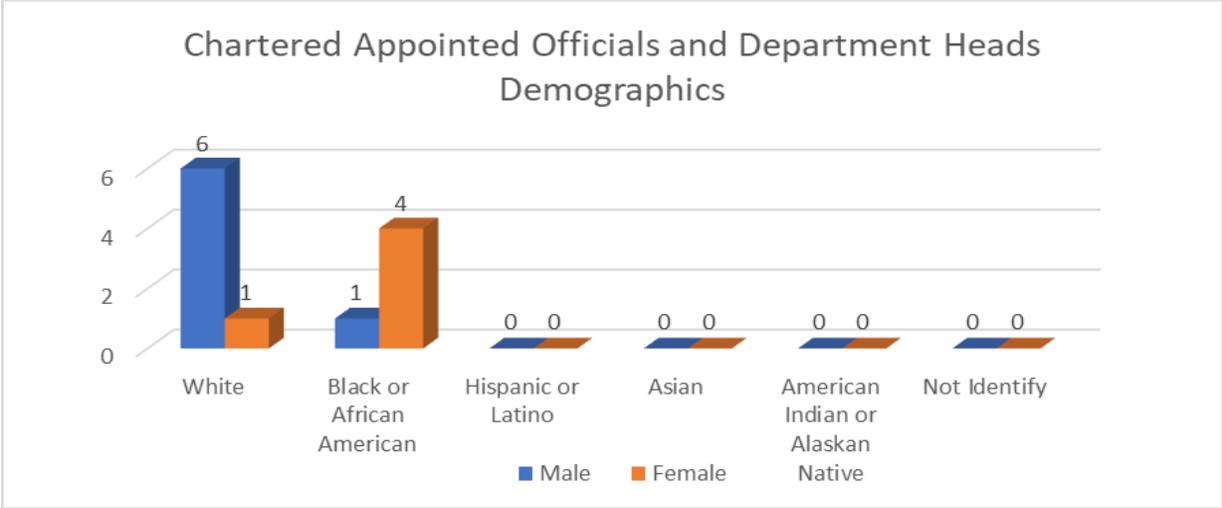
It is the policy of the City to conduct all employment activities in a manner that will ensure equal employment opportunity for all persons without regard to race, color, religion, national origin, ancestry, sex, marital status, disability, sexual orientation, genetic status, or political affiliation. In during such, the current hiring process is outlined below:

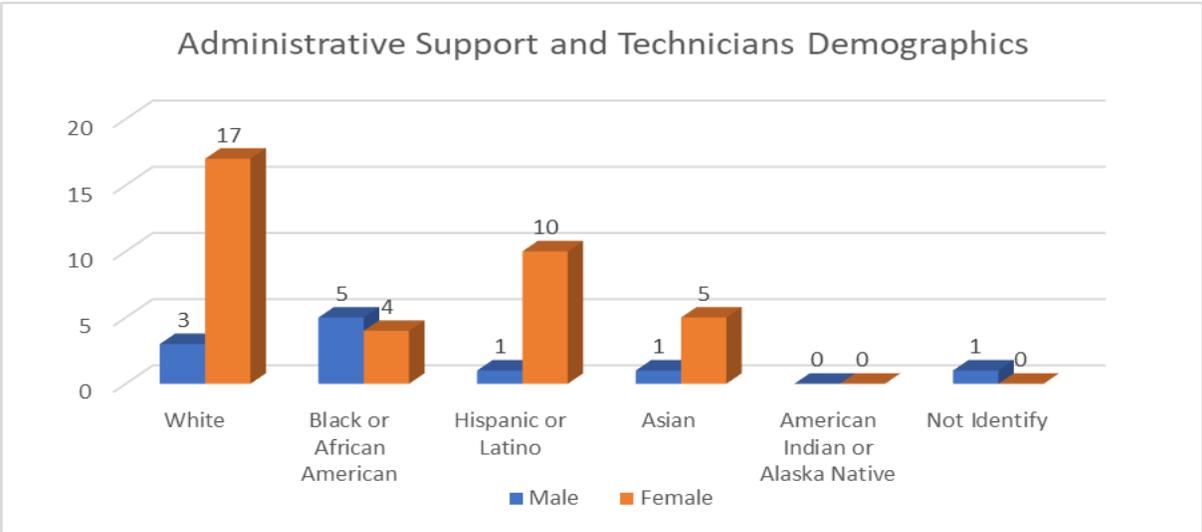
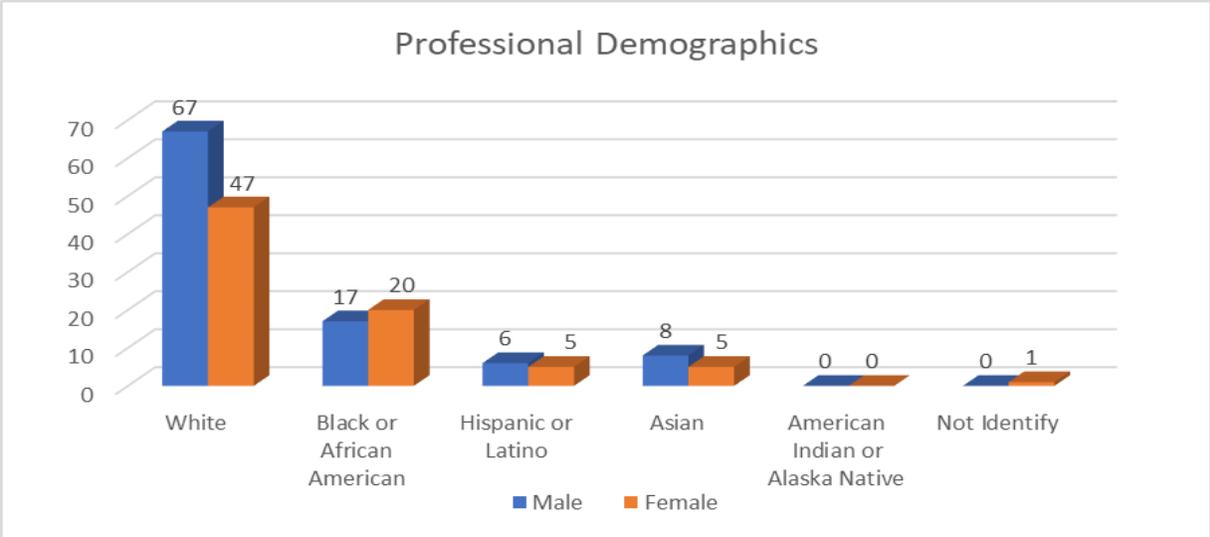
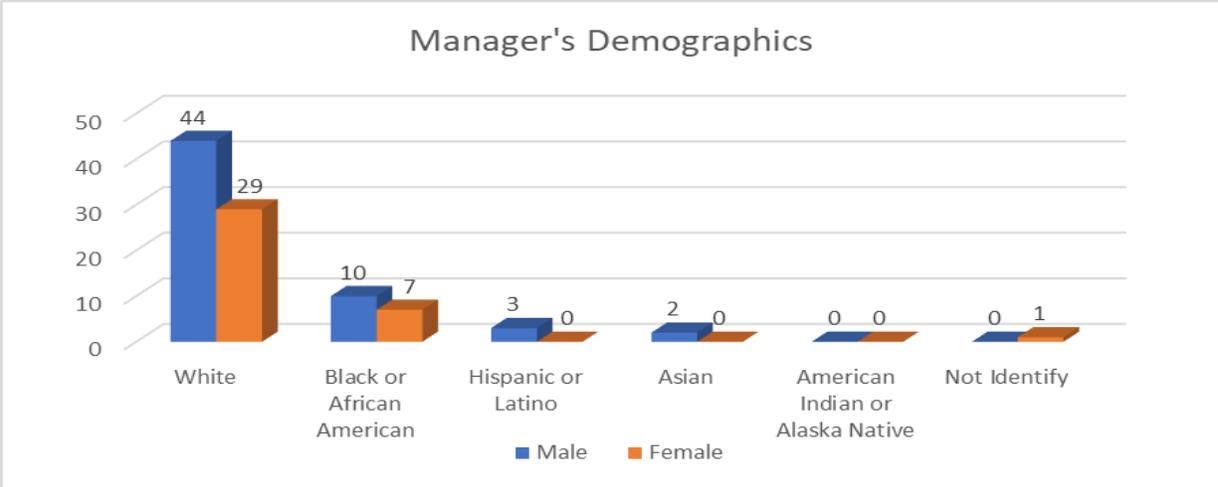
1. HR receives the notification of a vacancy.
2. HR sends job descriptions to the hiring manager for updates. Any updates must be approved by HR.
3. HR develops a recruitment strategy to decide how to fill the job opening.
4. HR, with input from the hiring manager, develops recruitment announcements and HR posts the vacancy on governmentjobs.com and other sources identified. (See attached diversity recruiting sources).
5. Once the position closes, HR identifies qualified candidates and forwards them to the hiring manager.
6. Hiring manager identifies candidates for interview.
7. The hiring manager with HR approval develops interview questions.
8. The hiring manager and HR identify interview panelists (an HR representative is present at all interviews)—typically three to five members.
9. The interview panel completes an evaluation form to assesses each candidate.
10. Once the candidate is selected, HR makes a contingent offer upon successful completion of the elements of the City of Rockville's employment screening process for the position (references and background checks, etc.).
11. After all screening processes have been completed an official welcome letter is sent to the new employee.
12. On the first day of employment, HR conducts the new-hire onboarding.

