Smart Growth: Maryland

[Source: http://www.op.state.md.us/smartgrowth/]

Policy Framework
Smart growth is an integrated growth management approach used in Maryland. It began in 1992 with the Economic Growth, Resource Protection and Planning Act, which created a set of policies called the Seven Visions. These policies served to guide the actions of everyone involved in Maryland’s land management. The smart growth legislative package restricts most state infrastructure funding, economic development, housing and other program dollars to Priority Funding Areas designated by local governments. Smart growth policy objectives are integrated into the transportation system through the planning process.

Priority Funding Areas
The smart growth initiative provides the opportunity for the state DOT to influence local land use decisions by directing transportation resources to priority funding areas. These areas are designated because they have existing infrastructure to support new development. Maryland’s smart growth policy affects the project process in which MDOT works with local communities to select modal alternatives to meet transportation needs. The 1997 smart growth legislation provides exceptions for project funding that does not occur in designated Priority Funding Areas. Such cases include projects that are necessary to protect public health or safety, or are related to commercial or industrial activity that can not be accommodated in an already developed area. It is important to note that under the smart growth legislation, local governments still have ultimate control over land use and transportation decisions by focusing the distribution of funds to areas designated as priority funding areas, and thus

1 What you need to know about Smart Growth and Neighborhood Conservation; Managing Maryland’s Smart Growth; Maryland Office of Planning. May 1997. p. 5.
2 Loc. cit.
3 Ibid., p. 6.
4 Ibid., p. 11.
meeting the requirements of the state. However, MDOT may use the project planning process to communicate the state’s interests when working with local governments.

**Interagency Coordination**

While MDOT has a leading role in providing basic infrastructure needs for the implementation of the smart growth law, the ultimate success of smart growth relies on all state agencies working together to provide the services to priority funding areas for orderly, planned development. MDOT has already coordinated with the departments of Housing and Community Development and Business and Economic Development in the implementation of neighborhood conservation projects.

**Implementation**

Counties give the Maryland Office of Planning the exact boundaries of their Priority Funding Areas. The Office of Planning in turn provides this information to all agencies involved in project development. This office also runs a review process for state funded projects in which each state agency reports annually on its impact on the implementation of smart growth.

**Planned Growth**

There are several key components of this program.

- Directed Funding – Through Maryland’s smart growth initiative, infrastructure funds will be directed toward the priority funding areas designated by local governments according to state criteria. Under the smart growth legislative package, funding programs have been developed to provide for compact development.

- Rural Legacy Program – This grant program redirects existing state transfer tax revenue toward purchasing properties, property rights, or perpetual easements in rural areas threatened by sprawl development.

- Live Near Your Work Program (LNYW) – This grant program provides home buyers who agree to live in a locally designated LNYW area with a minimum of $3,000.

**Responsibilities of the Local Government:**

Under the smart growth program local governments must do several things.

- *Prepare and update transportation elements of comprehensive plans that are consistent with the Visions set in 1992.*

---

1. Ibid., p. 10.
2. Loc. cit.
3. Ibid., p. 12.
4. Ibid., p. 13.
5. Ibid., p. 3.
Provide implementation and development mechanisms consistent with comprehensive plans.¹
Design Priority Funding Areas in accordance with state standards.
Certify proposed transportation projects’ locations in Priority Funding Areas.²

Responsibilities of the State Government:
The responsibilities of the state agencies extend over a wide range of activities. Some of these duties include:

- Providing local governments planning assistance;
- Implementing Visions as state growth policy;
- Reviewing State funding for consistency with Visions;
- Redirecting capital funding to developed areas and Priority Funding Areas designated by local governments;
- Determining Rural Legacy Areas;
- Providing employers tax credits for new employees in Priority Funding Areas;
- Administering Brownfields Revitalization Program;
- Offering homebuyers incentives within designated Live Near Your Work Program; and
- Assessing infrastructure needs.³

Growth Management
Growth management is a strongly active program to direct urban development into desirable patterns. Growth Management from a transportation and land use perspective follows from legislative rules, which outline the framework for interagency cooperation to achieve managed growth statewide. Moreover, it is vital to the program’s success that there be local support for and participation in these efforts to effectively manage a state’s growth patterns.

Growth Management policies do not normally come directly from state DOTs. However, there are many actions and subprograms that result from growth management which affect transportation decisions. State DOTs typically perform review functions or provide local funding assistance for transportation improvements, which adhere to growth management strategies. While the lead

¹ Loc. cit.
² Loc. cit.
³ Ibid. p. 4.
state agency sets standards for development, the state DOT must also comply with and review necessary infrastructure improvements associated with development decisions. State growth management acts do not, in fact, limit local control of land use decisions. Instead, they provide a nexus between local level decisions and state funding for projects. Case study examples from Florida, Oregon, Tennessee and New Jersey illustrate how state agencies can work together with local governments to manage growth.

