

2013 Evaluation of the Bethesda Urban Partnership

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The County Council established the Bethesda Urban Partnership (BUP) in 1993 as the urban district corporation for the Bethesda Urban District. By law, an urban district corporation exists for five years before it must be reauthorized by Council resolution and approved by the County Executive. Before its term is renewed, the Office of Legislative Oversight must conduct a performance evaluation.

BUP's current term ends on January 31, 2014. Since this evaluation finds that BUP continues to fulfill its mandated responsibilities, OLO recommends the Council reauthorize BUP for another five year term.

BUP's Organizational Structure and Responsibilities

A Board of Directors, consisting of 11 members appointed by the County Executive and approved by the County Council, oversees the Bethesda Urban Partnership. BUP has 34 year-round (31 full-time) staff members in four divisions: internal operations, field operations, marketing, and transportation management.

By law, "urban districts are created to provide public services and facilities that are: (1) primarily of benefit to the property and persons within the urban district rather than to the County as a whole; and (2) in addition to services and facilities that the County provides generally" (County Code Chapter 68A). Listed below are BUP's legally authorized responsibilities and the contracted services it provides.

Responsibility	Bethesda Urban Partnership Services
Maintaining and enhancing streetscape amenities	<ul style="list-style-type: none"> • Maintenance and landscaping (including trash/recycling collection, tree maintenance, snow removal, and street sweeping) of Bethesda public rights-of-way, public parking structures, the Bethesda Metro pedestrian tunnel and highway medians • Trash collection and street sweeping in Wheaton and Silver Spring Urban Districts
Promotion, organization, and support of cultural, recreational, and business activities	<ul style="list-style-type: none"> • Maintenance of website, conducting media outreach and publishing written advertising materials • Organization of special promotional events such as Taste of Bethesda, Imagination Bethesda, and Winter Wonderland • Promotion and management of cultural activities and events such as Gallery B and dance festivals
Advancing the business and residential environment and sense of community	<ul style="list-style-type: none"> • Providing of assistance to Bethesda visitors through the Ask Me Team • Communicating with appropriate agencies about emergency maintenance, safety, or cleanliness issues • Participation in the Bethesda Metro Improvement Task Force
Enhancing safety and security in public areas	<ul style="list-style-type: none"> • Collaboration with County Police and Fire/Rescue Service to improve safety and security • Serving as alternative command center for the Bethesda police station in an emergency
Providing specialized transportation services	<ul style="list-style-type: none"> • Management of the free downtown Bethesda Circulator
Increasing the number of people using alternative modes of transportation for commuting to Bethesda	<ul style="list-style-type: none"> • Assistance to employers with development of traffic mitigation plans • Marketing of alternative transportation options such as public transit, carpools, and vanpools to employers and employees in downtown Bethesda • Completion of annual survey of employees on transportation use

Feedback on BUP's Services

OLO conducted 18 interviews with County Government staff and community representatives who work with BUP. Every interviewee reported satisfaction with BUP's work. Most reported that BUP delivers very high quality services and that BUP communicates and collaborates extremely effectively with its partners. Many cited BUP's high level of expertise in urban district management and emphasized the role of BUP's senior management in ensuring efficiency and effectiveness. One County partner stated that BUP could communicate more proactively regarding interruptions and changes to services.

OLO also reviewed focus group feedback on BUP's performance that Association Laboratory, Inc. compiled as part of BUP's strategic planning process. This feedback indicated that various participants, including property developers, residents, visitors and employers in downtown Bethesda, consistently had high regard for BUP, its staff, and BUP's role in Bethesda. Focus group members shared specific positive feedback about the quality of BUP's website, BUP's ability to effectively promote events, BUP's role in resolving problems and coordinating with the local arts community, and BUP's positive relationship and effective communication with the County.

Bethesda Urban Partnership's Finances

BUP receives revenue from a combination of County and non-County sources. From FY09-FY13, 92% of BUP's revenue came from the County Government and 8% came from non-County sources. During this period, BUP's County revenue decreased by 0.6%, and non-County revenue decreased by 32%. The table on the next page shows BUP's actual revenues and expenditures for the FY09-FY13 period.

BUP's County revenue comes from four service contracts managed by 3 different County entities. Specifically, BUP provides:

- **Urban district management services**, such as maintenance and landscaping, promoting downtown Bethesda, planning special events, and managing the Bethesda Circulator, under a contract managed by the Bethesda Chevy-Chase Regional Services Center. This contract is BUP's largest single source of revenue.
- **Bethesda Transportation Management District (TMD) services**, such as promoting alternate modes of transportation and conducting an annual commuter survey of employees in the Bethesda TMD under a contract managed by the Department of Transportation.
- **Groundskeeping services** at public parking lots and garages in Bethesda under a contract managed by the Department of Transportation.
- **Street sweeping and trash collection services** in the Silver Spring and Wheaton Urban Districts under one contract with the County to provide street sweeping and a second one to collect trash from public receptacles in the Silver Spring and Wheaton Urban Districts.

BUP's non-County revenue comes from event income and sponsorships, advertising on the Bethesda Circulator, and service contracts with other entities (e.g., State Highway Administration and Imagination Stage). BUP uses this revenue to enhance services and fund an equipment replacement reserve.

BUP uses six expenditure categories: field operations (e.g., maintenance), marketing and special events, transportation management, internal operations, arts & entertainment and an equipment replacement reserve. BUP's expenditures totaled \$4.3 million in FY13, a 4% decrease compared to its FY09 expenditures of \$4.5 million. In every year except FY10, BUP's revenues exceeded its expenditures.

Bethesda Urban Partnership Revenues and Expenditures, FY09 – FY13

	FY09	FY10	FY11	FY12	FY13
Revenues (\$000s)					
County Contracts	4,133	4,011	3,971	4,014	4,110
Bethesda Urban District	3,269	3,155	3,208	3,271	3,358
Bethesda Transportation Management District	614	624	567	557	563
Streetsweeping in Wheaton and Silver Spring	78	65	43	40	46
Trash Removal in Wheaton and Silver Spring	138	139	128	116	117
Groundskeeping at Public Parking Lots and Garages	33	28	27	31	25
Non-County Revenue	476	362	393	315	323
Total BUP Revenue	4,609	4,372	4,365	4,329	4,433
Expenditures (\$000s)					
Field Operations	2,273	2,254	2,205	2,305	2,306
Marketing and Special Events	841	816	806	774	769
Transportation Management	604	593	560	545	549
Internal Operations	525	531	490	492	486
Arts and Entertainment District	191	159	140	154	146
Reserve for Equipment Replacements	50	50	50	50	50
TOTAL	4,484	4,403	4,250	4,321	4,306

County Funding Sources for BUP's Contracts

Two primary sources of revenue fund BUP's County Government contracts:

Bethesda Parking Lot District (PLD) Fund. The Bethesda PLD Fund receives revenue from three sources: a property tax on commercial and non-commercial property in the PLD; parking fees and fines collected within the PLD; and investment income. By law, these funds may be used to operate, construct, and renovate parking facilities in Bethesda and to fund Urban District and transportation management activities in Bethesda. The law limits PLD support for the Urban District to no more than 10% and no less than 90% of the combined revenue from the PLD transfer and the urban district tax (see below). In FY13, the County transferred approximately \$2.8 million (or 96% of the allowable amount) from the Bethesda PLD Fund to the Bethesda Urban District, which BUP manages.

Bethesda Urban District Fund. Besides transfers from the Bethesda PLD, the Bethesda Urban District Fund receives revenue from an urban district tax on real and personal property and from maintenance charges paid by optional method developers. In FY13, approximately \$3.4 million (98%) of estimated expenditures from this fund paid for BUP's contract with the County to manage the urban district.

BUP and the Living Wage

In 2002, the Council adopted a Living Wage Law that requires certain County contractors and subcontractors to pay their employees who perform work under County service contracts a County established wage – known as a “living wage.” In FY14, the County living wage is \$13.95/hour. The County Attorney has determined that BUP is not legally required to pay the living wage.

Notwithstanding this determination, as a matter of policy, the BUP Board has advocated for funding to pay its employees the living wage rate since FY09. This past summer, the County finally adjusted BUP's budget to pay BUP employees the FY14 living wage rate. In future years, the Bethesda Chevy-Chase Regional Services Center Director will notify BUP of any living wage rate changes, and the budget request BUP submits to the County will reflect these wage rate changes.

Bethesda Urban Partnership's Strategic Plan

BUP's Board of Directors recently submitted a new 2009-2014 strategic plan with goals for maintenance, marketing and communications, transportation, and arts & entertainment to the Council. Unlike previous years, the new Strategic Plan does not request any changes to County law or any amendments to BUP's contracts. BUP has four strategic goals for its new five year term. They are:

- To create a state of the art appearance and easier customer navigability for downtown Bethesda;
- To create and implement a successful marketing plan to ensure that Bethesda is at the regional forefront of attracting customers and businesses;
- To achieve a transportation system with complementary vehicular and non-vehicular options; and
- To ensure that Bethesda is a vibrant Arts & Entertainment District that attracts artists, arts patrons and arts organizations.

Office of Legislative Oversight Recommendations

OLO offers the following recommendations for Council action regarding the Bethesda Urban Partnership:

#1: Reauthorize the Bethesda Urban Partnership for another five-year term and retain the requirement for an OLO evaluation prior to reauthorization.

OLO's review confirmed that BUP's activities continue to fulfill the purposes of the organization. In addition, OLO found that BUP's County Government and community partners are pleased with the quality of BUP's work.

#2: Require BUP to develop a new five-year strategic plan before the next reauthorization.

In developing the organization's next strategic plan, OLO recommends the Council encourage BUP to continue to seek input from constituents at the beginning of the strategic planning process and include a status report on implementing objectives identified in the previous strategic plan.

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CHAPTER I. Authority, Scope, and Organization of Report

A. AUTHORITY

Council Resolution 17-830, *Fiscal Year 2014 Work Program of the Office of Legislative Oversight* and Chapter 68A of the County Code.

B. SCOPE OF REPORT

Chapter 68A of the County Code authorizes the County to establish urban district corporations to provide services within the County's urban districts. By law, an urban district corporation exists for five years after its articles of incorporation are accepted for recording by the State Department of Assessments and Taxation. An urban district corporation can be extended for an unlimited number of additional five-year terms by a resolution adopted by the County Council and approved by the County Executive. Before the County renews a corporation's term, the law requires the Office of Legislative Oversight to conduct a performance evaluation that includes feedback from property owners, business owners, and residents from in and around the urban district.

Bethesda is the only urban district in Montgomery County that has an urban district corporation. In 1994, the Bethesda Urban Partnership, Inc. (BUP) began its first term as the urban district corporation to manage the Bethesda Urban District. In this capacity, BUP performs landscaping and other maintenance services, plans special events, promotes the urban district and oversees the operation of the Bethesda Circulator, a shuttle serving the downtown area. BUP also manages the Bethesda Transportation Management District and the Bethesda Arts and Entertainment District.

BUP has operated for four five-year terms since its creation, and the County Council has released three prior OLO evaluations of BUP. In December 2008 the County Council approved Resolution 16-786, which reauthorized the Bethesda Urban Partnership for its fourth five-year term starting on February 1, 2009 and ending on January 31, 2014.

To aid the Council as they consider the reauthorization of BUP for a fifth term, this OLO report includes:

- Descriptions of BUP's current services, staffing, progress on previous strategic plan goals and new goals and strategies, and finances; and
- Feedback on BUP's performance from County government, community representatives and other individuals who regularly interact with BUP or benefit from its services.

C. ORGANIZATION

Chapter II, Overview of the Bethesda Urban Partnership's Legal Framework, describes the Bethesda Urban District and other designated districts in downtown Bethesda, and provides an overview of BUP's governing structure, including State and County laws governing BUP.

Chapter III, BUP Operations, describes BUP's staffing and its maintenance, marketing, transportation management, and other services, BUP's progress on its 2008-2012 strategic plan and the goals and strategies of its 2014-2019 strategic plan.

Chapter IV, Finances, describes BUP's funding sources and expenditures for the past five years and the sources of County revenue spent on BUP services.

Chapter V, Feedback from County Government and Community Representatives, provides feedback on BUP's performance from a variety of individuals who interact directly with BUP or benefit from its services.

Chapters VI and VII present the Office of Legislative Oversight's **Findings and Recommendations**.

Chapter X, Agency Comments, presents comments from the County's Chief Administrative Officer and the Bethesda Urban Partnership's Board of Directors on the final draft of this report.