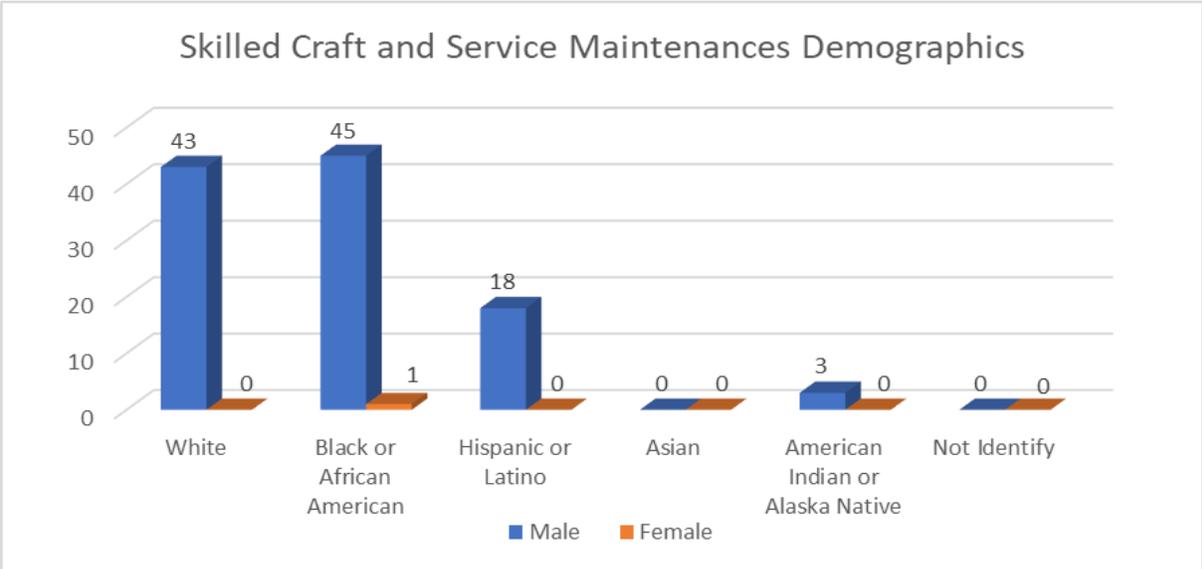
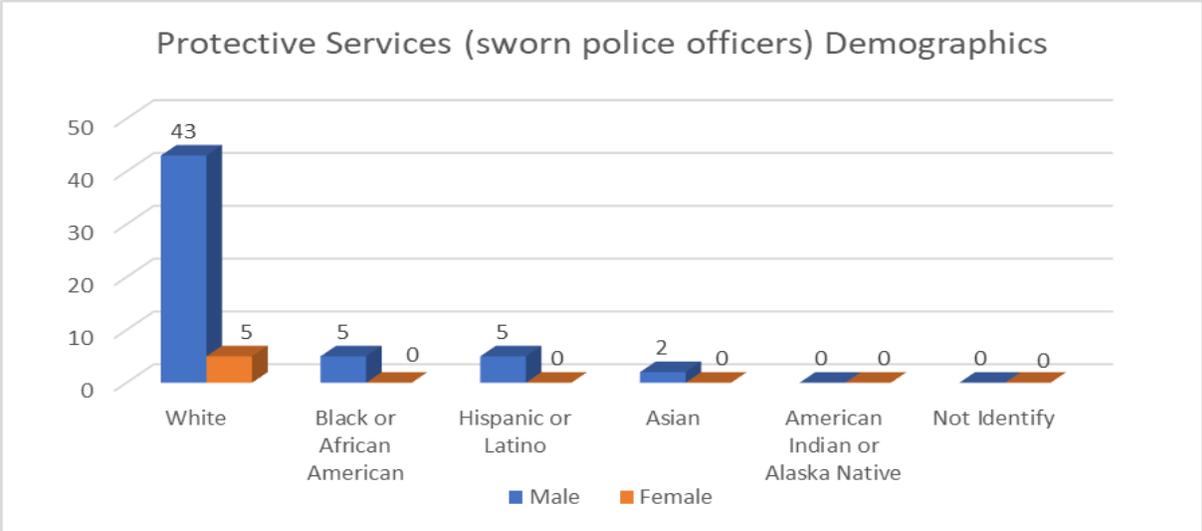
Over the last seven years, the Human Resources department established several changes to our hiring process to move towards a diverse work environment, evident at the senior staff and the protective services (sworn Police officer) level. One change has been to increase our use of diversity recruiting sources with which to directly seek the attention of candidates from our target audience - women, people with disabilities, and racially and ethnically diverse individuals, who are looking for employment opportunities. (Please see our attachment, Diversity Recruiting Sources). While diversity sources can supplement our efforts, the greater majority of job candidates who do apply to Rockville, including diverse candidates, first learn of our opportunity from widespread traditional sources like Indeed, LinkedIn, Monster.com, and other free sites.

Advertising with a diversity recruitment source such as National Forum of Black Public Administrators (NFBPA), Asian Women in Business (AWIB), or National Society of Hispanic Professionals (NSHP), can increase our pool of diverse candidates. (The expense is an average of about \$350 for each). For the Senior Assistant City Attorney position, we advertised in four different diversity hiring sources. (The expense was about \$1,600). Very few organizations or publications offer free employment advertisements. The HR department has an annual recruitment budget of \$21,900 in FY21; however, over time, the frequency and number of targeted sources for identified positions will increase. Additional funding will be needed to continue our diversity hiring strategies successfully. The HR department has worked proactively to incorporate diversity hiring strategies into our daily recruitment goals, and the effort is ongoing.

The following charts provide a snapshot of our workforce's current demographics working group and areas where more work is needed:







Ways to Increase our Diversity Hiring Strategies

Managing diversity at the City of Rockville involves creating and maintaining a work environment that (1) attracts the widest possible pool of talent; (2) provides opportunities for all employees to maximize their potential and fully contributes to accomplishing the City’s mission; and (3) ensures everyone is treated with dignity and respect. Commitment is the foundation of a successful effort to build and maintain a diverse, high-quality workforce. Achieving a diverse workforce requires commitment from everyone.

To increase our diversity hiring, HR is exploring incorporating the following:

1. **Conduct an audit on our job ads** - One of the best ways to recruit diverse candidates is to do an audit of our past recruitment ads, and make changes to speak to a broader range of candidates.
2. **Continue target sources where diverse candidates congregate** - A great way to ensure that the City talent pool is full of diverse candidates is to source our candidates from a variety of different places. Advertising at various sites that have opportunities to source diverse candidates where they typically visit or network. (See attached diversity recruiting sources).
3. **Encourage our diverse employees to refer their connections** - It's very likely that staff will have networks of people with similar backgrounds to them. Creating a diverse candidate referral program is a great way to both boost our diversity recruitment strategy, and showcase that the City values different backgrounds and ideas.
4. **Continue using AI- Artificial Intelligence to remove bias from the resume screening process entirely** - Automatic filters in place to identify specific skills and experience. Creating a completely impartial shortlist, free from any sort of bias.
5. **Set up Applicant Tracking to use blind resumes/application** - An increasingly popular technique recruiters are using to remove bias from how they screen candidates is to "black out" any and all personal information on resumes. Information like names, schools date of birth, specific locations, and so on can all contribute to some degree in a biased assessment of the candidate.
6. **Train interview panel on potential biases** – HR will require the interview panel to attend the NeoGov unbiased hiring training to mitigate biases when interviewing candidates. We will also continue to provide employees with training such as Unconscious Bias and The Respectful Workplace to ensure that potential panelists have a clear understanding of recognizing bias.
7. **Diverse Interview panels** – This will require actively identifying diverse interview panel candidates inside and outside of the hiring department.

The City's future depends on the quality of employees we recruit today. New employees often consider an organization's diversity efforts when deciding whether to accept or reject an employment offer. Potential candidates are usually more attracted to employers that are committed to achieving a diverse workforce. Moreover, diverse perspectives increase creativity as employees offer different viewpoints, ideas and solutions.

Diversity is an integral part of the City of Rockville organizational objectives. Recruiting and retaining a diverse, inclusive group of employees creates a City organization that reflects the

world around us, and makes our team better able to develop fresh ideas that will meet the needs of the entire community. But this type of culture doesn't happen overnight and isn't guaranteed to persist once implemented. Leaders and recruiters must take a systematic approach to diversity and inclusion that provides the processes and resources needed for long term sustainability. Diversity-driven innovation increases creativity, helps to retain quality employees, and allows us to serve our residents in the most effective way possible. Increasing workforce diversity isn't just the right thing to do; it's the smart thing to do.

Mayor and Council History

This is this first time this item is being presented to the Mayor and Council.

Next Steps

Staff will provide periodic updates of the status of our diversity hiring strategy.

Attachments

Attachment 15.a: Diversity_Recruiting_Sources (PDF)



Rob DiSpirito, City Manager

9/9/2020

DIVERSITY RECRUITING SOURCES

- ◆ African American Organizations
 - 1) Association of Black Psychologists – www.abpsi.org
 - 2) Black Data Processing Associates – www.bdpa.org
 - 3) Black Career Women – www.bcw.org
 - 4) Blacks in Government – www.bignet.org
 - 5) National Association for the Advancement of Colored People www.naacp.org
 - 6) National Association of Black Accountants – www.nabainc.org
 - 7) National Association of Black Journalist – www.nabj.org
 - 8) National Association of Black Telecommunication Professionals – www.nabtp.org
 - 9) National Forum for Black Administrators – www.nfbpa.org
 - 10) National Organization for the Professional Advancement of Black Chemists & Chemical Engineers – www.nobcche.org
 - 11) National Society of Black Engineer – www.nsbe.org
 - 12) National Society of Black MBA's – www.nmbaa.org
 - 13) National Urban League – www.nul.org
 - 14) National Black Nurses Association – www.nbna.org
 - 15) Black Enterprise – www.blackenterprise.com
 - 16) Black Voices – www.blackvoices.com
 - 17) Black Collegian online (www.black-collegian.com) – career site for students of color.
 - 18) Equal Opportunity Publications, Inc. (www.eop.com/aacw)
 - 19) EOE Journal (www.eoejournal.com)
 - 20) HBCU-Careers.net – online career resource center for historically Black College and Universities - www.hbcucareers.com

- ◆ Asian-American Organizations
 - 1) Asian American Economic Development Enterprises, Inc. – www.aede.org
 - 2) Asian American Journalist Association – www.aaaja.org
 - 3) Asian Avenue – www.asianavenue.com
 - 4) Asian/Pacific American Librarians Association – www.apalaweb.org
 - 5) Asian Women in Business – www.awib.org
 - 6) Chinese American Librarians Association – www.cala-web.org
 - 7) Filipino Association for Health Careers – <http://welcome.to/fahc>
 - 8) Japanese American Citizens League – www.jaci.org
 - 9) Korea-America Finance Association – www.nfbpa.org
 - 10) Korean-American Scientists & Engineers – www.ksea.org
 - 11) Korean Women's Association – <http://kwaoutreach.org>
 - 12) National Asian Pacific American Bar Association – www.napaba.org
 - 13) National Association of Asian Professionals – www.naaap.org
 - 14) US Pan Asian American Chamber of Commerce – www.uspaacc.com
 - 15) Asian Career Web – www.intercareer.com

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- 16) www.asian-jobs.com – jobs for bilinguals who speak English & Asian languages
- ◆ Hispanic-American Organizations
- 1) ASPIRA Association – www.aspira.org
 - 2) Association of Hispanic Advertising Agencies – www.aaa.org
 - 3) Association of Latino Professionals in Finance & Accounting – www.alpfa.org
 - 4) Hispanic Public Relations Association – www.hprala.org
 - 5) Latin American Management Association – www.lamausa.com
 - 6) Latin Business Association – www.lbausa.com
 - 7) League of United Latin American Citizens – www.lulac.org
 - 8) Mexican American Unity Council – www.mauc.org
 - 9) National Association of Hispanic Federal Executives – www.nahfe.org
 - 10) National Association of Hispanic Journalists – www.hahj.org
 - 11) National Association of Hispanic Public Administrators – www.nahpa.org
 - 12) National Association of Latin Elected & Appointed Officials – www.maleo.org
 - 13) National Association of Puerto Rican/Hispanic Social Workers Inc – www.naprsw.org
 - 14) National Coalition of Hispanic Health & Human Services Organization – www.cossmho.org
 - 15) National Council La Raza – www.nclr.org
 - 16) Hispanic Employment Program Managers – www.hepm.org
 - 17) National Hispanic Corporate Council – www.nhcc-hq.org
 - 18) National Hispanic Medical Association – www.nhmamd.org
 - 19) National Society of Hispanic Professionals – www.hshp.org
 - 20) National Society of the Hispanic MBA's – www.nshmba.org
 - 21) Professional Hispanics in Energy – www.phie.org
 - 22) Society for Advancement of Chicanos & Native Americans in Science – www.sacnas.org
 - 23) Society of Hispanic Professional Engineers – www.shpe.org
 - 24) Hispanic Association of colleges and Universities [employers partner with the Association to sponsor seminars and conferences designed to help companies network and recruit Hispanics and other minorities] (512) 692-3805
 - 25) Hispanic Business.com - www.hispanstar.com
 - 26) Hispanic Online – www.hispaniconline.com
 - 27) LatPro.com – job board for Hispanic & bilingual professionals – www.latpro.com
 - 28) www.saludos.com – joining Hispanic bilingual professionals with companies.
 - 29) www.hispanic-jobs.com – bilingual job opportunities for English-Spanish-speaking professionals