**Florida’s Growth Management Program**

Florida’s growth management program was enacted through the Local Government Comprehensive Planning and Land Development Regulation Act. The central theme of this program, administered by the Department of Community Affairs, is to address the problem of urban sprawl.

**Comprehensive Plans**

All FDOT sponsored roadway projects are bound by state statute to be in compliance with the local comprehensive plan for the specific project’s limits. The FDOT looks to MPOs for guidance in regard to local transportation decisions. For example, an FDOT district staff member sits as a nonvoting member at all MPO committee and board meetings.

Each MPO is required to develop and update a comprehensive plan that includes land use, highway and transit elements. These plans must be locally adopted and approved by the Department of Community Affairs according to the growth management standards. Four-fifths of the state is located within a MPO.

- All goals, objectives, and policies, as well as the future land use and traffic circulation maps in local plans must be supported by and based on specific data and analyses. This requirement provides a basis of factual information for growth management decisions, which injects more objectivity into the planning process.

- A concurrency requirement mandates that “public facilities and services needed to support development shall be available concurrent with the impacts of such development.” If a new development would prevent a local government from maintaining a level of service it has established, the development must wait until that particular facility or service can be brought up to standard. Concurrency is the cornerstone of the growth management process.

**Oregon Transportation and Growth Management Program**

In 1993, the Oregon Department of Land Conservation and Development (DLCD) and the Oregon Department of Transportation (ODOT) jointly established the Transportation and Growth Management (TGM) program to assist local governments in establishing policies that support state growth management objectives. The TGM program includes a variety of jointly funded projects that
illustrate the benefits of the policy tools recommended by the Urban Growth Management Task Group, one of which includes Transportation Efficient Land Use Strategies. Both federal and state funds are being directed towards this program in keeping with the provisions of the 1991 ISTEA. The following map shows some of the locations in Oregon where Smart Development Projects are being implemented.

**Transportation Efficient Land Use Strategies**

The goal of TGM is to review existing comprehensive plan policies to address the connection between land use and transportation. Since land use decisions affect transportation and vice versa, strategies were developed to evaluate local planning policies for encouraging land use patterns that incorporate walking, bicycling and public transit as alternate modes of transportation for everyday trips.

[Source for map: http://www.lcd.state.or.us/issues/tgmweb/about/index.htm]

**Transportation Planning Rule**

Under the Transportation Planning Rule, local jurisdictions are obligated to consider land uses, densities and design standards that help meet transportation needs. The rule sets requirements for coordination among affected levels of government for preparation, adoption, refinement, implementation and amendment of transportation system plans. Through coordination with local jurisdictions in the development of transportation system plans, DLCD assures that planned transportation systems will support a pattern of travel and land use that avoids air pollution, traffic and livability problems. ODOT is responsible for preparing and adopting a statewide Transportation System Plan (TSP), which identifies a system of transportation facilities and services adequate to meet identified state transportation needs.

**Grants**

The TGM program provides grants to cities, counties and MPOs for three purposes:

- Developing of local transportation system plans (TSPs) and implementation measures;
- Writing updates to land use plans which meet state transportation needs; and
- Implementing urban growth management strategies.
Advocacy for Smart Development
Livable Oregon, Inc., a non-profit organization, works under contract with the TGM program to encourage developers to offer designs supporting travel by foot, bicycle and transit.

Quick Response Team
The TGM program provides consultant teams to assist communities or developers meet statewide smart development design objectives that promote transit-supportive density, as well as pedestrian and bicycle travel modes.

Technical Assistance
TGM sponsors workshops designed to help local governments develop or amend transportation system or land use plans that apply urban growth management tools. A handbook, “Tools of the Trade,” describes planning techniques, which can be used to achieve the goals set forth in the Transportation Planning Rule.¹

Tennessee’s Growth Boundary Policy Act
The Growth Boundary Policy Act implemented in Tennessee is primarily intended to influence the distribution of TEA-21 funds within the state. With this act every county within the state must write a comprehensive land use plan and the local governing body must also adopt this plan.² This comprehensive plan will address transportation and public infrastructure needs in each county and should be in overall compliance with the TDOT’s goals.³ Some of the issues addressed by means of this act to:

♦ Provide for adequate infrastructure or the upgrading of existing infrastructure;
♦ Reuse already developed land within the existing growth boundaries rather than adding infrastructure and annexing new areas for development; and
♦ Redesign the existing network of roads so as to revitalize the urban centers, avoid exclusionary zoning and encourage mixed-use development.