D. METHODOLOGY

Office of Legislative Oversight staff member Natalia Carrizosa conducted this study. The research consisted of examining County laws and operating budget documents and reviewing documents provided by BUP such as financial reports, BUP's most recent strategic plan, and other materials describing BUP's work. OLO also met with the BUP Board of Directors and BUP staff and interviewed County staff and other individuals who interact with BUP on a regular basis to obtain feedback on BUP's performance. OLO also used feedback from focus groups facilitated by the Association Laboratory, Inc. during BUP's strategic planning process.

E. ACKNOWLEDGEMENTS

OLO would like to thank the Bethesda Urban Partnership staff for their cooperation, especially Dave Dabney, Jeff Burton, Jeff Oyer, Stephanie Coppola, and Kristen Blackmon. OLO would also like to thank Phyllis Lieberman of the Bethesda Arts and Entertainment District Board of Directors, Clyde Garrett of the Bethesda Transportation Management District Advisory Committee, Ginanne Italiano of the Bethesda-Chevy Chase Chamber of Commerce, Carol Trawick, a former member of both the BUP Board of Directors and the Bethesda Arts and Entertainment District Board of Directors, Dave Feldman of Bethesda Green, Chief Ned Sherburne of the Bethesda-Chevy Chase Rescue Squad and Susan Kirk of Bethesda Cares.

OLO appreciates the assistance of County Government staff including Ken Hartman from the Bethesda-Chevy Chase Regional Services Center; Joe Callaway from the Mid-County Regional Services Center; Yvette Freeman from the Silver Spring Regional Services Center; Carolyn Biggins, Keith Compton, Rick Siebert, Emil Wolanin, Sandra Brecher, Philip McLaughlin, and Richard Dorsey from the Department of Transportation; Brady Goldsmith and Helen Vallone from the Office of Management and Budget; Lieutenant Thomas Jacocks and Sergeant John D'Albora from the Police Department; Battalion Chief James Resnick from Fire and Rescue Services; and Elza Hisel-McCoy from the Planning Department.

We would also like to thank Office of Legislative Oversight staff members Sue Richards and Kelli Robinson for their invaluable guidance and assistance.

CHAPTER II. Overview of the Bethesda Urban Partnership’s Legal Framework

The County Council established the Bethesda Urban District in 1993, and in the same year created the Bethesda Urban Partnership (BUP) as the corporation authorized to manage the district. Since its establishment, BUP has been reauthorized three times by the Council and has taken on additional responsibilities related to other special districts in Bethesda. Table 2-1 presents a timeline of key events from BUP’s establishment in 1993 to the most recent reauthorization in 2008.

Table 2-1: Bethesda Urban Partnership Timeline, 1993-2008

Date	Event
December 1993	Council creates BUP to manage the Bethesda Urban District and approves BUP’s Articles of Incorporation and Bylaws (Resolution 12-1400)
December 1998	Council reauthorizes BUP until January 31, 2004 (Resolution 13-1994)
February 1999	Council adopts Resolution 14-56 which: <ul style="list-style-type: none"> • Establishes a transportation management district in Bethesda • Allows creation of a Transportation Management Organization (TMO) • Approves BUP as a grantee for the TMO
December 1999	BUP as TMO begins managing the Bethesda Transportation Management District
April 2002	<ul style="list-style-type: none"> • State of Maryland designates Bethesda as an Arts and Entertainment District • BUP becomes the manager of the Bethesda Arts and Entertainment District
January 2004	Council reauthorizes BUP until January 31, 2009 (Resolution 15-461)
September 2006	BUP begins managing the Bethesda Circulator
December 2008	Council reauthorizes BUP until January 31, 2014 (Resolution 16-786)

This Chapter provides an overview of the governance structure and history of BUP, and is organized as follows:

Section A provides an overview of the Bethesda Urban District and its legal framework, including the requirements for establishing an urban district corporation;

Section B describes the Bethesda Urban Partnership (BUP) articles of incorporation and bylaws;

Section C reviews the other special districts created in Bethesda and their relationship to BUP; and

Section D summarizes the Council action to reauthorize BUP in 2008.

A. Overview of the Bethesda Urban District

General. County Code Chapter 68A, Montgomery County Urban Districts, permits the County Council to create urban districts. Urban districts are special taxing districts with diverse commercial, institutional, and residential development that the County desires to “maintain and enhance...as prosperous, livable urban centers.”¹ The Code states that the purpose of urban districts is to provide services for the benefit persons and property within the district that are in addition to the services normally provided by the County.² Authorized “additional” services within an urban district include maintaining and improving streetscapes and

¹ County Code § 68A-2(a)

² County Code § 68A-3(b)

amenities, promoting and programming public interest activities, enhancing safety and security in public areas, and providing capital projects that promote the growth and stability of the district.

In addition to Bethesda, the Council has also established urban districts in Silver Spring and Wheaton. The law provides that funding for urban district services can come from:

- An urban district tax that may not exceed \$0.30 per \$100 of assessed property value;
- Parking lot district fees, limited to the number of parking spaces multiplied by enforcement hours per year multiplied by \$0.20;
- A charge on optional method development property for the cost of maintaining off-site amenities such as streetscape improvements;³
- Transfers from the County’s general fund which may be subject to repayment (the Bethesda Urban District no longer receives revenue from this source as of FY05); and
- Other revenue collected by the urban district from various sources, such as charges for services or corporate sponsors.

Funds for urban districts may only be used for the district where they are collected and for the allowable services. Additionally, the law states that “the proceeds from either the urban district tax or parking fees transferred into an urban district fund must not exceed 90 percent of their combined total.”⁴

Urban District Corporations. The County Code requires an urban district to be managed by a County department or by an urban district corporation created by the Council.⁵ Maryland law authorizes charter counties to create commercial district management authorities for the purposes of “promotion; marketing; and the provision of security, maintenance, or amenities within the district.”⁶ The Bethesda Urban Partnership was established as the urban district corporation for the Bethesda Urban District.⁷

The County Code describes an urban district management corporation as “a public instrumentality of the County...[that]... is not within the Executive or Legislative branches of County government, is separate and distinct from the County, and is an independent entity.”⁸ The Code also states that an urban district corporation may provide the following services:

- Promotion, organization, and support of cultural, recreational, and business activities;
- Specialized transportation services;
- Enhancement and maintenance of streetscape; and
- Other initiatives to advance the business and residential environment and sense of community.⁹

³ Optional method development is “property for which the owner has agreed with the Maryland-National Capital Park and Planning Commission to be responsible for installing and maintaining both on-site and off-site improvements.” (County Code § 68A-1(h))

⁴ County Code § 68A-4(c)(d)

⁵ County Code § 68A-9 (a)

⁶ Maryland Code art. 25A, Chartered Counties of Maryland § 5(FF)(ii)

⁷ The Silver Spring and Wheaton district do not have urban district corporations and are instead managed by the County Government.

⁸ County Code § 68A-9 (a)

⁹ County Code § 68A-9 (b)

In 1995, the County Attorney concluded that an urban district corporation is a “public entity” under County procurement laws, which allows the County to enter into a contract with an urban district corporation without competition.¹⁰ Other requirements in the County Code specific to urban district corporations that BUP must comply with include:

- Establishing an 11-member Board of Directors, composed of a diverse group of business and residential representatives, that “directs all aspects of the program, management, and finances of the corporation,” may establish rules of procedure, and adopts bylaws for the corporation.¹¹ The Board is appointed by the County Executive and confirmed by the County Council. The Board also appoints an executive director for BUP.¹²
- Preparing and submitting a budget to the County’s Office of Management and Budget for review and approval as part of the County’s budget process. Corporations must also submit an annual independent audit and management letter and financial report.¹³
- Using the County’s centralized purchasing system, and making a “good faith” effort to meet County goals for purchasing recycled goods and contracting with minority, female, and disabled-owned businesses (even though BUP is not subject to County procurement laws).¹⁴

Chapter 68A states that an urban district corporation exists for five years after the Maryland Department of Assessments and Taxation accepts its Articles of Incorporation. The law authorizes the County Council to renew the corporation for additional five-year terms after a performance evaluation by the Office of Legislative Oversight.¹⁵

B. Bethesda Urban Partnership Articles of Incorporation and Bylaws

County law requires the County Council and County Executive to approve an urban district corporation’s articles of incorporation and bylaws. BUP’s Articles of Incorporation establish the name and duration of the corporation, set forth the powers and restriction on powers, and describe the Board of Directors. According to BUP’s Articles of Incorporation, the corporation’s purposes are to:

- Provide more direct involvement of the community of Bethesda in the provision of services;
- Enlist the active interest and financial support of individuals, citizen and civic groups, firms, and corporations concerned about the improvement of the Urban District;
- Provide services, in addition to the services and facilities the Montgomery County Government provides generally;
- Promote and program public interest activities that benefit both residential and commercial interests of the Urban District;
- Collaborate and cooperate with federal, state and county agencies, civic associations and other improvement associations, and business associations;

¹⁰ County Code § 11B-41 and February 8, 1995 memorandum from Assistant County Attorney Melnick (Appendix A)

¹¹ County Code § 68A-10 (d, f, g)

¹² The executive director and other employees of an urban district corporation are not County employees and are not eligible to participate in the County’s retirement program. However, corporations may participate in the County’s health insurance program if the corporation pays the employer’s share of the premiums. BUP has participated in the County’s health insurance program since 1998.

¹³ County Code § 68A-12 (d)

¹⁴ County Code § 68A-11(d)

¹⁵ County Code § 68A-12 (e), County Code § 68A-13 (a,b)

- To have and to exercise to the extent necessary or desirable for the accomplishment of any of the aforesaid purposes...any and all powers conferred upon non stock corporations; and
- Support the activities of the other nonprofit organizations serving the Bethesda Urban District.¹⁶

BUP's Bylaws describe the structure of the Board of Directors, including the terms of Board members, Board meetings, and officers and committees of the Board. It also describes the duties of the Executive Director and the Corporation's finance and procurement practices.

The Council and Executive approved the Bethesda Urban Partnership's Articles of Incorporation and Bylaws in 1993. BUP must submit any changes to the Executive and Council for approval. Neither BUP's Articles of Incorporation nor Bylaws have changed since they were first approved, with the exception of amending the Articles of Incorporation to reflect reauthorization of BUP.

C. Other Special Districts in Bethesda

In addition to the Bethesda Urban District, there are four other districts in the downtown Bethesda area: the Parking Lot District, Transportation Management District, Arts and Entertainment District, and Central Business District. The map on page 10 shows the geographic relationship among the districts. It shows that the Bethesda Urban District and Arts and Entertainment District share the same boundaries, the Parking Lot District is slightly smaller, and the Transportation Management District and Central Business District Sector Plan Area are both slightly larger.

1. The Bethesda Parking Lot District

A parking lot district (PLD) is a legally designated geographic area defined in Chapter 60 of the County Code in which the County can assess a special property tax and collect parking fees (e.g., parking meter or permit fees) to acquire, build, maintain, or operate off-street parking facilities. Parking fees may also be transferred to an urban district fund, transportation management district, or to the Department of Transportation for transit-related activities within a PLD that does not have a transportation management district. Any fees transferred to a transportation management district must not exceed the fees collected in that district. Taxes and fees must be used in the PLD where they were collected.¹⁷ The Bethesda PLD is one of four parking lot districts in the County. The other districts are in Silver Spring, Wheaton, and Montgomery Hills.

2. Transportation Management District

A transportation management district (TMD) is a geographic area established by the County Council to reduce traffic congestion through transportation demand management. The goals of transportation demand management are to: "increase transportation capacity; reduce existing and future levels of traffic congestion; reduce air and noise pollution; and promote traffic safety and pedestrian access."¹⁸

The County Code allows the Department of Transportation to sign sole source contracts with a transportation management organization to carry out transportation management programs in a TMD.¹⁹ In 1999, the Council established a TMD in Bethesda, and the Bethesda Urban Partnership became the transportation

¹⁶ *Articles of Incorporation of Bethesda Urban Partnership, Inc. A Nonstock Corporation.* Article III, § 3 (a-g)

¹⁷ County Code § 60-16 (a, c)

¹⁸ County Code § 42A-22 (f)(1-4)

¹⁹ County Code § 42A-23 (c)

management organization for the Bethesda TMD through a contract managed by the Department of Transportation.²⁰ As the transportation management organization, BUP is required to:

- Monitor and assess traffic patterns and pedestrian access and safety;
- Promote traffic and parking control measures;
- Promote transportation-related capital projects;
- Promote or implement transit and ridesharing incentives;
- Promote cooperation between the County and other government agencies;
- Create and implement cooperative County/private sector programs to increase ridesharing and transit use; and
- Submit a biennial report to the Department of Transportation in even-numbered years.