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- ◆ Native-American Organizations
 - 1) American Indian Science & Engineering Society – www.aises.org
 - 2) Native American Journalists Association – www.naja.ocom
 - 3) Native American Public Telecommunications – www.nativetelecom.org
 - 4) Indian Country Today (www.indiancountry.com)

- ◆ Women’s Organizations
 - 1) American Business Women’s Association – www.abwa.org
 - 2) American Society for Women Accountants – www.aswa.org
 - 3) Association for Women in Science – www.awis.org
 - 4) Financial Women’s Association – www.fwa.org
 - 5) National Women’s Studies Association – www.nwsa.org
 - 6) Society of Women Engineers – www.swe.org (800) 299-7494
 - 7) Advocates for Women in Science, Engineering & Mathematic
www.awsem.com
 - 8) Association for Women in Computing – www.awence.org
 - 9) Women’s Information Network – www.winonline.org
 - 10) Women in Technology – www.womenintechnology.org
 - 11) Association of Women in International Trade – www.owit.org
 - 12) Women in Advertising and Marketing – www.wamdc.org
 - 13) Career Women – www.careerwomen.com

- ◆ Gay & Lesbian Organizations
 - 1) International Gay & Lesbian Association – www.ilga.org
 - 2) LGBT Business School Community – www.networkg.org

- ◆ General online networks:
 - 1) www.iminorities.com
 - 2) www.diversityjobsite.com
 - 3) www.americandiversity.net
 - 4) www.diversityemployment.com
 - 5) www.diversilink.com
 - 6) www.techwriterjobs.com
 - 7) www.diversecandidates.com
 - 8) www.minoritycareer.com
 - 9) www.engineer500.com
 - 10) www.minorities-jb.com
 - 11) www.recruitersnetwork.com
 - 12) www.asne.org/kiosk/diversity/mintips - American Society of Newspaper Editors – tips on minority hiring
 - 13) www.worktree.com – job search portal
 - 14) www.inroads.org – develop and place talented minority youth

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- ◆ Disability Organizations:
 - 1) Diversity Service – placement agency for individuals with disabilities – www.diversity-services.com
 - 2) Disability Related Government Resources – www.disabilityinfo.gov
 - 3) Vision Aid – www.visionaid.org
 - 4) National Council for Support of Disability Issues – www.ncsd.org
 - 5) National Federation of the Blind - www.nfb.org

- ◆ Military/Veterans/Security Sites:
 - 1) www.militaryhire.com
 - 2) www.vetjobs.com
 - 3) 1-877-vet-jobs
 - 4) www.clearancejobs.com
 - 5) www.defensecareers.com
 - 6) www.intelligencecareers.com
 - 7) www.defenseengineers.com
 - 8) www.veteransenterprise.com

- ◆ Websites specializing in openings in the nonprofit environment:
 - 1) <http://www.ExecSearches.com>
 - 2) <http://CEOupdate.com>
 - 3) <http://www.idealists.org> (especially for job-seekers early in their career)
 - 4) <http://www.PhilanthropyCareers.com>
 - 5) <http://www.asaenet.org> (see Career Headquarters)
 - 6) <http://www.associationjobs.org>
 - 7) <http://www.cof.org> (see Job Bank; for jobs at grant making foundations)
 - 8) <http://www.fdncenter.org/pnd/current/index.html> (see Job Corner)
 - 9) <http://www.developpro.com>
 - 10) <http://www.nonprofitcareer.com>
 - 11) <http://nonprofitjobs.org>
 - 12) <http://pnnonline.org>
 - 13) <http://www.DotOrgJobs.com>
 - 14) <http://www.helping.org/nonprofit> (see Nonprofit Jobs)
 - 15) <http://www.npxpress.com>
 - 16) <http://www.nassembly.org> (for jobs at health and human services organizations)
 - 17) <http://www.NonprofitOyster.com>
 - 18) <http://www.devnetjobs.org> (international)
 - 19) <http://www.NPTimes.com> (see Employment Marketplace)
 - 20) <http://OpportunityNocs.org>
 - 21) <http://www.interaction.org> (for jobs in international relief and development)
 - 22) <http://www.dev-zone.org> (international)
 - 23) <http://ReliefWeb.net> (international)
 - 24) <http://www.IntJobs.org> (international)
 - 25) <http://www.nonprofitadvancement.org> (for jobs in Washington , DC)

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- 26) <http://www.mdnonprofit.org> (for jobs in Maryland)
- 27) <http://www.DeepSweep.com>
- 28) <http://www.AllianceOnline.org>
- 29) <http://www.DevelopmentJob.com>
- 30) <http://www.internationaljobs.org/hotjobs.html>
- 31) <http://www.pnp-inc.com> (for jobs in New York City metro area)
- 32) <http://www.developmentex.com> (international)
- 33) <http://www.Bridgestar.org>
- 34) http://www.sustainablebusiness.com/jobs/csrwire_jobs.cfm
- 35) <http://www.nonprofitjobscoop.org>
- 36) <http://www.MyDCnet.com> (for jobs in Washington, DC, metro area)
- 37) <http://www.publicservicecareers.org>
- 38) <http://www.NonprofitJobMarket.org>
- 39) <http://www.WorkForNonprofits.org>



Mayor & Council Meeting Date: September 14, 2020
 Agenda Item Type: Discussion and Instructions
 Department: Police
 Responsible Staff: Victor Brito

Subject

Consideration of a Police Advisory Commission

Recommendation

Staff recommends that the Mayor and Council discuss the mission, role, and structure of a new Rockville Police Advisory Commission and direct staff to bring the establishment of a Police Advisory Commission on a future agenda.

Discussion

Introduction

Police Advisory Commissions (PAC) have several missions: serve the community by helping to improve the relationship between the police and residents; review police department policies and procedures; provide educational opportunities about policing for the community; and hold public meetings to discuss issues around police matters.

Today, it is critically important for all police organizations to promote and cultivate community involvement with their agencies. However, implementing Police Advisory Commissions must be done thoughtfully and purposefully in order to establish a meaningful, effective relationship.

Some form of civilian partnership with law enforcement—tailored to the specific needs of the community—is critical to strengthening trust. Many, but not all, state and local law enforcement agencies operate with the input and advice of civilian police boards or commissions. Part of the process of assessing the need and desire for new or additional civilian partnership and advice should include input from and collaboration with police employees. This guarantees that the principles of a PAC will benefit both the police and the community they serve.

Potential Mission and Role of a Rockville Police Advisory Commission

The mission of a Police Advisory Commission for the City of Rockville could focus on building trust and two-way communication between the community and law enforcement. A PAC should be limited in role and scope. The authority given to the board, although limited by state law, should be based on the operational needs of the agency, along with the situation or the issues being addressed.

In Rockville, a PAC's role could include:

- examining the relationship between the RCPD and the community and advising the Chief of Police on strategies to improve the relationship,
- identifying and examining educational opportunities, i.e. Fair and Impartial Policing, Crisis Intervention Training etc.,
- identifying community needs related to public safety and recommending actions to address the needs for the Chief of Police's review,
- support the RCPD in educating the community about the RCPD, public safety resources available to the community, and ways to enhance personal and community safety,
- review and comment on RCPD policies and procedures (The policy associated with the implementation of body-worn cameras is an ideal example of a project that might greatly benefit from the perspective of a PAC), and
- advise the Chief of Police on research and best practices to enhance policing in Rockville.

A PAC should not be a policy-making body. By serving in an advisory role to the Chief, the City Manager and the Mayor and Council, the elected body retains the policy-making role and the Police Chief's effectiveness is enhanced, not compromised.

Potential Structure of a Rockville PAC

To be most effective, a PAC could be made up of Chairperson and up to 6 individuals appointed by the Mayor and Council. The PAC would not be a task force, but a permanent commission with an established term similar to other boards and commissions in the City. An open membership that provides participation by any resident or stakeholder interested in participating would make it difficult to appropriately train the members to serve this specialized advisory role and would not facilitate clear advice-giving on topics that require consideration over a longer time period.

The Chief of Police should retain a role in the appointment of the PAC. The City Clerk/Director of Council Operations would facilitate an established and transparent search process, consistent with searches for other boards and commissions in the City. Ultimately, each applicant should meet specific criteria prior to becoming a sitting member of the advisory board. The City should widely advertise that the PAC is being formed and notify the community when applications are being accepted. The priority should be to establish a diversified board that reflects the culture, interests, and relevant expertise found within the community as a whole. PAC members are only a small segment of a community—they should clearly represent a constituency in order to be influential and supported by the population. The PAC should be small enough for each member to be involved without making the advisory process inefficient.

The focus of the PAC should be to improve policing and the relationship between the community and the police department. In order to be effective, the City must respect the time and perspective of each PAC member. Again, each participating member must genuinely represent our community, or the fundamental objective of the commission will be lost.

To help a PAC address the complex law enforcement incidents that U.S. communities have experienced in the recent past, it would be wise to utilize a professional facilitator who can teach the PAC about problem analysis and methods for providing advice. The external facilitator should be concerned with the PAC's process, not the content of the issues they address. PAC members should mutually agree upon a consensus process in the development and approval of the recommendations. Transparency during deliberations will build trust among the participants. The literature addressing the success of PACs is limited. However, most strike a balance between evaluating the process and the outcome. In the City of Rockville, having a consistent open dialogue from all perspectives will be a significant first step.

Conclusion

PACs are becoming important components of most law enforcement organizations and, when handled appropriately, can result in improved community trust and engagement and more democratic and effective organizations. With our community participating actively in our police department, the public may become more aware of potential legal constraints and more knowledgeable of the nuances surrounding the difficult decisions often required of public officials. Likewise, Police professionals can learn much from the feedback and ideas of the residents whom we serve. Effective governmental programs can improve legitimacy and trust, and the best public programs and policies usually emerge from the collaborative efforts of the community and police department together.

Mayor and Council History

The issue of a Police Advisory Commission has been raised by the Boards and Commissions Task Force and during Mayor and Council discussions about social justice, racism and bias.

Next Steps

Recommend the Mayor and Council begin the steps of developing the mission and future guidelines for the implementation and selection of members for a Rockville Police Advisory Commission.



Rob DiSpirito, City Manager

9/9/2020



Mayor & Council Meeting Date: September 14, 2020
Agenda Item Type: Discussion
Department: Human Resources
Responsible Staff: Karen Marshall

Subject

Vacancy Report/Hiring Freeze Status

Recommendation

Staff recommends that the Mayor and Council review and discuss the Vacancy and Hiring Freeze Report of positions that were open as of August 31, 2020.

Discussion

The attached reflects all open positions with totals by funds ending August 31, 2020.

The Gross Personnel Savings category shown on the attached report for each position represents the portion of the FY21 adopted budget, including salary and benefits, that covers the number of days the position has been vacant in FY2021.

Mayor and Council History

The vacancy report was created in response to a Mayor and Council request during the FY2015 budget process. Since that time, staff has provided the Mayor and Council with reports.

Attachments

Attachment 17.a: FY21 August Vacancy and Hiring Freeze Report Agenda (PDF)

A handwritten signature in black ink, appearing to read "Rob DiSpirito".