According to this act, each Urban Growth Boundary (UGB) should clearly demarcate a reasonably compact region having the capacity to accommodate 20 years’ worth of residential, industrial and commercial growth.⁴ It is the

¹ http://www.lcd.state.or.us/issues/tgmweb/about/index.htm
³ Ibid., p. 2.
responsibility of the local planning agency to manage and control urban expansion outside of such established growth boundaries. The municipality should consider the impacts of urban expansion on the surrounding agricultural lands, forests, recreational areas and wildlife management areas. If growth cannot be accommodated within the specified growth boundary, then the municipality should identify potential new areas adjoining the existing high growth areas so that they can easily be incorporated into the network of road, utility infrastructure and public services.

This act reinforces the need for smart growth, especially in those less-developed areas that are now growing rapidly. With the implementation of Tennessee’s Growth Boundary Policy Act, every county in Tennessee will effectively adopt a comprehensive plan by July 2001.

**State Development and Redevelopment Plan, New Jersey**

The New Jersey Legislature enacted the New Jersey State Planning Act in 1986, which in addition to other requirements created the State Planning Commission.
and a statewide planning process. A process called “cross-acceptance”, is used to ensure that governments at all levels and the public participate in preparing the State Plan with the goal of conserving and revitalizing urban centers while promoting economic growth. In response to this act the State Planning Commission developed the State Development and Redevelopment Plan (SDRP). The SDRP is being developed through the involvement of five state agencies including the state DOT.

An essential element within the SDRP is a set of statewide policies for transportation which serves to improve transportation systems by coordinating transportation and land use planning and by recognizing the impacts of transportation investment on land and economic development.¹ Twenty policies were developed as action steps to coordinate transportation planning on a statewide level, as required under ISTEA. Of these policies, three have particular relevance to this discussion.

♦ Policy 1: Coordination of Transportation Planning Among Public, Quasi-Public, and Private Agencies
♦ Policy 2: Integration of Land Use and Transportation Planning
♦ Policy 17: Transportation Planning as a Redevelopment and Development Tool

The SDRP serves as a guide for public and private sector investment in New Jersey’s future. Centers and Planning Areas are designated by the State Planning Commission, through which state funding is funneled for development or redevelopment projects. The success of the plan takes place through the exercise of existing public powers at local, regional and state levels in coordinated transportation, land use and economic development planning. In addition, the DOT provides funding for the following programs that give assistance to municipalities which have formally participated in the implementation of SDRP.

♦ Local Aid for Centers Program – $1 million is available for nontraditional transportation improvements that advance the visions, planning and implementation of SDRP.
♦ Transportation Enhancements Program – Funded under ISTEA, this program focuses on transportation projects designed to preserve environmental and cultural resources through encouraging alternative modes of transportation. Priority is given to projects in state designated centers.²

¹ The State Planning Act; State Development and Redevelopment Plan, New Jersey; The 1997 New Jersey State Planning CD-ROM.
² Adapted from The New Jersey State Development and Redevelopment Plan; 1997 New Jersey State Planning CD-Rom; http://www.state.nj.us/osp/ospplan2.htm
Transportation Development District Act

The TDD Act, enacted in 1989, provides for the coordination of transportation investments with land development in high growth districts and for private developer contributions. Its purpose is to create special financing districts in designated high growth areas to meet transportation needs through public-private partnerships.

Development of Regional Impact (DRI)

Florida Control ofProjects of Regional Significance

According to Florida law a development of regional impact (DRI) “means any development which, because of its character, magnitude, or location, would have a substantial effect upon the health, safety, or welfare of citizens of more than one county.” The DRI law specifies how such large development projects are to be reviewed and approved.¹

Specifically, the Department of Community Affairs is the agency that requires regional planning council review of all large-scale developments, such as residential subdivisions, airports, hospitals, office parks, shopping centers, etc., where the magnitude would affect multiple jurisdictions. The DRI process provides a more intensive review than most local communities are able to give. Developers are required to prove that the existing roadway provides sufficient anticipated capacity or they must wait until the transportation service has sufficient capacity for additional traffic as measured by a state level of service standard. For example, for a proposed industrial park the DRI statute might specify parking facilities of more than 1500 vehicles or a minimum site extent of one square mile. Developers might also make significant contributions to the transit system that provides service to the area of development.