Under the authorizing resolution, funding to implement transportation management programs for the Bethesda TMD may include revenue transferred from the Bethesda Parking Lot District, a transportation management fee on new and existing development, and allocation of state or federal grant funds.²¹

The Bethesda TMD also has a 17 member advisory board (11 voting and six non-voting members) appointed by the BUP Board of Directors. The TMD Advisory Board's responsibilities include advising BUP and the County Department of Transportation on transportation management issues in downtown Bethesda and advising BUP on TMD operations.

3. Arts and Entertainment District

The Bethesda Urban District received State of Maryland designation as an Arts and Entertainment District in 2002 in order to promote the visual and performing arts in Bethesda through tax incentives, special events, and other initiatives. The A&E District was re-designated by the state of Maryland in 2012 for another 10 years.

This designation provides County tax incentives including certain property tax credits and exemption from the admission and amusement tax for art and entertainment establishments and artists who reside and work in the district to encourage artists and entertainment venues to locate in Bethesda.²² As manager of the district, the Bethesda Urban Partnership markets the arts in Bethesda and organizes events that showcase visual and performing arts. The Arts and Entertainment District has its own 9-member Board of Directors.

4. Central Business District Sector Plan Area

The Bethesda Central Business District (CBD) Sector Plan Area is a planning area designated by the Maryland-National Capital Area Park and Planning Commission for downtown Bethesda. The 1994 sector plan for the Bethesda CBD and its 2006 amendment to the Woodmont Triangle area aim to establish a core development area around the Bethesda Metro Station that includes diverse commercial and residential

²⁰ Resolution 14-56

²¹ County Code § 42A-29

²² Md. Code art. 83A Department of Business and Economic Development, § 4-(702-703); COMAR 24.05.26; Montgomery County Code Chapter 25 § 52-18L

property; encourages cultural activities; improves streetscapes; and addresses transportation and pedestrian needs.²³ Specific goals outlined in the plan include:

- Encouraging the development of retail through sufficient parking availability, improved pedestrian accessibility, a circular bus route, directory maps to direct visitors to retail destinations, and marketing activities;
- Establishing Bethesda as a cultural center;
- Creating a transportation management organization to manage transportation demand in the Bethesda CBD; and
- Improving the streetscapes using methods such as planting trees and burying utilities to reduce visual clutter.

The 1994 Bethesda Central Business District Sector Plan states that the Bethesda Urban Partnership should participate in implementing some of the objectives of the plan, including “retail enhancement, ‘cultural district,’ and streetscape objectives.”²⁴

D. 2008 Reauthorization of the Bethesda Urban Partnership

Prior to the Council’s reauthorization of BUP in 2008, the BUP Board approved a new strategic plan for 2008-2012, and OLO conducted an evaluation of BUP. As part of its strategic plan, the BUP Board requested that the Council:

- Extend BUP’s authorization period from five years to ten years based on their performance over the previous fifteen years;
- Move management of the Transportation Management District contract to the Regional Services Center from the Department of Transportation for “greater efficiency”;
- Implement a biannual budget cycle, with a change to a calendar year or other off-cycle budget review that still allows for an annual review of funds;
- Expand the route and hours of the Bethesda Circulator; and
- Expand BUP’s responsibility for lighting and crosswalk repair.

OLO’s report recommended that the Council:

- Reauthorize the Bethesda Urban Partnership, Inc. for another five years and retain the requirement for an OLO evaluation before the next reauthorization;
- Require BUP to develop a new five-year strategic plan before the next reauthorization; and
- Hold a worksession with representatives from BUP and the County Government to discuss issues identified in BUP’s strategic plan.

Based on OLO’s recommendations and the comments from the Bethesda Urban Partnership, in December 2008 the Council chose to:

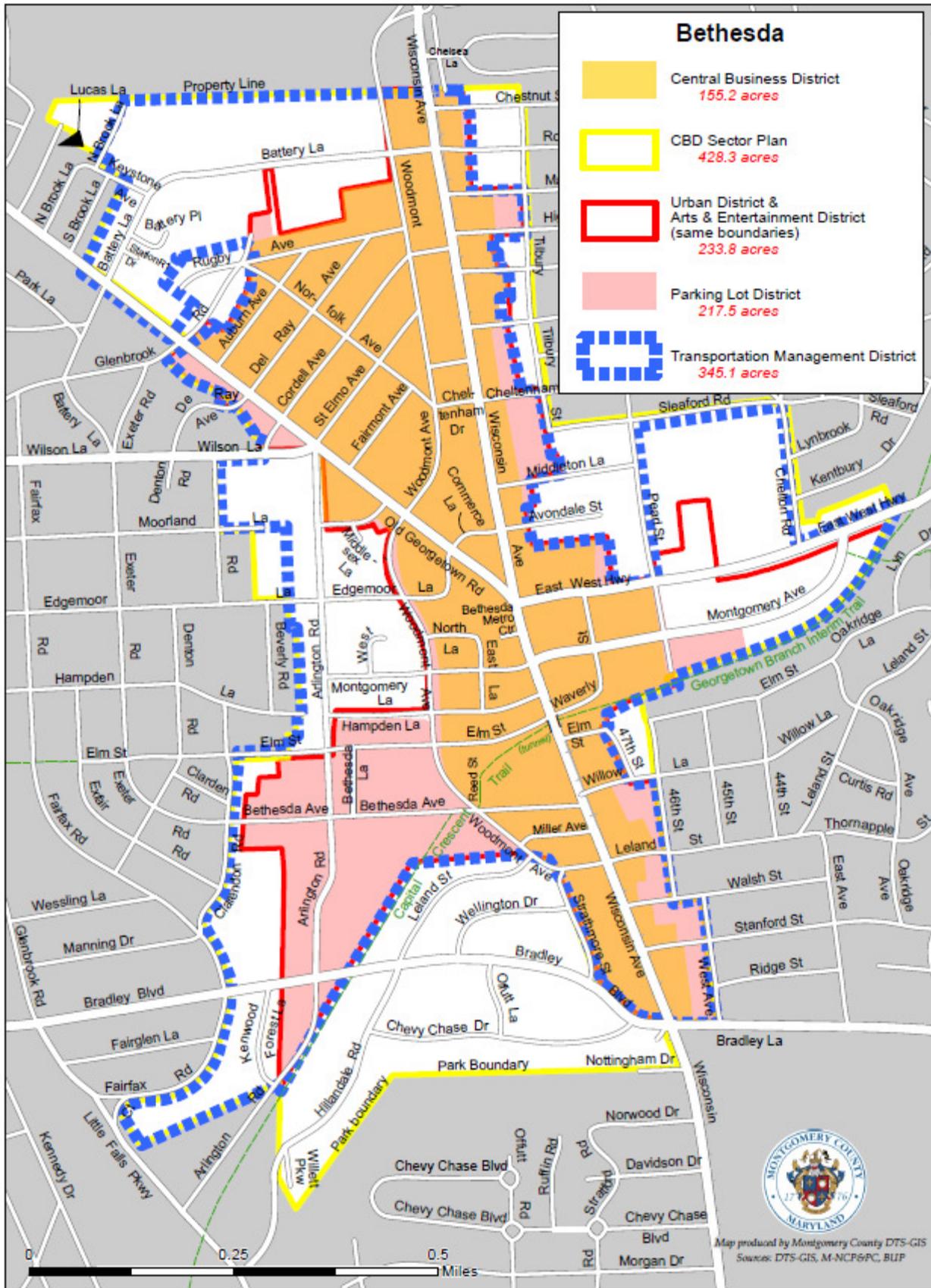
²³ *Bethesda Central Business District Sector Plan*. (July 1994); *Woodmont Triangle Amendment to the Sector Plan for the Bethesda CBD*. (March 2006)

²⁴ *Bethesda Central Business District Sector Plan*. (July 1994), p. 258.

- Reauthorize the Bethesda Urban Partnership for a fourth five-year term from February 1, 2009 through January 31, 2014. The Planning, Housing and Economic Development Committee recommended retaining the five-year term length to allow the Council to continue to review, after a reasonable period, whether changes are needed in BUP's purpose and responsibilities, how the services that BUP provides are funded, and the quality of BUP's services;
- Ask BUP to update its five-year strategic plan before the Council considers reauthorization in 2014, and as part of this process continue to seek input from constituents, solicit comments on BUP's proposed objectives from relevant County Government departments, and include a status report on objectives identified in the 2008-2012 strategic plan; and
- Ask the Executive Branch to report back to the Council by February 1, 2009 regarding decisions on contract management issues identified in BUP's 2008-2012 strategic plan, specifically the issue of moving the administration of the Bethesda Transportation Management District (TMD) contract from the Department of Transportation to the Bethesda-Chevy Chase Regional Services Center and the issue of expanding BUP's responsibilities for streetlighting and crosswalk repair.

In January of 2009, in response to the Council's request to report on decisions on contract management issues, the CAO stated that DOT's Transit Services Division would continue to administer the Bethesda TMD contract and that BUP had begun to take on an "enhanced role" in assisting DOT in identifying and addressing streetlight outages in the summer of 2008. The CAO also stated that, "A similar role for BUP in identifying crosswalk repair needs is also envisioned."

Except for confirming the County Executive's appointments to the Board of Directors, the Council has taken no further action on BUP since 2008.



CHAPTER III. Bethesda Urban Partnership Operations

This chapter describes Bethesda Urban Partnership’s (BUP) oversight structure and its services. The chapter is organized as follows:

Section A describes BUP’s maintenance, landscaping, marketing, transportation management, and other operating activities.

Section B describes the outcomes of BUP’s 2008-2012 Strategic Plan and the goals and strategies of its 2014-2019 Strategic Plan.

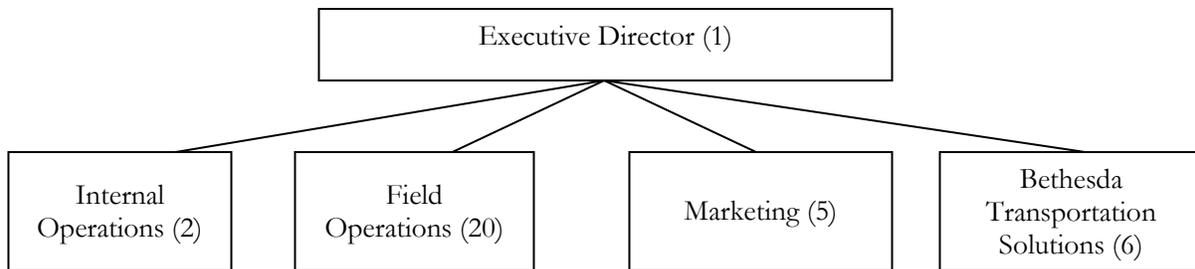
A. BETHESDA URBAN PARTNERSHIP OPERATIONS

BUP’s operations are divided into four divisions: Internal Operations, Field Operations, Marketing, and Transportation Management. BUP established the Internal Operations division in 2003 and hired a director of finance to oversee it in 2005.

Since 2008, BUP’s employee complement changed from 33 full-time and three part-time positions to 31 full-time and three year-round part-time positions.

Exhibit 3-1 shows the Partnership’s organizational structure and the number of staff in each division. Each division has a Director who reports to BUP’s Executive Director.

Exhibit 3-1: Bethesda Urban Partnership Organizational Chart



This section describes each division’s activities and services, plus other BUP activities, including safety and security enhancement, that are not assigned to a particular division.

1. Internal Operations

The Internal Operations division manages BUP’s finances and administration. Its primary responsibilities include:

- Maintaining BUP’s financial records and providing monthly financial reports to the Board of Directors;
- Preparing annual budgets and cost analyses;
- Managing the annual audit required by the County Code and BUP’s contracts with the County;

- Reporting to the County’s Chief Administrative Officer on BUP’s efforts to contract with minority, female, and disabled-owned (MFD) businesses and procurement of recycled goods, as required by County Code;¹ and
- Managing human resources and office administration, including employee compensation and equipment purchases.

2. Field Operations

With 20 staff, Field Operations is the largest of BUP’s four divisions. Field Operations provides maintenance and landscaping activities, the Ambassador Program, and the Bethesda Circulator.

a. Maintenance and Landscaping

BUP’s field operations staff maintain and landscape public property within the Bethesda Urban District, and also provide contract maintenance services on certain non-public or non-County owned properties. The field operations management team conducts regular inspections and keeps a service log to monitor service provision and quality.

Maintenance and Landscaping in the Bethesda Urban District. Each year, the Bethesda Urban Partnership executes an agreement with the County to manage the Bethesda Urban District. Like the FY09-FY12 agreements, the FY13 agreement states that BUP will conduct maintenance activities on “all public rights-of-way within the urban district boundaries.”² The Bethesda-Chevy Chase Regional Services Center administers the contract.

