

MEMORANDUM

TO: County Council

FROM: *MF* Michael Faden, Senior Legislative Attorney

SUBJECT: **Public Hearing:** Expedited Bill 59-10, Transportation Impact Tax –
Amendments – White Flint Impact Tax District

Expedited Bill 59-10, Transportation Impact Tax – Amendments – White Flint Impact Tax District, sponsored by the Council President at the request of the County Executive, was introduced on December 14, 2010. A Government Operations and Fiscal Policy Committee worksession is tentatively scheduled for January 31, 2011 at 9:30 a.m.

Bill 59-10 would:

- create a White Flint impact tax district;
- define the boundaries of the district, coterminous with the White Flint special taxing district created by Bill 50-10;
- set the rate of impact taxes for the district at \$0, as the Council tentatively decided when it reviewed the White Flint financing plan; and
- apply the \$0 tax rate for any development for which an application for a building permit is filed on or after December 1, 2010.

This packet contains:

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Expedited Bill No. 59-10
Concerning: Transportation Impact Tax
- Amendments - White Flint Impact
Tax District
Revised: 12-9-10 Draft No. 1
Introduced: December 14, 2010
Expires: June 14, 2012
Enacted: _____
Executive: _____
Effective: December 1, 2010
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

AN EXPEDITED ACT to:

- (1) create a White Flint impact tax district;
- (2) define the boundaries of the White Flint impact tax district;
- (3) set the rates of the transportation impact tax for the district; and
- (4) generally amending the law governing the transportation impact tax.

By amending

Montgomery County Code
Chapter 52, Taxation
Sections 52-49 and 52-57

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Sections 52-49 and 52-57 are amended as follows:

52-49. Imposition and applicability of development impact taxes.

* * *

(c) The following impact tax districts are established[, consisting of the listed Policy Areas as defined in the Growth Policy]:

- (1) *Metro Station*: Friendship Heights, Bethesda CBD, Grosvenor, White Flint, Twinbrook, Rockville Town Center, Shady Grove Metro, Silver Spring CBD, Wheaton CBD, and Glenmont Metro station policy areas, as defined in the most recent Subdivision Staging Policy, except as modified by paragraph (4) for the White Flint policy area;
- (2) *Clarksburg*: Clarksburg policy area, as defined in the most recent Subdivision Staging Policy;
- (3) *White Flint*: The area included in the White Flint Special Taxing District in Section 68C-2; and
- (4) *General*: Any part of the County, including any municipality, not located in [a listed policy area] an area listed in paragraphs (1)-(3).

* * *

52-57. Tax rates.

(a) The tax rates for each impact tax district, except as provided in subsection (b), are:

* * *

(b) For any development located in the White Flint Impact Tax District, the tax rates are:

<i>Tax per Dwelling Unit or per Square Foot of Gross Floor Area (GFA)</i>	
<i>Building Type</i>	<i>White Flint</i>

High-rise residential (per dwelling unit)	\$0
Multifamily-senior residential (per dwelling unit)	\$0
Office (per sq.ft. GFA)	\$0
Industrial (per sq.ft. GFA)	\$0
Bioscience facility (per sq.ft. GFA)	\$0
Retail (per sq.ft. GFA)	\$0
Place of worship (per sq.ft. GFA)	\$0
Private elementary and secondary school (per sq.ft. GFA)	\$0
Hospital (per sq.ft. GFA)	\$0
Other nonresidential (per sq.ft. GFA)	\$0

- 26 [(b)](c) * * *
- 27 [(c)](d) * * *
- 28 [(d)](e) * * *
- 29 [(e)](f) * * *
- 30 [(f)](g) * * *

Sec. 2. Expedited Effective Date.

The Council declares that this Act is necessary for the immediate protection of the public interest. This Act takes effect on the date when it becomes law, and applies to any development for which an application for building permit is filed on or after December 1, 2010.

Approved:

Valerie Ervin, President, County Council

Date

Approved:

Isiah Leggett, County Executive

Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 59-10

Transportation Impact Tax – Amendments - White Flint Impact Tax District

DESCRIPTION: The requested legislation establishes a new White Flint Impact Tax District, defines the boundaries of the District, and sets the tax rate in the District.

PROBLEM: Implementation of the White Flint Sector Plan.