Rob DiSpirito, City Manager

9/9/2020

Vacancy and Hiring Freeze Report - General Fund Positions Open as of 8/31/2020

ATTACHMENT A

Department	Cost Center	Working Title	Grade	% General Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2021	FY21 Adopted Budget	Gross Personnel Savings	Number of Positions	Subject to Freeze
City Attorney's Office	Office of the City Attorney	Senior Assistant City Attorney	AD120	100%	5/29/2020	Contingent offer made	94	61	\$ 190,080.00	\$ 31,766.79	2	N
Housing and Community Development	Community Programs	Community Services Manager	AD115	100%	4/24/2020	Position being advertised	129	61	\$ 115,440.00	\$ 19,292.71	1	N
Housing and Community Development	Administration	Housing Specialist	AD111	100%	7/1/2020	Newly created FY21; Department head working with HR to create new job description and title change	61	61	\$ 94,600.00	\$ 15,809.86	1	N
Housing and Community Development	Youth and Family Services	Community Services Program Coordinator	AD109	100%	7/17/2020	Position being advertised	45	45	\$ 97,290.00	\$ 11,994.66	2	N
Finance	Financial Administration	Management and Budget Analyst	AD113	100%	4/24/2020	Successful candidate to start on October 5	129	61	\$ 105,120.00	\$ 17,568.00	1	N
Mayor and Council	City Clerk's Office	Deputy City Clerk	AD111	100%	1/3/2020	Reviewing applications	241	61	\$ 95,140.00	\$ 15,900.11	1	N
Planning and Development Services	Administration and Support	Executive Assistant	AD109	100%	1/13/2020	Frozen	231	61	\$ -	\$ -	1	Y
Planning and Development Services	Application Process and Permit	Building Plans Examiner Supervisor	AD113	100%	1/13/2020	The position is being re-advertised nationally to have a larger pool of qualified candidates	231	61	\$ 105,120.00	\$ 17,568.00	1	N
Planning and Development Services	Development Review	Landscape Architect/Urban Forester	AD111	100%	11/29/2019	Second round interviews scheduled	276	61	\$ 116,610.00	\$ 19,488.25	1	N
Planning and Development Services	Comprehensive Planning	Senior Planner	AD111	100%	3/6/2020	Frozen	178	61	\$ -	\$ -	3	Y
Planning and Development Services	Development Review	Senior Planner	AD111	100%	3/23/2020	Frozen	161	61	\$ -	\$ -	3	Y
Planning and Development Services	Zoning Ordinance	Senior Zoning Inspector	AD110	100%	6/30/2020	Position being advertised	62	61	\$ 126,870.00	\$ 21,202.93	1	N
Police	Management and Support - Administration	Police Major	PL119	100%	1/26/2020	Frozen	218	61	\$ -	\$ -	2	Y
Police	Patrol Team	Police Officer	PL110	100%	2/9/2020	Successful candidate to start on September 21	204	61	\$ 82,550.00	\$ 13,796.03	21	N
Police	Patrol Team	Police Officer	PL110	100%	7/1/2020	Successful candidate to start on September 21	61	61	\$ 82,550.00	\$ 13,796.03	21	N
Police	Patrol Team	Police Officer	PL110	100%	7/1/2020	Offer made to candidate, contingent start is January 11	61	61	\$ 82,550.00	\$ 13,796.03	21	N
Police	Patrol Team	Police Officer	PL110	100%	7/21/2020	Ongoing recruitment	41	41	\$ 82,550.00	\$ 9,272.74	21	N
Public Works	Management and Support	Deputy Director of Public Works	AD120	20%	7/19/2019	Successful Candidate to start on September 21	409	61	\$ 28,670.00	\$ 4,791.42	1	N
Public Works	Street Maintenance	Maintenance Worker I - General Maintenance	UN103	75%	12/9/2019	Position readvertised to have a larger pool of qualified candidates	266	61	\$ 41,140.00	\$ 6,875.45	7	N
Public Works	Street Maintenance	Maintenance Worker I - General Maintenance	UN103	75%	12/31/2019	Position readvertised to have a larger pool of qualified candidates	244	61	\$ 41,140.00	\$ 6,875.45	7	N

Attachment 17.a: FY21 August Vacancy and Hiring Freeze Report Agenda (3307 : Vacancy Report/Hiring

Public Works	Street Maintenance	Maintenance Worker I - General Maintenance	UN103	75%	3/16/2020	Position readvertised to have a larger pool of qualified candidates	168	61	\$ 41,140.00	\$ 6,875.45	7	N
Recreation and Parks	Capital Projects	Senior Construction Project Manager	AD116	100%	9/27/2019	Frozen	339	61	\$ -	\$ -	1	Y
Recreation and Parks	Childcare	Childcare/Preschool Director	AD107	100%	7/17/2020	Successful candidate to start on September 7	45	45	\$ 33,060.00	\$ 4,075.89	2	N
Recreation and Parks	Civic Center	Box Office and Marketing Manager	AD106	100%	8/25/2020	Position being advertised	6	6	\$ 73,200.00	\$ 1,203.29	1	N
Recreation and Parks	Facilities Maintenance Service	Facilities Maintenance Trades Worker	UN106	100%	2/14/2020	Position being advertised	199	61	\$ 66,570.00	\$ 11,125.40	5	N
Recreation and Parks	Horticultural Services	Maintenance Worker I - Parks and Facilities	UN103	100%	3/16/2020	Successful candidate to start on August 31	168	61	\$ 54,860.00	\$ 9,168.38	4	N
Recreation and Parks	Summer Camps	Recreation Programs Supervisor	AD113	100%	8/21/2020	Position being advertised internally	10	10	\$ 154,800.00	\$ 4,241.10	6	N
Recreation and Parks	Urban Forestry Maintenance	Tree Climber	UN105	100%	6/10/2019	Frozen	448	61	\$ -	\$ -	4	Y
Recreation and Parks	Urban Forestry Maintenance	Tree Climber	UN105	100%	7/8/2019	Interviewing	420	61	\$ 66,570.00	\$ 11,125.40	4	N
Recreation and Parks	Urban Forestry Maintenance	Tree Climber	UN105	100%	3/9/2020	Position readvertised to have a larger pool of qualified candidates	175	61	\$ 62,330.00	\$ 10,416.79	4	N
									\$ 2,039,950	\$ 298,026.16		

***Please note: The blue highlight indicates a status change from the previous report, and the yellow highlight indicates a new position added since the previous report.

Vacancy and Hiring Freeze Report - Water Fund Positions Open as of 8/31/2020

Department	Cost Center	Working Title	Grade	% Water Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2021	FY21 Adopted Budget	Gross Personnel Savings	Number of Positions	Subject to Freeze
Public Works	Management and Support	Deputy Director of Public Works	AD120	40%	7/19/2019	Successful Candidate to start on September 21	409	61	\$ 57,310.00	\$ 9,577.84	1	N
Public Works	Water Systems Maintenance	Maintenance Worker I - Utilities	UN103	100%	8/3/2020	On hold waiting to be release by hiring manager.	28	28	\$ 68,440.00	\$ 5,250.19	5	N
Public Works	Water Treatment Plant	Assistant Water Treatment Plant Superintendent	AD113	100%	7/24/2020	Position being advertised	38	38	\$ 108,720.00	\$ 11,318.79	1	N
									\$ 234,470	\$ 26,147		

***Please note: The blue highlight indicates a status change from the previous report, and the yellow highlight indicates a new position added since the previous report.

Attachment 17.a: FY21 August Vacancy and Hiring Freeze Report Agenda (3307 : Vacancy Report/Hiring

Vacancy and Hiring Freeze Report - Sewer Fund Positions Open as of 8/31/2020

Department	Cost Center	Working Title	Grade	% Sewer Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2021	FY21 Adopted Budget	Gross Personnel Savings	Number of Positions	Subject to Freeze
Public Works	Management and Support	Deputy Director of Public Works	AD120	40%	7/19/2019	Successful Candidate to start on September 21	409	61	\$ 57,310.00	\$ 9,577.84	1	N
									\$ 57,310	\$ 9,577.84		

***Please note: The blue highlight indicates a status change from the previous report, and the yellow highlight indicates a new position added since the previous report.

Vacancy and Hiring Freeze Report - Refuse Fund Positions Open as of 8/31/2020

Department	Cost Center	Working Title	Grade	% Refuse Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2021	FY21 Adopted Budget	Gross Personnel Savings	Number of Positions	Subject to Freeze
Public Works	Environmental Management	Sanitation Worker	UN104	100%	2/3/2020	Successful Candidate to start on August 31, 2020	210	61	\$ 58,460.00	\$ 9,770.03	15	N
Public Works	Environmental Management	Sanitation Worker	UN104	100%	2/20/2020	Successful Candidate to start on August 31, 2020	193	61	\$ 58,460.00	\$ 9,770.03	15	N
Public Works	Environmental Management	Sanitation Worker	UN104	100%	5/25/2020	Successful Candidate to start on August 31, 2020	98	61	\$ 58,460.00	\$ 9,770.03	15	N
Public Works	Street Maintenance	Maintenance Worker I - General Maintenance	UN103	25%	12/9/2019	Position readvertised to have a larger pool of qualified candidates	266	61	\$ 13,720.00	\$ 2,292.93	7	N
Public Works	Street Maintenance	Maintenance Worker I - General Maintenance	UN103	25%	12/31/2019	Position readvertised to have a larger pool of qualified candidates	244	61	\$ 13,720.00	\$ 2,292.93	7	N
Public Works	Street Maintenance	Maintenance Worker I - General Maintenance	UN103	25%	3/16/2020	Position readvertised to have a larger pool of qualified candidates	168	61	\$ 13,720.00	\$ 2,292.93	7	N
									\$ 216,540	\$ 36,188.88		

***Please note: The blue highlight indicates a status change from the previous report, and the yellow highlight indicates a new position added since the previous report.



Mayor & Council Meeting Date: September 14, 2020
Agenda Item Type: Review and Comment
Department: City Manager's Office
Responsible Staff: Jenny Kimball

Subject

Action Report

Recommendation

Staff recommends that the Mayor and Council review and comment on the Action Report.

Attachments

Attachment 18.A.a: MC Action Report Master 2020 _REVISED 090920 (PDF)

A handwritten signature in black ink, appearing to read "Rob DiSpirito", is written over a horizontal line.

Rob DiSpirito, City Manager

9/9/2020

Blue - new items to the list.

Red - latest changes.