Under its contract, BUP provides litter collection, trash receptacle service, sidewalk cleaning and repair, landscape and tree maintenance, street sweeping, and maintenance of the Bethesda Metro pedestrian tunnel within the Bethesda Urban District: The contract specifies minimum standards for each regular maintenance activity. Table 3-1 describes each activity with the FY13 contract specifications. Additionally, BUP completed a redesign of all gateway and pedestrian wayfinding signage in FY09 and refaced all signs in FY12.

County staff report that BUP’s performance “easily exceeds” the contract requirements. BUP reports that trash cans are emptied six days per week rather than five days per week, trash cans in heavy-traffic areas are emptied more than once a day, and streets are swept three days per week although the contract does not specify frequency.

¹ County Code § 68A-11 (d)(1)

² Article I, paragraph 3

Table 3-1: Bethesda Urban District Maintenance and Landscaping Activities

Task	Required Frequency	Description
Litter Collection	Once per day except specified holidays	Collect and dispose of litter from sidewalks, pedestrian bridges, planters, tree pits, and areas outside district if it primarily benefits the district
Trash Receptacle Service	3 times per week and daily on weekends	Empty trash cans, replace bags, and pick up litter
Brick Sidewalk Cleaning	At least annually	Clean all brick sidewalks to remove gum, paint, and other debris with an environmentally safe method
Landscape Maintenance	2 times/year	Mulch and fertilize all planting areas and prune shrubs
	Continuously	Control weeds
	As needed	Water plants and use integrated pest management techniques
Tree Maintenance	As needed	Clean up debris in tree pits, mulch, reset bricks, control weeds and pests, water, prune trees
	Annually	Fertilize
Tree Planting	As needed	Plant new and replacement trees
Mowing	12 times/year	Mow, remove litter, and edge mowed areas in public right-of-way, fertilize as needed
Snow Removal	As needed	Clear snow and ice from crosswalks
Street Sweeping	Not specified	Remove debris from curb lines and curbed medians
Sidewalk Repair	As needed	Maintain all sidewalks
Metro Pedestrian Tunnel Maintenance (beginning in FY12)	Daily	Broom sweep the tunnel, clean handrails, remove trash
	Every other day	Wash tunnel floors
	Monthly	Pressure clean walls and floors
	As needed	Replace burnt out light bulbs
Bethesda Trail Tunnel Gates	Daily	Open gates at 6:00 a.m. and close at 10:00 p.m.
Source: Annual Agreement by and between Montgomery County, Maryland and Bethesda Urban Partnership, Inc., FY13		

Maintenance of Optional Method Development Properties. BUP’s annual agreement with the County to manage the Bethesda Urban District states that BUP “may enter into agreements with optional method developers enabling the Corporation to maintain streetscape amenities on private or public properties in the urban district.”

In practice, the Planning Board requires optional method developers to receive services from BUP to maintain streetscape amenities such as landscaping and sidewalks in the public right-of-way as a condition of its site plan approval. However, as recommended by the Office of the County Attorney, BUP does not enter into formal written agreements with Optional Method Developers. The County Attorney reasons that because Section 68 A-4(3) of the County Code provides the County with statutory authority to assess and collect the charges addressed, agreements between Optional Method Developers and BUP are not required.

BUP currently provides maintenance services in the public right-of-way for 24 optional method development (OMD) properties. After a new OMD project is built, the director of field operations visits the property and inventories the amenities to determine the services that BUP will perform. BUP sends this information to the Regional Services Center. Additionally, BUP reports quarterly to the RSC on actual services performed.

The County bills OMD property owners for services on a quarterly basis and notifies them of any changes in services or fees. The County's monthly transfer to BUP to pay for its management of the Bethesda Urban District includes a pro-rated estimate of the fees the County receives quarterly from OMD property owners.

Groundskeeping for Public Parking Lots and Garages. BUP provides groundskeeping services for six parking lots and five parking garages in Bethesda under a County contract managed by the Department of Transportation, Division of Parking Management. Under the contract, BUP:

- Maintains turf by mowing, testing soil, fertilizing, controlling weeds, and aerating and overseeding;
- Edges curbs and walkways;
- Maintains tree pits and plant beds by weeding, fertilizing, edging, mulching, and trimming and pruning shrubs and trees;
- Collects litter; and
- Implements insect and disease control measures.

Trash removal and street sweeping in the Wheaton and Silver Spring Urban Districts. The County Code authorizes an urban district corporation to "provide any authorized service to another Corporation or urban district."³ BUP provides trash collection and street sweeping services to the Wheaton and Silver Spring Urban Districts under two contracts administered by the Mid-County and Silver Spring Regional Services Centers.

BUP collects trash five days per week from 183 public trash receptacles within the Silver Spring Urban District and one day per week from 77 public trash receptacles in the Wheaton Urban District. BUP also picks up any spilled trash within five feet of the trash receptacle. Finally, a separate contract for streetsweeping stipulates the streets in each district that BUP must sweep three times per week.

Other Maintenance and Landscaping Contracts. The County Code permits BUP to provide services "outside the boundaries of [the] urban district if the service will primarily benefit businesses or residents in the urban district."⁴

As such, BUP has entered into contracts with the State Highway Administration and the National Institutes of Health to maintain Bethesda "gateway" areas and another contract to provide maintenance for a private property within the urban district:

State Highway Administration. In 2000, BUP signed an agreement with the State Highway Administration (SHA) to provide maintenance services in certain roadway medians considered to be "gateways" to the Bethesda Urban District. In 2013, following a review of the original agreement, BUP and the State Highway Administration signed a new Memorandum of Understanding. The 2013 agreement slightly extends the limits of the medians BUP maintains. The Wisconsin Avenue medians extend from Pooks Hill Road south to Woodmont Avenue, and from the southern district

³ County Code § 68A-9 (b)

⁴ County Code § 68A-9 (b)(4)

boundary south to Somerset. The Bradley Boulevard median extends from Wisconsin Avenue west to Goldsboro Road.

National Institutes of Health (NIH). In 2013, BUP entered into a Memorandum of Understanding with NIH to provide grounds maintenance for a green space NIH owns at the corner of Woodmont and Wisconsin Avenues.

Imagination Stage. In accordance with an ongoing contract between BUP and Imagination Stage, BUP provides tree maintenance, bed maintenance, and flower planting services for the Imagination Stage, a nonprofit organization located in the Urban District.

Addressing Community Maintenance Concerns. As described in Table 3-2, BUP frequently works with the County and the broader community to address additional maintenance concerns in the Bethesda Urban District.

Table 3-2: Examples of BUP's Efforts to Address Community Maintenance Concerns

Issue	Description
Streetlight Maintenance	BUP assists DOT with streetlight maintenance by providing a monthly outage report. BUP implemented a GIS system in 2012 to track outages internally and facilitate reporting. BUP staff report that this system updated and made accurate the County's streetlight GIS layer.
Crosswalk Restriping	In FY09, BUP created a photo inventory and ratings of crosswalks to assist DOT with crosswalk restriping. At the end of FY13, the Department of Transportation restriped many of the identified crosswalks.
Pothole Repair and Road Maintenance	BUP has an informal arrangement with the Department of Transportation to repair potholes in the Bethesda Urban District. The County supplies BUP with materials, and BUP maintenance staff repair potholes as part of their regular duties. When the County does not supply BUP with materials, BUP reports potholes to DOT, and DOT repairs them. BUP does not receive any funding specifically for this service. BUP also works with DOT to address emergency road maintenance issues, for example sinkholes, by assisting with monitoring and maintenance of temporary repairs.
Recycling Collection with Bethesda Green	Bethesda Green aims to promote environmentally friendly, or "green" practices in downtown Bethesda. To this end, Bethesda Green has provided recycling cans to be used in the public right-of-way in Bethesda, and BUP currently empties the cans.
Bethesda Metro Bus Bay Maintenance	In recent years, several members of the community have expressed concerns about the condition of the Bethesda Metro Bus Bay. BUP has communicated with WMATA staff regarding the cleaning of the bus bay and participates in the Bethesda Metro Improvement Task Force along with the Bethesda-Chevy Chase Chamber of Commerce, the County Government, WMATA, and the Bethesda Hyatt Regency.
Graffiti Removal	BUP removes graffiti from publicly owned and maintained structures located within the public right-of-way.
Holiday Decorations	In FY09, BUP purchased LED lit garland strands for Bethesda lantern poles and worked with the County to identify which lantern poles were not yet equipped with power outlets.

b. Ambassador Program

The County Code charges urban district corporations with providing “promotion, organization, and support of cultural, recreational, and business activities.”⁵ BUP’s FY13 annual agreement with the County to manage the urban district states that BUP may “conduct...activities to advance the business and residential environment and sense of community in the urban district through such measures as enhanced security...and other community initiatives.”⁶

One way that BUP achieves these purposes is through the ambassador program, more commonly known as the “Ask Me Team.” BUP staff provide directions to Bethesda visitors, offer motorist assistance, and notify other BUP staff or appropriate agencies about emergency maintenance or safety issues. Team members also have first aid, CPR and CERT training.

The Ask Me Team operates Wednesday through Saturday from 1:30 p.m. to 10:00 p.m. and on Sundays from 11:30 a.m. to 8:00 p.m. Team members rove the downtown area and are stationed at three kiosks where they provide brochures about Bethesda, including maps, restaurant guides, event flyers, and transportation information.

c. Bethesda Circulator

The Bethesda Circulator is a free bus service running through downtown Bethesda with 20 stops. The Circulator runs Monday to Thursday from 7 a.m. to midnight, Friday from 7 a.m. to 2 a.m., and Saturday from 10 a.m. to 2 a.m. Appendix B provides a map of the Circulator route.

The service first started in FY01 as the “Bethesda 8 Trolley.” From FY01-FY06, Montgomery County Ride-On operated the trolley, which was funded through subsidies from the State of Maryland and the County’s Mass Transit Fund.

The County Code authorizes urban district corporations to offer “specialized transportation services, including jitney service.”⁷ In September 2006, the County added the Bethesda Circulator to the services specified in BUP’s Bethesda Transportation Management District contract, and transferred the funding source to the Bethesda Parking Lot District.

In FY09, the County made the Circulator service part of BUP’s annual agreement with the Bethesda-Chevy Chase Regional Services Center. BUP staff and representatives from the Division of Transit Services in the Department of Transportation and the Bethesda-Chevy Chase Regional Services Center explained that this change was justified because the Circulator primarily serves as a parking garage shuttle and a downtown residential circulator and only incidentally as a commuter service. BUP subcontracts the Circulator’s service operations to a private party, but uses its in-house staff to provide marketing, customer service training for drivers, and maintenance of the signs and benches at Circulator stops.

In 2008, BUP commissioned an evaluation of the Bethesda Circulator, funded with a grant from the Metropolitan Washington Council of Governments. The consultant’s report, released in October 2008, recommended expanding the Circulator route, seeking additional funding sources including on-board advertising, improving signage and visibility of stops, reducing headways through more effective driver coordination and adding more vehicles, and expanding service hours, in particular to include Saturday

⁵ County Code § 68A-9 (b)

⁶ Article I, paragraph 2

⁷ County Code § 68A-9 (b)(2)

mornings.⁸ Over the past five years, BUP has implemented many of the report’s recommended improvements. For example,

- In July 2008, BUP completed a redesign and upgrade of all Bethesda Circulator signage;
- In July 2010, BUP adjusted the Circulator schedule to include Saturday daytime service; and
- In July 2011, BUP replaced the existing trolley-style vehicles with a fleet of three new buses to address concerns about reliability and rider comfort;
- In July 2012, BUP added a third bus during peak hours to address issues associated with the Lot 31 construction project, in collaboration with the DOT Division of Parking Management, and increased marketing and social media efforts for the Circulator.

Circulator ridership data from 2006 to 2013 provided on Table 3-3 show that average monthly ridership has increased from about 19,000 to 26,000 riders since BUP began managing the Circulator in 2006.

Table 3-3: Average Number of Monthly Circulator Riders, 2006-2013

Year	Monthly Riders	% Change from previous year
2006*	18,907	N/A
2007	23,432	24%
2008	22,608	-4%
2009	21,098	-7%
2010	22,741	8%
2011	22,826	0.4%
2012	25,277	11%
2013**	26,356	4%

Source: BUP Strategic Plan 2014-2019

*2006 data are from September of that year, when BUP began managing the Circulator, to December

**2013 data are for January through May

3. Marketing

BUP’s annual agreement with the County to manage the urban district states that BUP may “plan, coordinate, and manage promotional activities and events that benefit both commercial and residential interests within the urban district.”⁹ The Marketing team includes 5 staff, four full-time and one part-time. BUP’s marketing division coordinates these types of efforts through general marketing activities, special events, and management of the Arts and Entertainment District.

a. General Marketing Activities

⁸ “Bethesda Circulator, Bethesda, Maryland,” Kittelson & Associates, Inc. (October 20, 2008), p. 20 http://www.mwcog.org/transportation/activities/tlc/pdf/Bethesda_Report.pdf, accessed August 22, 2013

⁹ Article I, paragraph 2

The BUP marketing division uses a variety of methods to disseminate information about the Bethesda Urban District, including maintaining a website, conducting social media outreach, interacting with local media, and publishing written materials.