The Florida Quality Developments Program was adopted to provide developers with an incentive to go through review of developments of regional impact (DRI), rather than design developments just below the threshold to avoid the process. This program allows the state to review and resolve problems early in the process, and to delegate the review of DRIs to local governments that show they have the capacity to review a DRI.²

¹ Ask DCA: Development of Regional Impacts (DRIs); Community Planning, Florida Department of Community Affairs, Summer 1998. Vol. 7, Number 2. p. 10.
² Adapted from: (a) CH 28-24 Developments Presumed to be of Regional Impact; (b) Development of Regional Impact (DRI) Review; (c) Rules of the Department Community Affairs Division of Resource Planning and Management Schedule for the Transmission and Submission of Local Government Evaluation and Appraisal Reports; (d) Development of Regional Impact Application for Development Approval under Section 380.06, Florida Statutes.
**Maximum Lane Standard**

In 1994, Florida passed a maximum lane standard for all interstate and intrastate highways, including the Florida Turnpike toll highway. Although pre-existing segments of I-95 in Dade County already exceed this standard, no future infrastructure may exceed the standard of six general use lanes in each direction of traffic flow. The lane standard allows up to two special lanes such as HOV or express lanes in each direction in addition to the six general use lanes. However, local jurisdictions may undercut this standard by imposing transportation impact fees on private development that effectively go toward funding of road infrastructure to support such increased levels of development. FDOT has no control over locally funded roadway infrastructure standards. In addition, select charter counties have home rule rights that imply extra power over local decisions and land planning authority.

**Urban Service Areas**

Although not required by state planning legislation, various municipalities in Florida have enacted urban service areas to stop leap-frog development and promote infill development.

**State Land Use Control**

Only the state of Hawaii has a role in the direct control of land use. Hawaii is the example of the most active land use strategy for state involvement.

**Assessing Transportation Benefits of Land Use Controls or Incentives**

Land use controls or incentives (such as smart growth programs) have both positive and negative benefits, so a careful weighing of all the consequences is necessary to understand whether a land use policy or program is beneficial overall. Positive benefits are largely intangible, so rigorous economic analysis is not always possible.

By their very nature, land use controls tend to restrict people’s sets of destination choices. Consequently, it is entirely possible that the benefits of reaching desirable locations, as measured by conventional economic theory, are negative when compared to more laissez-faire policies.

The transportation effects of land use policies can be conveniently determined by four-step travel forecasting models. Comparisons between alternatives, including the null alternatives, can reveal the size and direction of travel benefits. To make that comparison it is recommended that the enhanced consumer surplus method from the report “Measurement of Transit Benefits” be used. The procedure extends conventional economic theory to a multimodal context, accounting for the full perceived cost of travel between all origins and destinations and across all possible modes. A major drawback of this procedure
at the state level is that only a few states have (at this writing) operational four-step travel forecasting models.

Nontravel benefits owing to land use controls and incentives can be diverse. Some of these benefits can be calculated, but most cannot. Here is a list of commonly cited benefits of more compact land use patterns.

- Better ability to provide high quality transit service, resulting in lower costs for personal transportation
- Shorter trip lengths and better modal opportunities reduces air pollution, noise pollution and energy consumption
- Potentially lower cost of provision of utilities
- Potentially lower cost of provision of roads
- Less land consumed for transportation facilities, including parking
- Open space preservation, including farmland, wilderness and wetlands
- Greater opportunities for community interaction
- Potentially favorable distribution of land values and tax base
- Potentially favorable distribution of job sites
- Potentially favorable distribution of services and recreational opportunities
- Potential reduction in racial and social inequities
- Improvement in community image
- Greater incentive for reuse of land and for cleaning existing hazardous sites

Since emissions reductions may be required under the Clean Air Act Amendments of 1990, air pollution benefits in nonattainment areas are most readily assessed by determining the cost of a second best alternative for achieving the same reduction in emissions. A convenient second best alternative is the use of travel pricing mechanisms to achieve similar reductions in emissions without land use controls. The benefits of not needing pricing mechanisms to achieve required emissions reductions is readily assessed by the enhanced consumer surplus method, described in “Measurement of Transit Benefits”.

When performing analysis to assess air pollution and energy impacts, it is important to consider effects of compact land use patterns on numbers of trips. It has often been observed that communities with shorter trips have, on average, greater numbers of trips.

An effective program to control or concentrate growth should have an impact on land values. While the distribution of land values can be important for assessing the quality of the program, it would be difficult to count overall land value increases as true benefits. The reasons for some of the land value increases may have already been counted in other benefit measures, and other increases may be viewed simply as transfer payments.
Intangible benefits must be described in a manner that allows ready assessment by decision makers. Maps and charts, as well as descriptions can provide a good understanding of the size and scope of the benefits.¹