GOALS AND OBJECTIVES: Implementation of the White Flint Sector Plan through (1) this legislation, (2) Bill 50-10, White Flint Special Taxing District, (3) Resolution 16-1570, White Flint Sector Plan Implementation Strategy and Infrastructure Improvement List, and (4) \$385,000 Special Appropriation to the FY11 Capital Budget and Amendment to the FY11-16 Capital Improvements Program (CIP) for White Flint District West: Transportation Project.

COORDINATION: Department of Finance; Office of Management and Budget

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: N/A

EXPERIENCE ELSEWHERE: N/A

SOURCE OF INFORMATION: Jennifer Barrett, Director, Department of Finance
Joseph Beach, Director, Office of Management and Budget
Kathleen Boucher, Assistant Chief Administrative Officer
Diane S. Jones, Assistant Chief Administrative Officer

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: N/A



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

December 9, 2010

2010 DEC 10 AM 9:49

RECEIVED
MONTGOMERY COUNTY
COUNCIL

TO: Valerie Ervin, President, County Council

FROM: Isiah Leggett, County Executive

SUBJECT: White Flint Impact Tax District

I am transmitting for Council introduction a bill to create a White Flint Impact Tax District. This is a follow-up to the Council's action, on November 30, 2010, on Bill 50-10, White Flint Special Tax District and Resolution 16-1570, White Flint Sector Plan Implementation Strategy and Infrastructure Improvement List.

Bill 50-10 created a special tax district for the White Flint area that is intended to replace certain development transportation charges, including transportation impact taxes. Resolution 16-1570 outlined an implementation strategy for the White Flint Special Tax District which includes creation of a White Flint Impact Tax District, with tax rates of \$0, to replace the existing transportation impact tax in White Flint.

The attached legislation creates the White Flint Impact Tax District envisioned in Resolution 16-1570. The boundaries of this district are the same as the boundaries for the White Flint Special Tax District. Within this area, the transportation impact tax rate is to be set at \$0.

Executive staff are available to assist the Council in any way as it considers the attached legislation. Thank you for your consideration and assistance in moving the White Flint Sector Plan forward towards realization.

cc: Jennifer Barrett, Director, Department of Finance
Art Holmes, Director, Department of Transportation
Carla Reid, Director, Department of Permitting Services
Diane Schwartz Jones, Assistant Chief Administrative Officer



OFFICE OF MANAGEMENT AND BUDGET

Isiah Leggett
County Executive

Joseph F. Beach
Director

MEMORANDUM

January 11, 2011

TO: Valerie Ervin, President, County Council

FROM: *J. Beach*
Joseph F. Beach, Director

SUBJECT: Council Expedited Bill 59-10, Transportation Impact Tax – Amendments – White Flint Impact Tax District

The purpose of this memorandum is to transmit a fiscal and economic impact statement to the Council on the subject legislation.

LEGISLATION SUMMARY

Bill 59-10 would:

- create a White Flint impact tax district;
- define the boundaries of the district, coterminous with the White Flint special taxing district created by Bill No. 50-10;
- set the rate of impact taxes for the district at \$0; and
- apply the \$0 tax rate for any development for which an application for a building permit is filed on or after December 1, 2010.

FISCAL AND ECONOMIC SUMMARY

Bill 59-10 was designed to provide relief from a perceived and/or actual duplicate tax burden on developers who will also be paying the White Flint special taxing district tax. The economic impact of the bill is anticipated to be the removal of any such duplicate taxation as a potential hindrance to redevelopment proceeding; thus allowing significant economic development and tax base creation consistent with the White Flint Sector Plan. The estimated fiscal impact/return from the entire White Flint Sector Plan, assuming full build-out over the 40 year life of the Sector Plan, is over \$6.8 billion. The estimated amount of impact tax district taxes that would be foregone under Bill 59-10 is about \$72 million, also over the life of the Sector Plan, and estimated at current impact tax rates.

The following contributed to and concurred with this analysis: Jennifer Barrett and Mike Coveyou, Department of Finance; and Bryan Hunt and John Cuff, Office of Management and Budget.

JFB:bh

c: Kathleen Boucher, Assistant Chief Administrative Officer
Dee Gonzalez, Offices of the County Executive
Jennifer Barrett, Director, Department of Finance
Mike Coveyou, Department of Finance
John Cuff, Office of Management and Budget
Bryan Hunt, Office of Management and Budget

Office of the Director