BUP's website, which was redesigned in April of 2010, describes the Bethesda Urban Partnership and provides information about downtown Bethesda, such as a parking map and information on local shopping, dining and lodging facilities. Additionally, BUP uses the website to promote special events they sponsor or events that organized by other Bethesda businesses and organizations. The website also posts press releases for local news media. BUP launched a mobile version of its website in October of 2010.

BUP conducts social media outreach via Facebook and Twitter accounts for both BUP as a whole and for Bethesda Transportation Solutions (BTS), the brand BUP uses to market its transportation management services. BUP reports having over 2,500 "likes" on Facebook and almost 1,500 followers on Twitter. BUP also distributes weekly promotional emails to approximately 8,000 subscribers. Additionally, BUP created a promotional video in 2012 that features 20 local businesses.

The marketing division publishes free booklets and brochures about Bethesda. BUP distributes these to local businesses in a variety of ways, including monthly deliveries to downtown Bethesda's six hotels and through its online ordering system. These publications include:

- *Destination Downtown Bethesda*, which provides telephone and address listings for restaurants, retailers, and services;
- *Eat Here*, a restaurant guide for the downtown Bethesda area;
- *The Art of Downtown Bethesda*, a guide to the arts in Bethesda;
- An events calendar and flyers that advertise individual events; and
- The Bethesda Circulator flyer, a map that shows the Circulator route and hours of operation as well as downtown Bethesda's parking garages and surface lots.

BUP also maintains a database of 200 volunteers to recruit for assistance at events. For example, staff report that they use up to 150 volunteers for events such as Taste of Bethesda (see description below). Finally, BUP has organized focus groups with local businesses, residents and businesses to discuss cooperative marketing opportunities.

b. Special Events

BUP organizes several major events in downtown Bethesda annually. All together, BUP reports that these events attract over 100,000 attendees. Events include:

- *Taste of Bethesda*, an annual October event that allows visitors to sample food from local restaurants;
- *Imagination Bethesda*, an annual children's art festival held each June;
- *Bethesda Outdoor Movies: Stars on the Avenue*, five evenings of free movies shown in the Woodmont Triangle area;
- *Literary Festival*, a three-day event held in a variety of venues that features authors, a writing contest, and poetry events;
- *Summer Concert Series*, free concerts featuring a variety of music on Wednesdays and Thursdays from May through July; and

- *Winter Wonderland*, an annual December event that includes a professional choral concert and performances by children's groups.

c. Arts and Entertainment District

The Bethesda Urban District received State of Maryland designation as an Arts and Entertainment District in 2002. The Arts and Entertainment District is a separate non-profit organization with the ability to raise its own funds. However, BUP's marketing division manages the Arts and Entertainment District as part of its mission to promote commercial interests and program public interest activities.¹⁰

BUP's activities related to the Arts and Entertainment District involve:

- Providing information to artists who are interested in working and living in Bethesda;
- Participating in annual meetings organized by the State of Maryland for all Arts and Entertainment Districts;
- Submitting an annual report of its activities to the State;
- Planning, promoting, and managing arts events and initiatives; and
- Managing Galley B, a space that opened in October 2011 where local and regional artists can display their work at reduced rates, and Studio B, a subsidized studio space for artists set to open in 2013.

Events organized by BUP include:

- *Dance Bethesda*, a weekend event in March that includes a dance concert, dance parties, and master dance classes;
- *Bethesda Fine Arts Festival*, a two-day event in May that allows 150 artists from 25 states to sell their work and participate in a juried competition;
- *Bethesda Painting Awards*, a juried art competition for about 350 regional painters that includes cash prizes and an opportunity to have their work displayed in Bethesda;
- *The Trawick Prize: Bethesda Contemporary Art Awards*, a juried competition for about 400 artists that includes cash prizes and an opportunity to have their work displayed in Bethesda;
- *Bethesda Art Walk*, a monthly event that promotes local art galleries – galleries are open into the evening and attendees can participate in free guided tours;
- *Play in a Day*, an opportunity for playwrights, directors, and actors to write, direct, and perform a play in 24 hours; and
- *Bethesda Film Fest*, a documentary film festival for regional filmmakers that was held for the first time in March of 2013

BUP reports that these events attract over 30,000 people and over 1,000 artists annually. BUP raises money for these events through sponsorships and fees paid by participating artists and organizations. The cash prizes for the Bethesda Painting Awards and the Trawick Prize have been endowed by an individual donor.

In addition, in 2012, BUP collaborated with the County Government to install new lighting and display the work of 12 artists in the pedestrian tunnel that runs under Wisconsin Avenue. This initiative, called "Tunnel

¹⁰ County Code § 68A-3(b)

Vision: Art Under the Avenue, represents the first major fundraising effort of the Bethesda Arts & Entertainment District Board of Directors.” Eighteen sponsors contributed to its support. BUP provides maintenance services in the tunnel as part of its contract to manage the Bethesda Urban District (see page 13).

The Bethesda Arts and Entertainment District was awarded the 2012 Arts and Entertainment Outstanding Achievement Award by the Maryland Department of Business and Economic Development for its “success in creating and sustaining high-quality arts and cultural programming, development, and promotions that attract residents, tourists and new business to the area and support the community’s vitality and growth.”¹¹

4. Transportation Management

BUP’s Transportation Management division manages the Bethesda Transportation Management District under a contract administered by the Department of Transportation, Division of Transit Services. BUP has marketed the services provided under this contract as “Bethesda Transportation Solutions.” The division includes six staff, four full-time and two part-time.

a. Monitoring Parking, Pedestrian and Commuter Trends

BUP has a Transportation Management contract with the County that specifies that BUP must:

- Conduct an annual inventory of public and private parking supply, pedestrian facilities, transit services, and utilization of these facilities and services; and
- Complete an annual commuter survey of employees in the Bethesda TMD and seek to attain an 80% participation rate.

Every year BUP must file either a biennial report (in even-numbered years) or an interim report (in odd-numbered years) with the County. BUP submitted and the County approved its FY08-FY09 biennial report in March of 2010. In August of 2013, BUP submitted a draft of its FY10-FY11 biennial report in accordance with their contract. This draft is under review by the Department of Transportation’s Division of Transit Services. BUP reports that they recently completed the FY13 annual commuter survey.

b. Promoting Alternate Modes of Transportation

BUP works with employers and employees in Bethesda to promote alternate modes of transportation. According to BUP’s contract, the organization must:

- Assist employers with 25 employees or more to develop traffic mitigation plans, as required by law;¹²
- Work with businesses that are relocating to Bethesda to help them implement plans to reduce the number of single-occupancy vehicles;
- Market alternate modes of transportation to employers and employees and provide carpool and vanpool ride matching services;
- Monitor the participation of Share-a-Ride District Parking reduction participants and provide the Department of Transportation with information to facilitate billing of participants; and

¹¹ “Bethesda receives 2012 Arts & Entertainment Outstanding Achievement Award,” Maryland State Arts Council, <<http://www.msac.org/431>>, accessed July 16, 2013

¹² County Code § 42A-24

- Track which property owners must pay the TMD fee and provide the Department of Transportation with billing information.

According to BUP’s FY10-11 biennial report on transportation management, the percent of commuters using alternate modes of transportation (i.e., modes other than single occupancy vehicles) reached nearly 37% in FY10; 37% is the mode share goal for Bethesda.¹³ Additionally, BUP’s FY10-11 biennial report states that BUP helped 127 businesses prepare Transportation Mitigation Plans.

BUP’s contract with the County authorizes BUP to conduct marketing and outreach on alternate modes of transportation to employers in downtown Bethesda and their employees. BUP markets alternate transportation methods using a variety of strategies, described in Table 3-4 below.

Table 3-4: BUP Marketing and Outreach Efforts on Alternate Modes of Transportation

Type	Description
Website	The Bethesda Transportation Solutions website provides information about public transit, biking, parking, and pedestrian safety. It also provides information about a variety of specific programs for commuters, including carpools and vanpools, tax incentives, the guaranteed ride home program, park-and-ride lots, and telecommuting. For employers, the site highlights County laws on transportation management, employer tax incentives, and information on carpools and vanpools.
Commuter Information Days	Transportation management staff make presentations to employees or set up an informational table in a building lobby to distribute information about alternate forms of transportation and commuter programs to businesses in the TMD.
Monthly Newsletter	BUP distributes a monthly transportation management newsletter with information about commuter programs, tips on alternate modes of transportation, and information about events.
Events	BUP coordinates events specific to downtown Bethesda and as part of larger regional initiatives. The annual Walk and Ride Challenge calls on teams of workers in downtown Bethesda to compete to win by walking the most steps over the course of three weeks. BUP’s Bike to Work Day “Pit Stop” includes speakers and prizes as part of a regional event encouraging commuters to ride bikes. BUP also coordinates activities around World Car Free Day in collaboration with the Department of Transportation and the Metropolitan Washington Council of Governments. BUP obtains private sponsorship for these events to provide prizes to participants.
Bicycling Classes	BUP works with the Washington Area Bicyclist Association and Montgomery County Commuter Services to provide bicycling classes aimed at individuals interested in commuting via bicycle on city streets.

In the past, BUP’s Transportation Management Division provided additional outreach at other BUP events, including Taste of Bethesda, Imagination Bethesda, and the Bethesda Literary Festival. Since FY11, the division has focused its marketing and outreach efforts exclusively on downtown Bethesda employers and employees in accordance with its contract.

¹³ Bethesda CBD Sector Plan, 1994

5. Other Services

a. Enhancing Safety and Security

The County Code states that an urban district should “enhance the safety and security of an area.”¹⁴ BUP’s agreement with the County to manage the urban district states that BUP must “implement a method to service after-hours Police and [Department of Transportation] requests for street cleaning and removal of road blockages within the urban district.”¹⁵

The Montgomery County Police Department (MCPD) District 2 Station and Fire and Rescue Service (MCFRS) Battalion 2 report a high degree of collaboration with BUP. Examples include:

- BUP responds to MCPD requests for assistance with clearing the roadway of debris related to storms or vehicle collisions;
- MCPD and BUP cooperate to close and re-open streets for special events;
- BUP and the District 2 police unit for the Central Business District communicate using mobile phones, which allows them to notify each other when there is a situation that needs attention;
- BUP’s offices are the designated alternative command center for the Montgomery County Police District 2 station, and BUP distributes downtown Bethesda crime statistics from District 2 to the Board and other community stakeholders; and
- BUP supports MCFRS by proactively addressing safety issues such as securing loose objects and clearing storm drains before storms and alerting MCFRS of issues such as car fuel leaks.

In addition, about 10 BUP staff received Community Emergency Response Team training. BUP staff also participate in the quarterly meetings of the Greater Bethesda-Chevy Chase Chamber of Commerce’s Public Safety Council with MCPD and MCFRS to coordinate emergency response in Bethesda.

b. Liaising with Business Community

BUP assists County Government departments and other partners by liaising with businesses in downtown Bethesda regarding issues that may affect them. For example:

- BUP assists the Department of Transportation in obtaining input from and providing information to businesses regarding changes to lane markings, time limits on parking meters, and other issues; and
- BUP assists the Fire and Rescue Service and Police in liaising with the business community gas leaks, homelessness, and other safety and security issues.

¹⁴ County Code § 68A-3(b)

¹⁵ Article I, paragraph 6

B. STRATEGIC PLANNING

In 1998, OLO completed an evaluation of the Bethesda Urban Partnership. Based on OLO's report and recommendations, the Council requested that BUP prepare a five-year strategic plan for the next reauthorization period. BUP has prepared strategic plans for 2003-2007, 2008-2012, and 2014-2019. This section describes BUP's progress on the strategic goals in the 2008-2012 Strategic Plan as well as the strategic goals and strategies in the 2014-2019 Strategic Plan.

1. Progress on the 2008-2012 Strategic Plan Goals

BUP's 2008-2012 Strategic Plan established a set of strategic goals and objectives for three areas: maintenance, marketing, and transportation. Table 3-5 on the following page lists these goals along with the major actions BUP has taken to accomplish these goals since 2008. The plan also included specific requests for Council action with potential legal and contractual impacts, described on page 8 of this report along with the Council's response.