Mayor and Council Action Report

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2014-23	9/8/11	R&P	Future agenda	<p>King Farm Farmstead</p> <p>Status: On April 20, 2020, the Mayor and Council discussed the responses to the request for information (RFI) on potential future uses of the Farmstead. As a next step, staff will work with stakeholders to develop the scope of a request for thorough and detailed proposals for future uses of the Farmstead. With funding approved by the Mayor and Council, a security system project for the Dairy Barns and house will be completed this summer and design/construction for a fire suppression system will begin in FY21 and conclude in FY22.</p>	Ongoing
2015-14	7/13/15	CMO	Future agenda	<p>Purchasing Study Response</p> <p>Status: An update on the Procurement Action Plan was shared on August 3, 2020. The next updated will be provided in January 2021.</p>	January 2021
2016-12	9/26/16	HR	Future agenda	<p>Vacancy Report/Hiring Freeze Update</p> <p>Provide a Vacancy Report to the Mayor and Council at the first meeting of each month.</p> <p>Status: The next report will be on the September 14, 2020 agenda.</p>	September 14, 2020
2016-16	10/10/16	PDS	Future agenda	<p>Global Issues on BRT</p> <p>Schedule another discussion on BRT with the City of Gaithersburg and Montgomery County, to include broader issues such as governance and finance. Consider holding the meeting in Gaithersburg.</p> <p>Status: County staff will present an update on the Viers Mill Rd/MD 586 project to the Mayor and Council on October 19, 2020. County transportation is determining a recommended alternative for design of the MD 355 route.</p>	Ongoing

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2016-18	10/24/16	PDS	Future agenda	<p>FAST – Faster, Smarter, More Transparent (Site Plan/Development Review Improvements) Provide regular updates on the status of the work.</p> <p>Status: A FaST update was provided to the Mayor and Council on November 18, 2019. The next update will be provided by email in September 2020 as an alternative to a Mayor and Council agenda item. The first edition of an updated monthly Development Watch newsletter was prepared to offer the community more information and an improved design.</p>	September 2020
2017-6	2/27/17	CMO	Email	<p>Minority-, Female- & Disabled-Owned Businesses Provide updates on the Procurement Division’s activities to engage and support minority-, female- and disabled-owned businesses.</p> <p>Status: The MFD Report for FY19 and FY20 was shared with the Mayor and Council by email on May 1, 2020. A Mayor and Council agenda item on October 19, 2020 will provide a forward-looking discussion of the City’s MFD outreach program, to include topics such as program metrics, program successes and potential program adjustments. A local preference approach for City procurement also will be discussed with the Mayor and Council on a future agenda.</p>	October 19, 2020
2017-11	6/12/17	R&P	Agenda item	<p>Deer Population in Rockville Continue to monitor the deer population. Consider action steps and gather community input.</p> <p>Status: The Mayor and Council approved the location, dates and required City Code changes for the pilot deer culling program on June 1 and June 22, 2020. The pilot will be underway from October 2020 to January 2021.</p>	January 2021
2018-1	1/22/18	Finance	Action Report	<p>Utility Billing System Provide updates on the replacement of the Velocity Payment System, powered by Govolution.</p> <p>Status: Implementation with the system vendor is nearly complete and the new tool will be rolled out for customer use in November 2020.</p>	November 2020

Attachment 18.A.a: MC Action Report Master 2020 _REVISED 090920 (3324 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2018-7	6/18/18	CMO	Agenda Item	<p>LGBTQ Initiatives Identify and implement Mayor and Council suggestions.</p> <p>Status: The Adopted FY21 budget includes a new family/gender neutral bathroom at Dogwood Park, to be constructed in FY22. The Human Rights Campaign 2020 Municipal Equality Index results will be issued in the fall.</p>	Ongoing
2018-8	6/18/18	CMO/RCPD /R&P	Town Meeting	<p>Opioid Town Meeting Schedule a Town Meeting on the opioid crisis, to include prevention, enforcement and treatment.</p> <p>Status: The Mayor and Council approved a proclamation recognizing September as National Recovery Month on August 3, 2020. Recovery Month Events include:</p> <ul style="list-style-type: none"> • Drug Take Back, Sept. 12, 10 am – 2 pm, RCPD • Narcan Training, Sept. 22, 6-7:30 pm, online • Book Discussion, Sept. 24, 7-9:00 pm, online • Race 4 Recovery, Sept. 26 • Interview with Rona Kramer, State Secretary of Aging, R11 on cable tv and online beginning Sept. 28 <p>Details at www.rockvillemd.gov/rockvillegoespurple.</p>	September 2020
2018-11	8/1/18	PDS	Agenda Item	<p>Neighborhood Shopping Centers Discuss mechanisms to encourage neighborhood shopping center revitalization and explore additional zoning and uses.</p>	TBD
2018-15	10/8/18	PDS	Future Agenda	<p>Short-Term Residential Rentals Discuss how to manage short-term residential rentals’ (e.g., Airbnb) impact on city neighborhoods and explore options for taxing users.</p> <p>Status: Short-term residential rentals was discussed on January 13, 2020. Staff emailed the results of additional research requested by the Mayor and Council on January 23, 2020. A Mayor and Council public hearing on short-term residential rentals is scheduled for November 9, 2020.</p>	November 9, 2020

Attachment 18.A.a: MC Action Report Master 2020_REVISED 090920 (3324 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2018-19	10/15/18	HR	Future Agenda	<p>Volunteer Program Discuss whether the Mayor and Council want to direct the City Manager to create a centralized volunteer program.</p> <p>Status: A report on the number of volunteers and volunteer hours for the first half of FY20 was provided on the January 13, 2020 agenda. The next presentation, on the November 2, 2020 agenda, will include an FY20 volunteer update and discussion of strategies to increase volunteerism.</p>	November 2, 2020
2019-1	10/29/18	PDS	Future Agenda	<p>Accessory Structures</p> <p>Status: On April 20, 2020, the Mayor and Council discussed potential revisions to the development standards for accessory structures. The Mayor and Council directed staff to conduct additional neighborhood outreach to educate and inform residents of the proposed changes and to bring back the item for discussion and instruction.</p>	November 2020
2019-2	2/25/19	R&P/PDS/ CMO	Future Agenda	<p>RedGate Park Planning</p> <p>Status: The Mayor and Council provided staff direction on June 22, 2020 to engage the public in a planning process for a new destination park at Redgate. Staff is procuring new public engagement software to support the effort and will begin the engagement process this fall. The Mayor and Council will receive updates during the planning process and will be engaged in the public outreach portion of the work.</p>	Ongoing
2019-4	3/25/19	PDS	Future Agenda	<p>Business Improvement Districts (BIDs) and Tax Increment Financing (TIF)</p> <p>Status: The Mayor and Council requested background information and a briefing on Business Improvement Districts, Arts & Entertainment Districts, and Tax Increment Financing. Staff will provide information in writing for the Mayor and Council in advance and prepare for a briefing on the October 19, 2020 meeting agenda.</p>	October 19, 2020

Attachment 18.A.a: MC Action Report Master 2020_REVISED 090920 (3324 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2019-7	4/1/19	R & P	Memo	<p>Child Care Services Discuss city provision of childcare services (history of the current program, community need for the service, private sector market, expansion to additional Rockville locations).</p> <p>Status: To prepare for the next Mayor and Council discussion, staff will obtain the results of a childcare provider survey conducted by Montgomery County and will incorporate information requested in recent conversations with the Mayor and Council. Staff is exploring a revised date for discussion on agenda, because the County’s survey results will not be available until after the Early Childhood Coordinating Council (ECCC) receives and provides input on the survey results report during their Sept. 16, 2020 meeting. A timeline for finalizing and releasing the survey report will be available after that ECCC meeting.</p>	TBD
2019-9	4/1/19	HR	Memo	<p>Reduction in Force (RIF) Policy Prepare a Reduction in Force (RIF) policy, to be incorporated in the Personnel Policy and Procedures Manual update.</p> <p>Status: Mayor and Council will consider this policy in the context of the ongoing review of the proposed Personnel Policies and Procedures Manual (PPM), scheduled for October 26, 2020.</p>	October 26, 2020
2019-10	4/1/19	HR	Email	<p>Personnel Policy and Procedures Manual Update Share an update on the status of this effort.</p> <p>Status: In follow up to the Feb. 24 presentation of the updated PPM, the Mayor and Council is scheduled to discuss again on October 26, 2020.</p>	October 26, 2020
2019-11	4/1/19	HR/Finance	Future Agenda	<p>Retirement Incentive/Employee Buyout Program Provide information about employee buyout programs and discuss the potential for a Rockville program.</p> <p>Status: Director of Finance provided an update to the Mayor and Council via email on May 3, 2019. Staff suggests that the Mayor and Council take this up on October 26, 2020 and will engage the Financial Advisory Board.</p>	October 26, 2020

Attachment 18.A.a: MC Action Report Master 2020_REVISED 090920 (3324 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2019-12	4/1/19	Police	Future Agenda	<p>Parking Enforcement at Street Meters Share an overview of Rockville’s current program and how other local jurisdictions handle parking enforcement at street meters, including hours of enforcement. Status: Town Center parking meter spaces have been signed as 15- minute curbside pick-up and a system for improved food pick up is in place in Town Square to support food service establishments.</p>	Ongoing
2019-19	12/16/2019	City Clerk/Director of Council Operations	Worksession	<p>Boards and Commissions Task Force Work Session Continue the Mayor and Council’s discussion of the Boards and Commission Task Force (BCTF). Status: The Mayor and Council discussed the Task Force’s report and next steps on July 6, 2020. The Mayor and Council directed the three appointed officials to return on agenda, on November 2, 2020 with specific updates and responses to the recommendations in the report and an action plan for next steps.</p>	November 2, 2020
2020-01	1/6/2020	Police	Future Agenda	<p>Emergency Management Program Receive an update from the Emergency Manager on the city’s emergency management program and activities. Status: The Emergency Manager provided an update on the Emergency Management Program during the July 6, 2020 agenda. Staff will share a six-month update in writing in January 2021 and another verbal update in summer 2021. These twice-yearly updates will be ongoing to keep the Mayor and Council informed.</p>	Completed
2020-02	1/13/2020	PDS/DPW/ CAO	Memo and Future Agenda	<p>5G Wireless Technology Status: On March 18, 2020 and May 11, 2020, the Mayor and Council discussed and introduced Zoning Text Amendment TXT2019-00251 on regulating the Installation of Small Cell Antennas. Staff is researching topics and questions raised by the Mayor and Council prior to scheduling adoption of the Ordinance. In addition, the FCC has issued another order which requires that this text amendment be modified prior to adoption. Staff is currently evaluating what changes must be made. It is likely that the text amendment may be modified significantly and would require beginning the public review process again. The CAO has hired an outside attorney who is assisting with the ordinance rewrite. Once this is completed, staff will bring this item back for discussion and instruction.</p>	Fall 2020

Attachment 18.A.a: MC Action Report Master 2020_REVISED 090920 (3324 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2020-03	1/13/2020	DPW	Memo and Future Agenda	<p>Climate Change Efforts Brief the Mayor and Council on City efforts related to climate change.</p> <p>Status: Discussion and Instructions on a Climate Action Plan is scheduled for the Mayor and Council's September 21, 2020 meeting.</p>	September 21, 2020
2020-04	1/13/2020	Police	Memo and Future Agenda	<p>Drones and Public Safety Explore potential public safety issues associated with drones and how the City could consider monitoring, regulating and penalizing criminal activity.</p>	Winter 2020
2020-07	1/13/2020	PDS	Future Agenda	<p>Affordable Housing Goals Discuss Rockville's strategy to meet the affordable housing goals established by the Metropolitan Washington Council of Governments (COG).</p> <p>Status: Multiple future agenda items will explore a variety of strategies to meet the affordable housing goals, including adjustments to the City's Moderately-Priced Dwelling Unit (MPDU) program, tax exemptions for affordable housing, fees and other subsidized housing programs. Staff will explore with the Mayor and Council other barriers to affordable housing by reviewing the zoning ordinance, identifying developable and under-utilized parcels, and seeking additional affordable housing funding opportunities and tools. To inform the future agenda items, staff will conduct public forums to solicit feedback on strategies.</p> <p>The City's Homeowners Tax Credit Program and the County's Senior Tax Credit Program will be included in the Mayor and Council's discussion during the first FY22 Budget worksession on November 9, 2020.</p> <p>Staff is also developing a system for tracking MPDU expiration dates (there are about 900 units with different expiration dates).</p>	Ongoing
2020-09	1/27/2020	DPW	Future Agenda	<p>Corridor Cities Transitway Provide background information to facilitate the current Mayor and Council taking an official position on the CCT route.</p> <p>Status: Discussion will be scheduled for a future Mayor and Council meeting.</p>	TBD

Attachment 18.A.a: MC Action Report Master 2020_REVISED 090920 (3324 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2020-10	1/27/2020	DPW	Future Agenda	<p>I-270 widening Establish a strategy for negotiating with the State.</p> <p>Status: On August 21, staff emailed to the Mayor and Council a report on the Draft Environmental Impact Statement (DEIS) and opportunities for the City to provide input to the project. The comment period on the DEIS was extended from Oct. 8 to Nov. 9. Mayor Newton will speak at the public hearing on Sept. 10. The Mayor and Council will discuss written comments on October 26, 2020.</p>	October 26, 2020
2020-08	1/27/2020	CMO/PDS/ Finance/ DPW	Worksession	<p>Town Center Follow up on Mayor and Council direction from the Town Hall meeting and Urban Land Institute (ULI) report. Status: A status update and discussion of Town Center initiatives will be provided to the Mayor and Council on October 5, 2020.</p> <p>Parking – Explore improvements to parking in Town Center Status: A parking update will be included in the October 5, 2020 Town Center discussion.</p> <p>Town Center Road Diet – Study and report to Mayor and Council on suggestions in the TAP report and Mayor and Council’s discussion. Status: The consultant will present their analysis of No. Washington St and Middle Ln to the Mayor and Council on October 5, 2020.</p> <p>Real Estate/Broker/Economist Assessment – In the context of the next update on the ULI recommendations, invite industry experts to dialogue on competitive challenges to Town Center. Status: The REDI board of directors and staff will be present for the next Town Center/ULI Update and provide an opportunity to receive their professional insights on competitive challenges to Town Center.</p> <p>Undergrounding of Route 355 – Revisit the information provided to the Mayor and Council, including community impacts, to formulate an official Mayor and Council position post COVID-19. Status: Discussion is scheduled for October 5, 2020.</p>	Ongoing
2020-11		PDS	Future Agenda	<p>Annexation Options Discuss an annexation options.</p>	TBD

Attachment 18.A.a: MC Action Report Master 2020_REVISED 090920 (3324 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2020-12	4/27/20	R&P	Future Agenda	<p>Resident Company Briefing Include on the November 19, 2020 Mayor and Council agenda a briefing from the resident companies to share information about their plans to resume operations and their business plans to support ongoing operations.</p>	November 19, 2020
2020-13	4/27/20	CMO	Email	<p>Census Outreach Update Provide an update on the efforts completed, underway and planned to continue encouraging Rockville residents to complete the 2020 Census.</p> <p>Status: Updates on Census outreach efforts were emailed to the Mayor and Council on May 17, July 19, and Sept. 3, 2020.</p>	Ongoing
2020-14	4/20/20	CMO/CAO	Future Agenda	<p>Smoking/Vaping Awareness Campaign (Public Rights-of-Way & multi-family residential developments) Develop a public awareness campaign about the negative impacts of smoking generally, on people with underlying health conditions and on neighbors in multi-family residential communities.</p> <p>Status: The Mayor and Council discussed this topic on July 20, 2020. As a next step, staff will prepare a communications plan in September that reflects the Mayor and Council's feedback.</p>	September 2020

Attachment 18.A.a: MC Action Report Master 2020 _REVISED 090920 (3324 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff/ Action Taken/ Status	Timeline
2020-16	6/1/20	RCPD	Future Agenda	<p>Social Justice, Racism and Bias Prepare suggestions for Mayor and Council discussion of ways to further engage with and educate our community.</p> <p>Status: On June 22, 2020, the Mayor and Council received a briefing and discussed the Rockville City Police Department’s (RCPD) fair and impartial policing strategies. Frequently Asked Questions were prepared (and shared with the Mayor and Council by email) to help educate the community about RCPD fair and impartial policing practices. RCPD also followed up on other outstanding questions or requests from the June 22 discussion.</p> <p>On July 20, 2020, the Mayor and Council adopted a Resolution making Juneteenth an official City holiday and had a discussion on social justice, racism and bias. The Mayor and Council directed staff to return with an updated list that reflects the discussion and is organized by short, mid and long-term items. Staff will share an updated list with the Mayor and Council by email by Sept. 14 for initial feedback and schedule a discussion on agenda on September 21, 2020.</p> <p>Staff is monitoring activity at the State level on changes to the Law Enforcement Officers Bill of Rights (LEOBR) and will bring this topic to the Mayor and Council in the development of the 2021 State Legislative program.</p>	September 21, 2020
2020-17	6/1/20	CMO	Email	<p>Spanish Language Article in Rockville Reports Provide background information about the City’s former practice of translating to Spanish one of the articles of priority interest to the community into each edition of Rockville Reports.</p> <p>Status: Staff shared the requested information by email on June 16, 2020.</p>	TBD
2020-18	6/8/20	CC/DCO	Future Agenda	<p>New Education Commission/Committee Discuss the possibility of establishing a new commission or committee on education.</p> <p>Status: Discussion is tentatively scheduled for November 23, 2020.</p>	November 23, 2020

Attachment 18.A.a: MC Action Report Master 2020_REVISED 090920 (3324 : Action Report)



Mayor & Council Meeting Date: September 14, 2020
Agenda Item Type: Review and Comment
Department: City Clerk/Director of Council Operations Office
Responsible Staff: Sara Taylor-Ferrell

Subject

Future Agendas

Recommendation

Attachments

Attachment 19.A.a: 9.21.20 Worksession Mock Agenda (DOC)

Attachment 19.A.b: Future Agendas as of 09.14.2020 (XLS)

A handwritten signature in black ink that reads "Sara Taylor-Ferrell".

Sara Taylor-Ferrell, City Clerk/Director of Council Operations 9/9/2020



MAYOR AND COUNCIL

MEETING NO.

Monday, September 21, 2020 – 7:00 PM

MOCK WORKSESSION AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Any person who requires assistance in order to attend a city meeting should call the ADA Coordinator at 240-314-8108.

Rockville City Hall is closed due to the state directives for slowing down the spread of the coronavirus COVID-19 and continue practicing safe social distancing.

Viewing Mayor and Council Meetings

To support social distancing, the Mayor and Council are conducting meetings virtually. The virtual meetings can be viewed on Rockville 11, channel 11 on county cable, livestreamed at www.rockvillemd.gov/rockville11, and available a day after each meeting at www.rockvillemd.gov/videoondemand.

Participating in Community Forum & Public Hearings:

If you wish to submit comments in writing for Community Forum or Public Hearings:

- Please email the comments to mayorandcouncil@rockvillemd.gov by no later than **10:00 a.m.** on the date of the meeting.
- All comments will be acknowledged by the Mayor and Council at the meeting and added to the agenda for public viewing on the website.

If you wish to participate virtually in Community Forum or Public Hearings during the live Mayor and Council meeting:

1. Send your **Name, Phone number, the Community Forum or Public Hearing Topic and Expected Method of Joining the Meeting (computer or phone)** to mayorandcouncil@rockvillemd.gov no later than **9:00 am on the day of the meeting**.
2. On the day of the meeting, you will receive a confirmation email with further details, and two Webex invitations: 1) Optional Webex Orientation Question and Answer Session and 2) Mayor & Council Meeting Invitation.
3. Plan to join the meeting no later than 5:40 p.m. (approximately 20 minutes before the actual meeting start time).
4. Read for <https://www.rockvillemd.gov/DocumentCenter/View/38725/Public-Meetings-on-Webex>
5. meeting tips and instructions on joining a Webex meeting (either by computer or phone).
6. If joining by computer, **Conduct a WebEx test:** <https://www.webex.com/test-meeting.html> prior to signing up to join the meeting to ensure your equipment will work as expected.
7. Participate (by phone or computer) in the optional Webex Orientation Question and Answer Session at 3 p.m. the day of the meeting, for an overview of the Webex tool, or to ask general process questions.

Participating in Mayor and Council Drop-In (Mayor Newton and Councilmember Ashton)

Drop-In Sessions will be held by phone on Monday, October 5, from 5:30-6:30 p.m. **Please sign up by 2 p.m. on the meeting day using the form at:** <https://www.rockvillemd.gov/formcenter/city-clerk-11/sign-up-for-dropin-meetings-227>

- 7:00 PM 1. **Convene**
2. **Pledge of Allegiance**
- 7:05 PM 3. **Work Session - Topic 1**
- A. **Social Justice, Racism and Bias in Rockville**
- 8:05 PM 4. **Work Session - Topic 2**
- A. **Climate Action Plan Presentation, and Discussion and Instructions to Staff**
- 9:05 PM 5. **Work Session - Topic 3**
- A. **FY 2021 Revenue and Expenditure Update and Savings Plan Scenarios**
- 10:35 PM 6. **Adjournment**

The Mayor and Council Rules and Procedures and Operating Guidelines establish procedures and practices for Mayor and Council meetings, including public hearing procedures. They are available at: <http://www.rockvillemd.gov/mcguidelines>.

Future Agendas
As of 09/14/2020

Category	Estimated Agenda Time Needed (in minutes)	Title
Meeting : 10/05/20 06:00 PM (9 items)		
Proclamation	5	Proclamation Declaring Indigenous People
Proclamation	5	Proclamation Declaring October 2020 as Breast Cancer Awareness Month
Proclamation	5	Proclamation Declaring National Domestic Violence Awareness Month
Proclamation	5	Proclamation Declaring October 2020 as National Arts and Humanities Month
Work Session	60	Worksession with the Board of Directors of Rockville Economic Development Inc.
Discussion	60	Town Center Initiative - Update
Consent	5	Authorization to Release and Extinguish an Existing Storm Drain Easement and an Existing Sewer Easement on Parcel a of the Fallsmead Subdivision
Discussion	30	Undergrounding of MD 355
Presentation	45	Presentation of Consultant's Analysis of North Washington Street and East Middle Lane
Total Meeting Time (In Hours)	3 HR 40 MINS	
Category	Estimated Agenda Time Needed (in minutes)	Title
Meeting : 10/12/20 07:00 PM (1 items)		
Appointments	60	Administrative Function - Discussion and Proposed Charter Review Appointments
Total Meeting Time (In Hours)	1 HR MINS	
Category	Estimated Agenda Time Needed (in minutes)	Title
Meeting : 10/19/20 06:00 PM (9 items)		
Discussion, Instructions and Possible Adoption	60	Discussion on the 2020 Charter Review Commission Scope of Work
Appointments & Announcement	5	Announcements of Appointments for 2020 Charter Review Commission
Discussion	20	Follow-Up Discussion on Minority, Female and Disabled-Owned (MFD) Business Outreach Program FY19 and FY20 Reports
Presentation	20	Revised FY19 Procurement Annual Report
Discussion	10	Vacancy Report/Hiring Freeze Status

Attachment 19.A.b: Future Agendas as of 09.14.2020 (3325 : Future Agendas)