While BUP's major responsibilities have not changed since 2008, its actions show that it has expanded its services or worked to meet changing community needs. See Appendix C for BUP's 2014-2019 Strategic Plan; a full status report of BUP's actions to implement its strategic goals and objectives begins at page X.

Table 3-5: Bethesda Urban Partnership Strategic Goals, 2008 – 2012 and Major Actions Taken

Maintenance Goals
<p>A. Continue to develop and maintain Bethesda Urban District’s public spaces, sidewalks and plazas at a first class standard.</p> <p>B. Develop and maintain public spaces, sidewalks, and plazas adjacent and contiguous to the Urban District at a first-rate standard, and consider expanding to include maintenance of public parks.</p> <p>C. Make navigation of downtown Bethesda more user-friendly.</p> <p>D. Provide feedback, as requested, to Montgomery County’s Department of Park and Planning during Development Review Committee meetings.</p> <p>Actions Taken</p> <ul style="list-style-type: none"> • In 2009, BUP began emptying recycling cans provided by Bethesda Green in the public right-of-way. • In 2009, BUP redesigned all gateway and pedestrian signage to make it consistent with Bethesda branding. • In 2012, BUP began providing maintenance services in the tunnel next to the Bethesda Metro Station. • In 2013, BUP entered into an agreement with the National Institutes of Health to maintain a green space at the corner of Woodmont and Wisconsin Avenues, which is adjacent to the Bethesda Urban District.
Transportation Goals
<p>A. Expand public transportation options to decrease traffic congestion in downtown Bethesda.</p> <p>B. Increase pedestrian friendliness of downtown Bethesda.</p> <p>C. Collaborate with Washington Metropolitan Area Transit Authority on an improved appearance of Metro Bus Bay.</p> <p>D. Increase business community outreach of Bethesda Transportation Solutions.</p> <p>Actions Taken</p> <ul style="list-style-type: none"> • BUP changed the Bethesda Circulator hours to include Saturday daytime service in 2010, replaced the existing trolley-style vehicles with three new buses in 2011, and provided an additional bus to the route during peak hours in 2012 to mitigate issues related to the Lot 31 development project. • BUP has participated in the Bethesda Metro Improvement Task Force since 2010 and has communicated with WMATA staff regarding cleaning of the bus bay. • BUP created a bicycle map in 2009 and new “Biking to Bethesda” brochure and, since 2012, is working with Montgomery College and the Washington Area Bicyclists Association to provide bicycle safety classes.
Marketing Goals
<p>A. Increase marketing of BUP’s responsibilities so that residents, customers, and employers have a clearer understanding of BUP’s authority and mission.</p> <p>B. Increase outreach to local retail businesses, restaurants, and arts and entertainment venues.</p> <p>C. Increase the presence of Bethesda’s Arts and Entertainment District.</p> <p>Actions Taken</p> <ul style="list-style-type: none"> • BUP launched a Facebook page in 2010, a mobile website in 2011 and a Twitter account in 2012. • In 2012, BUP completed a promotional video featuring 20 local businesses and made it available on YouTube and BUP’s website. • In 2011, BUP opened Gallery B, a nonprofit gallery for artists to display their work at a low cost. • In May of 2012, BUP completed “Tunnel Vision,” an initiative to display art in the tunnel next to the Bethesda Metro. • BUP plans to open Studio B in late fall of 2013 to provide a low-cost studio space for local and regional artists.

Sources: Bethesda Urban Partnership, Strategic Plan 2008 and Strategic Plan 2014-2019

2. 2014-2019 Strategic Plan

In July 2013, BUP submitted its strategic plan for 2014-2019 to the County Council. Association Laboratory, Inc. assisted the BUP Board of Directors with its year-long strategic planning process. As part of the process, the consultant obtained feedback from a set of focus groups and conducted an online survey that was distributed to 5,300 contacts identified by BUP and the Bethesda Chevy-Chase Regional Services Center.

BUP’s 2014-2019 strategic plan is attached at Appendix C. Similar to the previous strategic plan, BUP has identified strategic goals for maintenance, marketing and communications, transportation, and the Arts & Entertainment District. For each goal, BUP has also identified strategies and several action items. Table 3-6 lists the goals and accompanying strategies.

Table 3-6: Bethesda Urban Partnership Strategic Goals and Strategies, 2014 – 2019

Maintenance
<p>Strategic Goal: Create a State of the Art Appearance and Easier Customer Navigability for Downtown Bethesda</p> <p><u>Strategies</u></p> <ul style="list-style-type: none"> A. Create a Unified and Attractive Downtown Bethesda Streetscape B. Improve Wayfinding in Downtown Bethesda C. Use Technology to Manage Downtown Bethesda’s Infrastructure D. Improve Appearance of Bethesda Metro Station and Bus Bay
Marketing and Communications
<p>Strategic Goal: Create and Implement a Successful Marketing Plan to Ensure that Bethesda is at the Regional Forefront of Attracting Customers and Businesses</p> <p><u>Strategies</u></p> <ul style="list-style-type: none"> E. Enhance and Build Downtown Bethesda’s Brand F. Promote the Economic Viability of Downtown Bethesda G. Improve Communication to Constituents H. Develop Relationships with Nearby Constituents
Transportation
<p>Strategic Goal: A Transportation System that has Complementary Vehicular and Non-Vehicular Options</p> <p><u>Strategies</u></p> <ul style="list-style-type: none"> I. Improve Pedestrian Safety J. Improve Non-Single Occupancy Vehicular Options K. Ease Traffic Congestion L. Monitor Development and Traffic Plans that Impact Downtown Bethesda
Arts & Entertainment
<p>Strategic Goal: Ensure that Bethesda is a Vibrant Arts & Entertainment District that Attracts Artists, Arts Patrons and Arts Organizations</p> <p><u>Strategies</u></p> <ul style="list-style-type: none"> M. Support Individual Arts & Entertainment Organizations N. Facilitate Events to Appeal to Bethesda’s Many Audiences O. Add More Art Elements to Downtown Bethesda

Source: Bethesda Urban Partnership, Strategic Plan 2014-2019

CHAPTER IV. The Bethesda Urban Partnership’s Finances

This chapter describes BUP’s revenues and expenditures for the five year period since the last Council reauthorization (FY09-FY13). The chapter is organized as follows:

- Section A** describes BUP’s expenditures from FY09-FY13;
- Section B** presents BUP’s County and non-County revenue sources from FY09-FY13;
- Section C** explains the Bethesda Urban District Fund and Bethesda Parking Lot District Fund, which fund BUP’s contracts with the County; and
- Section D** discusses BUP’s Arts and Entertainment District budget and BUP’s status with regard to the County’s Living Wage law.

A. EXPENDITURES

In FY13, BUP’s expenditures were \$4.3 million dollars and fell into six general categories: 1) field operations; 2) marketing and special events; 3) Arts & Entertainment District activities; 4) transportation management; 5) internal operations; and 6) reserve for equipment replacements. As shown in Exhibit 4-1, field operations account for over 50% of BUP’s FY13 expenditures.

Exhibit 4-1: FY13 Bethesda Urban Partnership Expenditures by Category (Actual)

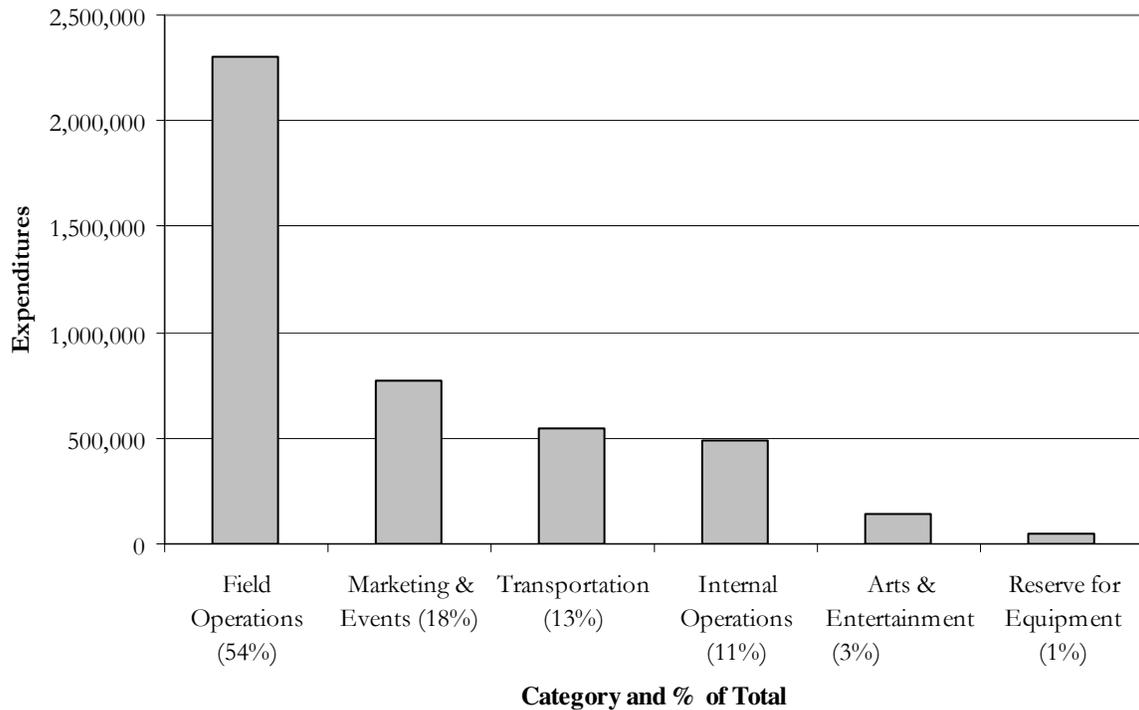


Table 4-1 (on the next page) summarizes BUP's expenditures by category between FY09 and FY13, and provides a detailed breakdown of the three largest categories. The data show that:

- Total BUP's expenditures decreased by 4%, from \$4.5 million to \$4.3 million, from FY09 to FY13;
- In each fiscal year, the primary expenditure items within the field operations category were overhead, including salaries, benefits, occupancy and administration, and the Bethesda Circulator bus service.

Table 4-1: Bethesda Urban Partnership Expenditures, FY09 – FY13 (Actuals, \$000s)

	FY09	FY10	FY11	FY12	FY13
Field Operations					
Total	2,273	2,254	2,205	2,305	2,306
Overhead	802	815	814	813	863
Bethesda Circulator	745	701	695	777	818
Streetscape/Landscape Maintenance	443	462	412	421	372
Ambassador Program	192	179	186	195	153
Sidewalk Repairs and Maintenance	53	59	61	60	59
Tree Care and Special Maintenance Projects	38	38	37	40	40
Marketing and Special Events					
Total	841	816	806	774	769
Overhead	391	401	425	408	416
Events	244	238	234	243	240
Communications	206	178	147	123	113
Transportation Management					
Total	604	593	560	545	549
Overhead	530	533	514	510	504
Direct Services	74	60	45	35	45
Internal Operations	525	531	490	492	486
Arts and Entertainment District	191	159	140	154	146
Reserve for Equipment Replacements	50	50	50	50	50
TOTAL	4,484	4,403	4,250	4,321	4,306

Source: Bethesda Urban Partnership

B. REVENUE

The Bethesda Urban Partnership receives revenue from County and non-County sources. This section describes BUP's revenue sources and shows how they have changed over the last five fiscal years. As Table 4-2 shows, BUP received \$4.4 million in revenue in FY13 with 93% of that total (\$4.1 million) from County sources. The County Attorney has determined that funding received outside of the County contracts may be retained in a reserve account established for the replacement of capital assets.

Table 4-2: Bethesda Urban Partnership Revenue by Type, FY09 – FY13 (Actuals, \$000s)

BUP Revenue	FY09	FY10	FY11	FY12	FY13
County Contracts					
Bethesda Urban District	3,269	3,155	3,208	3,271	3,358
Bethesda Transportation Management District	614	624	567	557	563
Streetsweeping in Wheaton and Silver Spring	78	65	43	40	46
Trash Removal in Wheaton and Silver Spring	138	139	128	116	117
Groundskeeping at Public Parking Lots and Garages	33	28	27	31	25
Subtotal	4,133	4,011	3,971	4,014	4,110
Non-County Revenue					
Event Income/Sponsorship	315	228	259	219	222
Circulator Advertising	60	23	-	8	15
Maintenance on State Roads	26	26	26	20	13
Miscellaneous	74	83	107	69	73
Subtotal	476	362	393	315	323
Total BUP Revenue	4,609	4,372	4,365	4,329	4,433
County % of Total	90%	92%	91%	93%	93%
Non-County % of Total	10%	8%	9%	7%	7%

Source: Bethesda Urban Partnership

1. County Revenue

BUP receives funding from the County via five contracts to provide specific services in Bethesda and other urban districts.

Contract to manage the Bethesda Urban District. BUP's largest source of revenue is a contract to manage the Bethesda Urban District. The County funds this contract with money from the Bethesda Urban District fund (described beginning on page 30). This contract provides funding for maintenance and landscaping services, generally promoting the Bethesda Urban District, and operating the Bethesda Circulator. In FY13, BUP received \$3.4 million in revenue from this contract. Money not spent by the end of the fiscal year must be returned to the County.

In BUP's contract to manage the Bethesda Urban District, the County specifies a funding allocation for the Bethesda Circulator. This amount was \$808,000 in FY13. Each year between FY09 and FY13, BUP's expenditures to operate the Circulator exceeded the County's specified funding allocation, ranging from an 11% deficit in FY09 (\$744,664 in expenditures compared to \$671,844 in revenue) to a 1% deficit in FY13 (\$818K in expenditures compared to \$808K in revenue). The contract permits BUP to raise additional revenue to enhance the Circulator service through the sale of advertising space on Circulator vehicles (summarized on the next page). BUP uses this revenue to fund the costs of operating the Circulator that exceed the County's funding allocation.

Contract for Transportation Management. BUP also holds a contract with the County to manage the Bethesda Transportation Management District. In FY13, BUP received \$563,000 for Transportation Management under this contract and expended \$549,000.

The source of funding for this contract is parking fee revenue (transferred from the Bethesda Parking Lot District fund, described beginning on page 32) and transportation management fees charged by the County on new and existing development.

Contracts for Street Sweeping and Trash Collection in the Silver Spring and Wheaton. BUP holds two joint contracts with the County to provide services in the Wheaton and Silver Spring Urban Districts: one to collect trash from the public trash cans located in the urban districts and another to perform street sweeping. In FY13, revenue from the trash removal contract was \$117,000 and revenue from the street sweeping contract was \$46,000. Together, these contracts accounted for 4% of BUP's County revenue.

The funding for these contracts comes from the Wheaton and Silver Spring Urban District Funds. For the street sweeping contract, the urban districts pay BUP based on a fixed rate per linear curb mile of street cleaned. For the trash collection contract, the urban districts pay BUP based on a fixed amount per receptacle serviced.

Contract for Groundskeeping at Public Parking Lots and Garages. BUP holds a contract with the County to provide groundskeeping services at public parking lots and garages in Bethesda. In FY13, this contract generated about \$25,000 in revenue for BUP, accounting for less than 1% of BUP's County revenue. The money to fund this contract comes from Bethesda PLD funds.

2. Non-County Revenue

Event income and sponsorships. BUP earns revenue from events it manages, such as Taste of Bethesda, Imagination Bethesda and the Bethesda Fine Arts Festival through private sponsors. Some events also raise income from event participants. BUP's financial statements for FY09 through FY12 attribute changes in event income and sponsorship to economic conditions as well as weather conditions affecting event attendance in some years.

Bethesda Circulator advertising. Private businesses pay to have their logo on the Circulator bus and publicity materials. As noted above, BUP uses this revenue to fund Circulator operating costs that exceed the County's allocation for this service.

Maintenance on State roads. BUP holds a Memorandum of Understanding with the State Highway Administration to provide maintenance services on State roads in "gateway areas." The contract with the State Highway Administration was suspended in March of 2012, leading to a halt in this source of revenue and decreased funding in FY13. A new Memorandum of Understanding with the State Highway Administration was established in March of 2013.¹

Miscellaneous. Miscellaneous revenue includes interest income and the contracts that BUP holds with other entities (Imagination Stage) to provide services.

¹ Bethesda Urban Partnership, Inc. Financial Statements and Management Discussion and Analysis for the Year Ended June 30, 2012, p. 5

C. SPECIAL DISTRICT FUNDS

This section describes the Bethesda Urban District Fund and the Bethesda Parking Lot District Fund, which provide most of the revenue for the County’s contracts with BUP. Significantly, the Bethesda Parking Lot District Fund is the largest source of revenue into the Bethesda Urban District Fund.

1. Bethesda Urban District Fund

The County’s Bethesda Urban District Fund finances BUP’s contract with the County to manage the Bethesda Urban District. Table 4-3 shows the revenues into and expenditures from the Urban District Fund for FY09 through FY13.

Table 4-3: Bethesda Urban District Fund Revenues and Expenditures, FY09 – FY13 (\$000s)

	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Est.
Beginning Fund Balance	69	43	181	25	110
Revenues					
Transfer from the Bethesda Parking District	2,775	2,835	2,593	2,865	2,815
Urban District Tax	461	478	485	463	446
OMD Maintenance Charges	138	123	150	144	150
Investment Income	4	0	1	0	0
Total	3,369	3,428	3,220	3,457	3,397
Expenditures					
Urban District Contract with BUP	3,269	3,155	3,208	3,271	3,358
Miscellaneous Urban District Expenses*	127	112	172	99	59
Transfer to the General Fund	8	9	8	16	15
Bethesda Streetlighting CIP Project	0	23	0	0	0
Total	3,396	3,290	3,380	3,370	3,417
Year-End Fund Balance	43	181	25	110	90

*OLO calculated this using the Urban District Appropriation/Expenditure from the Operating Budget and subtracting the amount of BUP’s contract.

Source: Approved Operating Budgets, FY07, FY08, and FY09; BUP financial reports

Revenue. The Bethesda Urban District Fund receives funding from several sources:

- a. Urban District Tax.** The County Code authorizes the Council to levy a tax on all assessable real and personal property in the urban district, at a rate not to exceed 30 cents per \$100 of assessed value.² Since FY09, the tax rate in the Bethesda Urban District has been 1.2 cents per \$100 of assessed value for real property and 3 cents per \$100 of assessed value for personal property.
- b. Transfers from the Bethesda Parking Lot District (PLD).** County law allows the County Council to transfer revenue from Parking Lot District parking fees to the fund of any urban district from which the fees are collected. The amount of this transferred revenue must not exceed the number of parking spaces multiplied by the number of enforcement hours per year multiplied by 20 cents.³ In

² Montgomery County Code § 68A-4(a)(1).

³ Montgomery County Code § 68A-4(a)(2) and § 60-16(c).

FY13, approximately \$2.8 million was transferred from the Bethesda Parking Lot District to the Bethesda Urban District (Table 4-3, page 30).⁴

- c. **Maintenance Charges Paid by Optional Method Developers (OMD).** The County Code authorizes the County Executive to charge optional method developers for the cost of maintaining off-site amenities for that development.⁵ BUP assesses a fee for each service provided to an optional method developer and submits an invoice to the County, which then charges the developers. BUP receives payment for these services through their contract with the County to manage the urban district.
- d. **General Fund Transfer.** In FY05, the Bethesda Urban District Fund received \$29,000 in revenue from the County’s General Fund. In FY06, the Council decided to eliminate the General Fund transfer to the Bethesda Urban District and replace it with additional funds from the Bethesda PLD.

In FY13, PLD transfers accounted for 83% of Urban District Fund revenue. Table 5-5 presents actual and estimated revenue and expenditures for the Bethesda Urban District Fund. From FY09-FY13, revenue increased less than 1%.

Tax and Fee Requirement. County law limits the relative proportion of urban district revenue that can come from either the urban district tax or the parking fee transfer. Specifically, the law states that neither the urban district tax nor the parking fees transferred into an urban district may exceed 90% of their combined total.⁶

Table 4-4 shows that this requirement has been followed: from FY09-FY13 urban district tax revenue ranged from 14% to 16%, while transfers from the PLD Fund ranged from 84% to 86% of the combined total. These percentages represent increases in the proportion of funding from the PLD compared with previous years. In FY09, transfers from the PLD Fund increased to 86% of the combined total from 79% in FY08 due to a reduction in the urban district property tax rate and the addition of the Bethesda Circulator to BUP’s contract to manage the urban district.

Table 4-4: Urban District Funding, Tax and Fee Requirement (\$000s)

	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Estimated
Urban District Tax	461	478	485	463	446
Parking Fees Transfer	2,775	2,835	2,593	2,865	2,815
<i>Total Tax and Fee</i>	<i>3,236</i>	<i>3,313</i>	<i>3,078</i>	<i>3,328</i>	<i>3,261</i>
Tax as % of Total	14%	14%	16%	14%	14%
Parking Fee as % of Total	86%	86%	84%	86%	86%

Source: Approved Operating Budgets, FY11, FY12, FY13, and FY14

Expenditures. As shown in Table 4-3 (page 30), Bethesda Urban District funds are used to fund the County’s contract with BUP to manage the urban district. In FY12, the Council appropriated \$3.3 million (97% of expenditures) for BUP’s contract to manage the urban district. The Bethesda-Chevy Chase Regional Services Center uses the remaining funds for an urban district manager who oversees the contract with BUP, streetlight knockdowns, and other miscellaneous expenses for the urban district. Also, in FY10, the Bethesda Urban District Fund paid for a streetlight CIP project in downtown Bethesda.

⁴ The Executive’s Recommended FY14 Operating Budget, p. 48-10.

⁵ County Code § 68A-1(h).

⁶ Montgomery County Code § 68A-4 (c).

2. Bethesda Parking Lot District (PLD) Fund

The Bethesda Parking Lot District funds several BUP contracts: the urban district contract with BUP (through the Urban District Fund), the contract to manage the Bethesda TMD, and a contract for groundskeeping at public lots and garages in Bethesda. The Bethesda PLD also funds parking lot construction and operation. This section describes PLD revenue and expenditures.

Revenue. The Bethesda Parking Lot District has four revenue sources:

- **Property taxes** on commercial and non-commercial property in the PLD⁷
- **Parking fees** collected in the Bethesda PLD from parking meters and parking permits
- **Parking fines** for non-moving violations within the Bethesda PLD
- **Investment Income**

Expenditures. The County Code states that PLD funds may be used for the construction, operation, and maintenance of parking lots and garages in the district where the revenue is generated. Parking fees can also fund urban districts and transportation management activities.⁸

In the case of the Bethesda PLD, the largest expenditures are for CIP projects and operating costs for parking lots and garages. Currently, Bethesda PLD revenue funds CIP projects such as ongoing renovations in existing garages and it contributes part of the funding for new parking garages – such as Bethesda Lot 31, which began construction in FY12.⁹ Operating costs include the ongoing maintenance and security of public parking lots and garages managed by the Department of Transportation. Other expenditures include transfers of parking fine revenues to the Mass Transit Fund. The remaining expenditures are the following two transfers related to the Bethesda Urban Partnership:

- **Transfer to the Bethesda TMD** to fund BUP’s contract to run the Bethesda TMD and administrative costs for DOT.
- **Transfer to the Bethesda Urban District** to fund BUP’s contract to run the Bethesda Urban District and other miscellaneous expenses in the urban district.

As Table 4-5 shows, these two activities accounted for between 7% and 17% of Bethesda PLD expenditures from FY09 to FY13.

Table 4-5: Bethesda PLD Fund Expenditures, FY09 – FY13

	FY09 (Actual)	FY10 (Actual)	FY11 (Actual)	FY12 (Actual)	FY13 (Estimated)
Expenditures for the Bethesda Urban District/TMD	17%	15%	13%	15%	7%**
Bethesda Urban District *	12%	12%	11%	13%	6%
Bethesda TMD *	4%	3%	2%	2%	1%
Other PLD expenditures/transfers	67%	71%	74%	71%	87%
Total PLD expenditures and net transfers* (\$000s)	22,624	24,558	23,522	22,767	49,877

* Include the County’s contracts with BUP and other Urban District/TMD costs

** In FY13, the percentage of expenditures for the Bethesda Urban District/TMD decreased in FY13 due to a significant increase in PLD expenditures, primarily due to CIP expenditures for the Lot 31 project

Source: Approved Operating Budgets, FY11, FY12, FY13, and FY14; Office of Management and Budget

⁷ Chapter 60 of the County Code

⁸ Montgomery County Code § 60-16

⁹ Approved FY13-18 Capital Improvements Program, p. 11-29

D. RELATED ISSUES

1. Bethesda Arts and Entertainment District

BUP manages Bethesda's Arts and Entertainment District. The direct costs of Arts and Entertainment District events are primarily funded by BUP's marketing budget, private contributions and event income. Prior to FY10, BUP reported all Arts and Entertainment District revenues and expenditures separately from other BUP expenditures in its audited financial statements. Since FY10 and based on a determination of the County Attorney, event revenue generated and expenditures paid from the BUP marketing budget are incorporated directly in the annual BUP audit. Private contributions and other direct monies to the Arts and Entertainment District and expenditures made directly from the Arts and Entertainment District bank account are no longer included in BUP's annual audit.