Future Agendas
As of 09/14/2020

Discussion	45	Discussion of BIDs, TIFs, and Other Financial Tools for Town Center
Public Hearing	45	Public Hearing for the Zoning Text Amendment, TXT2020-00257, East Rockville Design Guidelines and Standards
Discussion and Possible Approval	30	Washington Metropolitan Area Transit Authority (WMATA) Rockville Station Study Scope
Presentation	45	Presentation of the MD 586 Bus Rapid Transit (BRT) Project
Total Meeting Time (In Hours)	4 HR 40 MINS	
Category	Estimated Agenda Time Needed (in minutes)	Title
Closed Session: 06:00 PM		Building Security
Meeting : 10/26/20 07:00 PM (9 items)		
Introduction and Possible Adoption	30	FY 2021 Budget Amendment (Amendment #1)
Presentation	10	Fourth Quarter FY 2020 Financial Report
Public Hearing	20	FY 2022 Budget Public Hearing
Consent	5	Pension Plan Restatement
Discussion and Instructions	90	Discussion of the Personnel Policies and Procedures Manual
Discussion	60	Reduction in Force Policy
Presentation and Discussion	60	Discussion and Instructions on DEIS for I-495 and I-270 Managed Lanes Project
Consent	5	Approval of Letter to SHA Regarding Comment on the DEIS for the I-495 and I-270 Managed Lanes Project
Presentation and Discussion	30	The F. Scott Fitzgerald Theatre Resident Companies Present Their Business Plans to Mayor and Council
Total Meeting Time (In Hours)	4 HR 10 MINS	
Category	Estimated Agenda Time Needed (in minutes)	Title
Meeting : 11/2/20 07:00 PM (4 items)		
Discussion and Instructions	90	Tentative- Staff Recommendations on Boards and Commissions Task Force Follow-Up
Presentation	30	Volunteer Program Update
Presentation	60	Presentation on Proposed Water and Sewer Rate Structures Based on Property Classification
Discussion, Instructions and Possible Adoption	30	Recreation and Parks Strategic Plan

Attachment 19.A.b: Future Agendas as of 09.14.2020 (3325 : Future Agendas)

Future Agendas
As of 09/14/2020

Total Meeting Time (In Hours)	3 HR 30 MINS	
Category	Estimated Agenda Time Needed (in minutes)	Title
Meeting : 11/9/20 07:00 PM (7 items)		
Public Hearing	20	Public Hearing on Proposed Water and Sewer Rate Structures Based on Property Classification
Work Session	45	FY 2022 Budget Worksession (Calendar, Process, Preview)
Discussion	10	Vacancy Report/Hiring Freeze Status
Public Hearing	45	Short-Term Rental Public Hearing: Potential Permissions & Regulations
Consent	5	Adoption of a Resolution to Approve Amendments to the Stormwater Management Regulations So as to Revise the As-Built Submission and Certification Requirements for Development Projects that Consist of Three or Less Individual Single Unit Detached or Semi-Detached Dwelling Units
Consent	5	Award of IFB #Xx-20, Rockville Intermodal Access: Baltimore Road Construction, to (Vendor) in the Amount Not to Exceed (TBD)
Presentation and Discussion	45	Presentation and Discussion and Instructions on Wayfinding
Total Meeting Time (In Hours)	2 HR 55 MINS	
Category	Estimated Agenda Time Needed (in minutes)	Title
Meeting : 11/16/20 07:00 PM (5 item)		
Discussion and Possible Approval	30	Tentative - 2021 State Legislative Priorities
D & I, Possible Introduction & Possible Adoption	30	Tentative - East Rockville Design Guidelines, TXT2020-00257, Discussion, Introduction & Possible Adoption
Discussion and Instructions	30	Tentative - Discussion and Instructions to Staff on Further Actions for Zoning Text Amendment Application TXT2019-00254 - to Revise the Height Standards, Maximum Footprint, and Rear Yard Coverage Requirements for Accessory Buildings and Structures in Residential Zones, Including Revisions to Add a Grandfather Clause Allowing Accessory Buildings Approved Under a Prior Ordinance to be Retained and Include a New Definition for a Breezeway
Discussion and Instructions	30	Tentative - Discussion and Instruction on Zoning Text Amendment TXT2019-00255 - Accessory Dwellings
Discussion	60	Rockville Early Childhood Education
Total Meeting Time (In Hours)	3 HR 00 MINS	

Attachment 19.A.b: Future Agendas as of 09.14.2020 (3325 : Future Agendas)

Future Agendas
As of 09/14/2020

Category	Estimated Agenda Time Needed (in minutes)	Title
Meeting : 11/23/20 07:00 PM (6 item)		
Discussion and Instructions	20	Tentative - Discussion on New Boards and Commissions and Nominations
Discussion and Instructions	45	Tentative - Discussion and Instruction - Small Cell Antennas
Presentation	20	Tentative - FY20 Procurement Annual Report
Discussion	30	Discussion of Proposed Annexation Plan and Potential Annexation of Properties Near the Intersection of MD 355 and Shady Grove Road
Public Hearing	20	Tentative - Public Hearing on Zoning Text Amendment TXT2020-00256, to Amend Section 25.21.21 of the Zoning Ordinance To Modify the Tree Planting Requirements for New Residential Lots
Presentation	45	Tentative - Presentation on Proposed Parkland Dedication Requirements
Total Meeting Time (In Hours)		
	3 HR 00 MINS	
Meeting : 12/07/20 07:00 PM (9 item)		
Discussion and Possible Approval	60	Discussion and Possible Approval of Proposed Water and Sewer Rate Structures Based on Property Classification
Presentation	10	First Quarter FY 2021 Financial Report
Presentation and Discussion	45	FY 2022 Budget Priorities and Survey Results
Presentation	20	Fiscal Year 2020 Audited Comprehensive Annual Financial Reports (CAFR)
Presentation	10	Fiscal Year 2020 Popular Annual Financial Report (PAFR)
Approval	5	Approval of FY2022 CDBG Grant Application Submission
Consent	5	Award Requirements Contract for Construction, Repair, and Maintenance of Concrete Sidewalk, Curb, Driveway Aprons, and Miscellaneous Appurtenances and Infrastructure to (Vendor) in the Amount Not to Exceed (TBD)
Consent	5	Award IFB #(TBD), Thin Lift Asphalt Rehabilitation, Patching, and Milling Related Asphalt Maintenance Work on Various Streets. to (Vendor) in the Amount Not to Exceed (TBD)
Consent	5	Approval to Increase Rider on Baltimore County Contract #B-1101, Stormwater Management Facility Maintenance, to (Vendor) in the Amount Not to Exceed (TBD)
Total Meeting Time (In Hours)		
	2 HR 45MINS	

Attachment 19.A.b: Future Agendas as of 09.14.2020 (3325 : Future Agendas)

Future Agendas
As of 09/14/2020

Category	Estimated Agenda Time Needed (in minutes)	Title
Meeting : 12/14/20 07:00 PM (1 item)		
Discussion	10	Vacancy Report/Hiring Freeze Status
Total Meeting Time (In Hours)	0 HR 10 MINS	

Speakers List/Written Comments
Community Forum
(September 14, 2020)

	Name	Address/Phone	Topic
1.	Speaker via Computer Leslie Porter	825 Brice Road Rockville, MD 20852 301-251-5166 leslie.porter2@verizon.net	a proposal to replace <u>all</u> outdoor open space trash cans.
2.	Speaker via Computer Robert D. Kurnick	1110 Pipestem Place Rockville, MD 20854 (301) 706-4344	Importance of reappointment of Lois Neuman and Stephen Weiner to the BoSE
3.	Speaker via Computer Drew Powell President, Rockville Sister Cities Corp.	301-520-2642 rockvillesistercities@gmail.com	Pinneberg Sister City Agreement and Signing Ceremony
4.	Speaker via Phone Steven VanGrack	301-455-4361 alexa@stevenvangracklaw.com steven@stevenvangracklaw.com	Agenda item 16 – Police Advisory Commission
5.	Speaker via Phone Bob Ekman Rockville Science Center Trustee President	301-512-1278 rekman@rockvillesciencecenter.org	Rockville Science Center Update
6.	Melissa McKenna	melmckenna@utexas.edu	2020-2024 Subdivision Staging Policy (SSP) update

Jacqueline Mobley

From: leslie.porter2@verizon.net
Sent: Wednesday, September 9, 2020 6:35 PM
To: mayorcouncil
Subject: Monday, Sept. 14 Mayor and City Council meeting
Attachments: Letter City of Rockville Trash cans.docx

Greetings.

On Saturday, August 29, 2020, I emailed the attached letter to Mayor Bridget Donnell Newton and the City of Rockville City Council members concerning a proposal to replace all outdoor open space trash cans with ones which have a lid and can be lined with a plastic bag for easy waste removal. At this time many of these open space trash cans have no lids on them and collect rain water in addition to waste deposited in these bins.

I would like to formally enter my letter into the record and propose the Mayor and Council considering adding this project to the city improvements list down the road.

May I please have a moment during the September 14th City Council meeting to enter my letter into the record during the Community Forum portion of this meeting? I plan to participate in this meeting via my home computer.

Thank you.

Sincerely,

Leslie Porter
825 Brice Road
Rockville, MD 20852
301-251-5166, home landline

Saturday, August 29, 2020

Mayor Bridget Donnell Newton

Rockville City Council members:

Monique Ashton, Beryl L. Feinberg, David Myles, and Mark Pierzchala

City of Rockville

111 Maryland Ave.

Rockville, MD 20850

Re: Plastic trash collection bins throughout Rockville parks and open spaces

Dear Mayor Donnell Newton and Rockville City Council members:

Last year I testified during an open microphone session at a city council meeting concerning outdoor trash collection bins throughout Rockville's parks and public spaces. The current plastic trash bins have no lids to keep rain water out nor do they have holes in the bottom for rain water to drain. This means rain water builds up inside these plastic bins.



Each week when a select group of Rockville Refuse Collection employees arrive to empty these bins the guys have to manually tip these bins to collect the trash into a so-called transport bin which then rolls back to the collection truck. The refuse collection employees have to wait for the fecal-tainted waste water to drain out as the physical trash then topples into their transport carts.

During the hot summer months these men are subjected to horrific odors in addition to fecal-laced liquid. **No one should have to earn an honest living being subjected to these conditions! And who are these men who earn their living subjected to these conditions? They are minorities. They are**

individuals who may not have the ideal background for employment other than taking a job no one else wants.

Secondly, because there is no lid on the above trash bins these bins can become dumping zones for large pieces of people's personal property. This happens quite often behind the Richard Montgomery high school outdoor track near the Park Terrace Apartments on Mt. Vernon Place.

I strongly urge the City of Rockville to replace all outdoor plastic barrel trash cans with ones that have a lid to keep rain water out and can be lined with a plastic bag for easy emptying.





Thank you for your time and consideration, and for *everything* you do to keep Rockville an awesome family-oriented neighborhood! Our refuse collection employees who are awesome, hardworking guys **deserve nothing but the best** to keep our neighborhoods orderly, clean and sanitary.

Yours on the journey,

Leslie Porter
825 Brice Road
Rockville, Maryland 20852
Leslie.porter2@verizon.net

Jacqueline Mobley

From: Rockville Sister City Corp. <rockvillesistercities@gmail.com>
Sent: Monday, September 14, 2020 12:34 AM
To: mayorcouncil
Cc: clerk
Subject: Testimony at September 14, 2020 Mayor and Council Meeting
Attachments: RSCC_Testimony_November_15_2020_Agreement_and_Signing_Ceremony-with_Agreement.pdf

Rockville Mayor and City Council,

(and Sara and Jackie)

Please allow this email to serve as my formal request to participate live during the September 14, 2020 Rockville Mayor and Council Meeting, Community Forum segment.

I can join the meeting via computer or phone. Computer video/audio is preferred. If by computer, please provide the link and associated information, which will allow me to connect.

Per the instructions as part of the Meeting No. 29-20, September 14, 2020 agenda:

My name is: Drew Powell
Title: President
Organization: Rockville Sister City Corporation
Phone: (cell) 301-520-2642
Topic: Rockville – Pinneberg Sister City Agreement and Signing Ceremony

I have also attached my testimony as a PDF for your convenience.

Email or call me at (cell) 301-520-2642, if you have any questions.

Please confirm receipt of this email. Thank you.

Best regards,

Drew Powell
President
Rockville Sister City Corporation

Rockville Sister City Corporation
111 Maryland Avenue
Rockville, MD 20850
+1-240-314-5029



September 14, 2020

Rockville City Hall
111 Maryland Avenue
Rockville, MD 20850
Attn: Mayor and City Council

Re: Rockville – Pinneberg Sister City Agreement and Signing Ceremony

Good evening, Mayor Newton, City Councilmembers, City Staff and everyone watching at home. My name is Drew Powell. I am speaking tonight as the President of the Rockville Sister City Corporation.

It is proposed that on Sunday, November 15, 2020, the cities of Rockville and Pinneberg sign a Sister City Agreement via transatlantic video conference Signing Ceremony. Copies of the Agreement will be exchanged in advance via international carrier and will be counter-signed by the Rockville and Pinneberg Mayors during the November 15th virtual event. In Pinneberg, the event will happen at 8:00 PM CET during their annual “Thanksgiving in Pinneberg” function at the Hotel Cap Polonio and Restaurant (a day that celebrates Pinneberg’s relationship with Rockville). In Rockville the 2:00 PM event can take any form, which is permitted by existing health and safety guidelines at that time. In Rockville, it is possible that the event will look very much like a virtual Mayor and Council meeting.

To provide some background: In 1957, Rockville and Pinneberg agreed to become Sister Cities. A formal Resolution, signed by Rockville’s Mayor and City Council, was ratified on October 13, 1957 declaring Pinneberg to be Rockville’s Sister City. A formal Resolution, signed by Pinneberg’s Mayor and City Council, was ratified on November 8, 1957 declaring Rockville to be Pinneberg’s Sister City. Given that this was the third Sister City Agreement signed in the United States under President, Dwight D. Eisenhower’s 1956 people-to-people initiative, no further action was taken by either city as set protocols had not been established. The two formal Resolutions have acted as our two cities’ Sister City Agreement for nearly 63 years. The proposed Sister City Agreement has already been given the thumbs up in Pinneberg and has been provided to the Rockville CAO for approval, pending this body’s consent. Of course, final approval of the Agreement will be made by you, the Rockville Mayor and Council.

The existing two-Resolution/Agreement meant that there was no official Rockville – Pinneberg Sister City Anniversary date. Pending your approval, the official Agreement to be signed on November 15, 2020, would, a.) Set the date of November 8, 1957 as the official Anniversary of our two cities’ Sister City relationship, b.) re-affirm our two cities’ commitment as Sister Cities and c.) NOT reset the clock on our nearly sixty-three year relationship.

It is hoped that this joyous event be will broadcasted live on Rockville Channel 11, live-streamed on the Internet and archived on Rockville’s YouTube channel.

Thank you for your consideration and your continuing support of the Rockville Sister City Program.

Most sincerely,

A handwritten signature in black ink that reads "Drew Powell".

Drew Powell
President
Rockville Sister City Corporation

ROCKVILLE SISTER CITY CORPORATION
111 Maryland Avenue, Rockville, Maryland 20850
Phone: 240-314-5029 www.rockvillesistercities.org

SISTER CITY AGREEMENT VEREINBARUNG ÜBER DIE STÄDTEPARTNERSCHAFT

**The City of Rockville, Maryland, U.S.A. - The City of Pinneberg, Germany
Stadt Pinneberg, Bundesrepublik Deutschland - The City of Rockville, Maryland, U.S.A.**

The City of Rockville, in the State of Maryland, in the United States of America and the City of Pinneberg, in State of Schleswig-Holstein in Germany have enjoyed their official Sister City relationship since 1957.

Die Stadt Pinneberg im Land Schleswig-Holstein in der Bundesrepublik Deutschland und die City of Rockville im Bundesstaat Maryland in den Vereinigten Staaten von Amerika sind seit dem Jahr 1957 in herzlicher Freundschaft durch eine Städtepartnerschaft verbunden.

As the Mayor and City Council of the City of Rockville ratified a Resolution to enter into a formal Sister City relationship with Pinneberg on October 13, 1957 and the Mayor and City Council of the City of Pinneberg ratified a Resolution to enter into a formal Sister City relationship with Rockville on November 8, 1957, it is the desire of both cities to acknowledge and proclaim their longstanding relationship with this official Sister City Agreement.

Bürgermeister und Stadtrat der City of Rockville haben am 13. Oktober 1957 den Beschluss gefasst, mit der Stadt Pinneberg eine formale Städtepartnerschaft einzugehen, und Bürgermeister und Ratsversammlung der Stadt Pinneberg haben am 8. November 1957 den Beschluss gefasst, mit der City of Rockville eine Städtepartnerschaft einzugehen. Es ist der Wille der beiden Städte, diese lange und erfolgreiche Städtepartnerschaft durch diese offizielle gemeinsame Vereinbarung weiter zu festigen und zu stärken.

It is further agreed by both Rockville and Pinneberg that the official date of the commencement of their Sister City relationship shall be recognized as November 8, 1957.

Die Stadt Pinneberg und die City of Rockville stimmen darin überein, dass der 8. November 1957 das offizielle Gründungsdatum der Städtepartnerschaft ist.

It is understood that Rockville and Pinneberg shall endeavor in the continuation of the deepening of their friendship and mutual understanding through educational, cultural, governmental and other exchanges.

Die Stadt Pinneberg und die City of Rockville werden ihre langjährige Freundschaft und Zusammenarbeit durch schulische, kulturelle, offizielle und andere Austausche weiter vertiefen.

Rockville and Pinneberg shall continue in their promotion of the welfare of the citizens of both cities, holding the firm belief that we will continue to strengthen the ties of friendship between our two cities and through such friendship and cooperation, we will continue to contribute toward the peace and prosperity of the world.

Pinneberg und Rockville werden zum Wohle ihrer Bürgerinnen und Bürger auch in Zukunft eng miteinander zusammenarbeiten, getragen von der festen Überzeugung, dass diese Stärkung der freundschaftlichen Bande über Kontinente hinweg zum Frieden und Gedeihen der Welt beitragen wird.

We, the City of Rockville and the City of Pinneberg, hereby pledge to continue our mutual cooperation with each other as Sister Cities on this 15th day of November in the year of 2020.

Wir, die Stadt Pinneberg und die City of Rockville, erklären an diesem 15. November 2020 feierlich unseren Willen, unsere freundschaftliche Zusammenarbeit auch in Zukunft fortzusetzen.

Bridget Donnell Newton
Mayor of the City of Rockville
Bürgermeisterin von Rockville

Urte Steinberg
Bürgermeisterin von Pinneberg
Mayor of the City of Pinneberg

Rockville Mayor and Council
September 14, 2020
Community Forum Comments on SSP for the Public Record
Testimony of Melissa McKenna

Good evening. My name is Melissa McKenna. My comments tonight are on the 2020-2024 Subdivision Staging Policy (SSP) update.

I'm glad the matter is finally before you, although a bit tardy for robust discussion and decision making.

The County went to great lengths to involve the public on this revision, including creating a Schools Technical Advisory Team that City staff was a part of beginning last summer. The high level review you are being provided does not fully emphasize the number of and potential impacts of many of the substantial changes involved in this policy update.

My questions for you regarding schools is primarily one question:

Are the parents and families you represent going to be ok with absolutely no restrictions on school capacity that this document is suggesting? You seek assurances that MCPS and the County would build as necessary. There are no guarantees.

During the July 16th Planning Board meeting, Mr. Sartori explained it this way, "When we decide no moratoria, we have made that [adequacy] determination. We don't think there is a point where [school] infrastructure is inadequate at all."

It is easy enough to say that residential building moratorium has failed, but harder to make it work in practice among the several agencies involved: Park and Planning, County Council, and MCPS. Does that mean throw it out entirely?

To be fair, the failure of residential building moratoria is not limited to this body. Look at the County Council and their budgetary approval of the MCPS Capital Improvements Program. Their ability to insert placeholder projects with just enough funding for phantom classroom space—to keep a school area out of moratorium so that development projects may move forward—has destroyed the ability for moratoria to work as intended. Additionally, Council prioritizes MCPS projects to avoid moratoria (Northwood, Woodward, and Crown HSs) over existing crisis-level overcrowding (Clarksburg ES).

Clarksburg ES #9 was delayed a year in this year's MCPS CIP. It would relieve Clarksburg ES which is currently at 200% of capacity. A crisis situation that exists now and has for over a year, and yet it was passed over. If that is allowed in

Clarksburg, it will be allowed elsewhere. As enraged as I am at that situation, I ask you as a City, is that acceptable to you for your families and students? You seek assurances and yet it has already been proven that necessary infrastructure will not be provided when necessary.

For that reason alone, I ask you to submit to the County Council that rigorous and necessary fiscal analysis has not been done and that the City **CANNOT** support the majority of schools changes included in the SSP revision.

Respectfully submitted,
Melissa McKenna

Jacqueline Mobley

From: Ekman, Robert <rekman@rockvillesciencecenter.org>
Sent: Monday, September 14, 2020 1:42 PM
To: mayorcouncil
Subject: Update on the Rockville Science Center

The Rockville Science Center is busy bringing on-line events to life, and planning to conduct limited in-person activities this fall.

The pandemic shutdown has had a significant impact on our operations. In January we embarked on a major new adventure in a storefront on Maryland Avenue. Then the shutdown put us in hiatus for several months. Our methods of engaging the public to fulfill our mission were almost exclusively in-person, hands-on, and face-to-face. With the closing of the colleges, schools, and library, we had to cancel Rockville Science Day, engineering tournaments, summer camps, and Makerspace activities.

We moved our science cafes and science presentations on-line. They have become surprisingly successful, with attendance exceeding our in-restaurant counts, bringing in people from other areas such as California and England. We created several middle school student activities as individual at-home opportunities, including chemistry, biology, and engineering classes. Participants picked up kits at the storefront and followed instructions in on-line sessions. We ran a science fair program where students conducted projects at home and submitted a video on their efforts. We delivered awards to participants along with prizes.

We are consolidating our operations at the Maryland Avenue storefront. We closed our storage space on Southlawn Lane. With the closing of Johns Hopkins in Montgomery County, we are closing our office on Medical Center Drive. All activities will be centered at the storefront for the foreseeable future.

We spent significant effort in upgrading and improving the storefront. We are setting up a studio from which we can continue and improve our on-line activities. We mounted a beautiful hand-crafted sign above our entrance. We moved some of our Makerspace equipment to the storefront and produced PPE during the early times of the pandemic.

While the pandemic and lockdown have disrupted our operations, we are considering adjustments and realignments in our programs. We want to use our resources to maximize the opportunities for people to engage in science and engineering. Thank you for your support - past, present, and future.

Respectfully submitted,

Robert Ekman
Rockville Science Center, Trustee President
301-512-1278