2. Living Wage

In 2002, the Council adopted the Living Wage Law, which requires certain contractors and their subcontractors of the County to pay a certain level of wages – known as a “living wage” – to employees who perform work on County service contracts.¹⁰ By executive order, Montgomery County as an employer must also pay the living wage to its merit system employees.¹¹ The Chief Administrative Officer adjusts the wage rate annually based on changes in the cost of living, as measured by the U.S. Department of Labor's Consumer Price Index. The required hourly wage rate for FY14 is \$13.95.

County staff report that the County Attorney has determined that BUP is not legally required to pay the living wage because the County has an agreement with BUP to manage the Bethesda Urban District instead of a contract. The County Attorney has not issued a formal opinion on the matter.

As a matter of policy, beginning in FY09, the BUP Board has advocated for funding to pay its employees the living wage rate. BUP's financial statements for that year reported an increase in employee benefit costs, which reflected an increase in hourly rates for maintenance employees that would have matched the County's living wage rate. BUP's requested increase in County contract funds to cover this adjustment was not approved.¹²

County staff report that, this past summer, the County adjusted BUP's budget to pay BUP employees the FY14 living wage rate. In future years, the Bethesda Chevy-Chase Regional Services Center will notify BUP of living wage rate changes, and BUP's budget request will include an adjustment for those changes.

¹⁰ County Code § 11B-33A

¹¹ Executive Order 91-03, effective date July 1, 2003

¹² Bethesda Urban Partnership, Inc. Financial Statements and Management Discussion and Analysis for the Year Ended June 30, 2009, p. 5

CHAPTER V. Feedback from County Government and Community Representatives

The Bethesda Urban partnership interacts regularly with several governmental and community organizations. These relationships, described in detail in Chapter III, are briefly summarized in the table below. This chapter provides feedback on BUP’s performance from a variety of individuals who interact directly with BUP or benefit from the services they provide. It is organized as follows:

Section A summarizes feedback on BUP’s performance from County Government and non-governmental entities obtained through OLO interviews; and

Section B presents feedback on BUP’s performance from focus groups organized by BUP and Association Laboratory, Inc.

Table 5-1. BUP’s Relationship with Government and Community Organizations

Agency/Organization	Nature of Relationship
Bethesda-Chevy Chase Regional Services Center	Administers contract with BUP to manage the urban district and the Bethesda Circulator. The director serves as an ex officio member of BUP’s Board of Directors.
Mid-County and Silver Spring Regional Services Centers	Administer contracts with BUP for trash removal and street sweeping in the Wheaton and Silver Spring Urban Districts.
Montgomery County Department of Transportation	<ul style="list-style-type: none"> • Administers contract with BUP to manage the Bethesda Transportation Management District. • Administers contract with BUP for groundskeeping services for County parking lots and garages in the Bethesda Parking Lot District. • Provides materials to BUP staff for pothole repair, and solicits BUP’s assistance in monitoring road issues in Bethesda. • Receives crosswalk condition assessments and monthly reports on streetlight outages from BUP and coordinates with BUP in managing street closures for events.
Montgomery County Police Department, District 2 Station	Coordinates with BUP to manage street closures and other event logistics, has designated BUP offices as an alternative command center, communicates and coordinates with BUP regarding safety issues.
Montgomery County Fire and Rescue Services, 2 nd Battalion	Coordinates with BUP on emergency preparedness and ongoing safety issues.
Montgomery County Planning Department	Coordinates with BUP on projects in Bethesda that have a public element and obtains input from BUP for the Bethesda Central Business District Master Plan.
Greater Bethesda-Chevy Chase Chamber of Commerce	Works with BUP to address issues that arise in downtown Bethesda that have an impact on businesses.
Transportation Management District Advisory Committee	Advises BUP on activities related to transportation management. Appointed by BUP’s Board of Directors.
Arts and Entertainment District Board of Directors	Advises BUP on activities related to the Bethesda Arts and Entertainment District. Appointed by BUP’s Board of Directors.
Jim and Carol Trawick Foundation	Sponsors the Bethesda Literary Festival; Carol Trawick also provides funding for the Trawick Prize and the Painting Awards.
Bethesda Cares	Coordinates with BUP regarding homelessness issues that arise.
Bethesda Green	Promotes sustainability initiatives in Bethesda and provided recycling bins for public right-of-way in Bethesda that BUP currently empties.

A. OLO INTERVIEWS WITH REPRESENTATIVES FROM COUNTY GOVERNMENT DEPARTMENTS, COUNTY AGENCIES, AND COMMUNITY ORGANIZATIONS

OLO interviewed representatives from the County Government and non-governmental entities listed in Table 5-1 to elicit feedback on BUP's performance. Appendix D provides a list of specific individuals interviewed. This section provides a summary of that feedback. Overall, BUP received positive comments about service quality and staff.

Quality of services. Most interviewees reported that BUP's services are very high quality and all interviewees expressed satisfaction with BUP's work. Several interviewees suggested that BUP can serve as a model of best practices, and many highlighted BUP's high level of expertise in urban district management. All interviewees considered their interactions with BUP staff to be positive. Many interviewees emphasized the role of BUP's senior management in ensuring efficiency and effectiveness.

County staff who administer contracts with BUP reported that BUP meets and often exceeds contract requirements. One County partner identified an area for improvement in service delivery, stating that BUP could communicate more proactively regarding interruptions and changes to services.

Coordination with County Government. All County partners reported that they have a positive working relationship with BUP and most reported that BUP communicates and collaborates with their departments extremely effectively.

Public safety representatives stated that they work in close collaboration with both BUP staff on the ground and BUP management to address safety and security issues. They noted that BUP staff "know what to look for," and are able to provide needed assistance without being asked, for example when BUP staff secure loose objects and clear storm drains before major storms. Other County partners also described examples of BUP providing valued assistance to their departments, such as liaising with the business community regarding DOT's changes to parking rules or lane markings and assisting in the monitoring and maintenance of temporary road repairs.

BUP's Responsibilities. When asked whether BUP should do more or less than they already do, most interviewees indicated that they felt that BUP's current responsibilities are appropriate. Many interviewees noted that new development projects in downtown Bethesda will lead to an increased workload for BUP as more residents and visitors arrive. One County partner suggested a number of opportunities for BUP to do more, including providing economic development data on its website and increasing marketing outreach efforts to employees at the National Institutes of Health and Walter Reed Medical Center campuses.

B. FOCUS GROUP RESULTS

As part of its strategic planning process, BUP worked with Association Laboratory, Inc. to organize and facilitate focus group meetings. Between November 2012 and January 2013, Association Laboratory led focus groups with:

- Representatives of property managers or developers with commercial, residential, or mixed-use properties in downtown Bethesda (4 participants)
- Residents of Bethesda (5 participants)
- Representatives from the Department of Economic Development, the Office of Management and Budget, the Police Department, the Department of Transportation, and the Maryland-National Capital Park and Planning Commission (6 participants)
- Visitors to downtown Bethesda (6 participants)

- Representatives of retailers and other businesses in downtown Bethesda (6 participants)
- Representatives of employers with 50 or more employees in downtown Bethesda (5 participants)
- The Bethesda Transportation Management District Advisory Committee
- The Arts & Entertainment District Advisory Board

This section summarizes feedback on BUP's performance provided by the focus groups. Detailed focus group results summarized by Association Laboratory, Inc. are included in Appendix X.

BUP's performance and quality of services. Feedback from the focus groups indicated that participants had a consistently high regard for BUP, its staff, and BUP's role in Bethesda. Focus groups shared specific positive feedback regarding the quality of BUP's website, BUP's ability to effectively promote its events, BUP's role in resolving problems and coordinating with the local arts community, and BUP's positive relationship and effective communication with the County.

BUP's mission. Focus group feedback indicated that most participants view BUP primarily as an information resource and an organizer of community events. Among all of the groups, the County partners group had the highest level of awareness of the full range of BUP's services.

Participants identified several areas for BUP to do more. Non-County groups felt that BUP could communicate more frequently about issues such as traffic related to construction projects and could do more outreach to develop a community network. The TMD Advisory Committee group recommended expanding the Circulator route and conducting more outreach to areas adjacent to the urban district to provide information about visiting Bethesda. The Arts & Entertainment District Advisory Board recommended that BUP work to coordinate the promotion of all arts activities in the urban district beyond BUP's own events, and that BUP could ask other venues and organizations to contribute funds for these marketing activities. They also called for BUP to continue to work on bringing more public art to Bethesda and to provide more activities for children.

CHAPTER VI. Findings

Chapter 68A of the County Code authorizes the County to establish urban district corporations to provide services within the County’s urban districts. By law, an urban district corporation exists for five years and can be extended for an unlimited number of additional five-year terms by a resolution adopted by the County Council and approved by the County Executive. Before the Council renews the corporation’s term, the law requires the Office of Legislative Oversight to conduct a performance evaluation.

The County Council established the Bethesda Urban Partnership (BUP) in 1993 as the urban district corporation for the Bethesda Urban District. Since BUP’s establishment, the Council has reauthorized BUP for three additional five-year terms, most recently in December 2008. This term ends on January 31, 2014.

This chapter presents the findings from OLO’s evaluation of BUP:

- Section A** provides findings related to BUP’s responsibilities;
- Section B** presents findings related to BUP’s finances; and
- Section C** offers a finding related to BUP’s strategic plan.

A. RESPONSIBILITIES

Finding #1: The Bethesda Urban Partnership’s overall responsibilities have not changed since the Council reauthorized BUP in 2008.

The statutes, governing documents and contracts listed in the table below define BUP’s responsibilities. Since 2008, no major changes or additions to the law or other documents have been made.

Statutes, Other Governing Documents and Contracts that Define BUP’s Responsibilities

Statutes
<ul style="list-style-type: none"> • Code of Maryland, Commercial District Management Authorities • Montgomery County Code Chapter 68A, Urban Districts • County Code Chapter 42A, Ridesharing and Transportation Management
Governing Documents
<ul style="list-style-type: none"> • Resolution 14-56, Establishment of a Transportation Management District in Bethesda • 1994 Bethesda Central Business District Sector Plan • Bethesda Urban Partnership Articles of Incorporation
County Government Contracts
<ul style="list-style-type: none"> • Agreement to manage the Bethesda Urban District, including the Bethesda Circulator • Contract to manage the Bethesda Transportation Management District • Contracts for Street Sweeping and Trash Collection in the Silver Spring and Wheaton Urban Districts • Contract for Groundskeeping at Public Parking Lots and Garages in Bethesda

BUP’s major areas of responsibility continue to be to:

- Maintain and enhance streetscape amenities;
- Program public interest activities, including promotion, organization, and support of cultural, recreational, and business activities;
- Advance the business and residential environment and sense of community;

- Enhance safety and security in public areas;
- Provide specialized transportation services; and
- Increase the number of people using alternative modes of transportation.

Finding #2: The Bethesda Urban Partnership’s services continue to fulfill the organization’s responsibilities.

The following table provides examples of how BUP achieves the organization’s purposes defined in the law, governing documents and County Government contracts.

Responsibility	Examples
Maintaining and enhancing streetscape amenities	<ul style="list-style-type: none"> • Maintenance and landscaping (including trash/recycling collection, tree maintenance, snow removal, and street sweeping) of Bethesda public rights-of-way, public parking structures, and highway medians • Maintenance of pedestrian tunnel next to the Bethesda Metro Station • Trash collection and street sweeping in Wheaton and Silver Spring Urban Districts
Programming public interest activities, including promotion, organization, and support of cultural, recreational, and business activities	<ul style="list-style-type: none"> • Maintenance of website, conducting media outreach and publishing written advertising materials • Organization of special promotional events such as Taste of Bethesda, Imagination Bethesda, and Winter Wonderland • Promotion and management of cultural activities and events such as Gallery B and dance festivals
Advancing the business and residential environment and sense of community	<ul style="list-style-type: none"> • Providing of assistance to Bethesda visitors through the Ask Me Team • Communicating with appropriate agencies about emergency maintenance, safety, or cleanliness issues • Participation in the Bethesda Metro Improvement Task Force
Enhancing safety and security in public areas	<ul style="list-style-type: none"> • Collaboration with County Police and Fire/Rescue Service to improve safety and security • Serving as alternative command center for the Bethesda police station in an emergency
Providing specialized transportation services	<ul style="list-style-type: none"> • Management of the free downtown Bethesda Circulator
Increasing the number of people using alternative modes of transportation for commuting to Bethesda	<ul style="list-style-type: none"> • Assistance with the development of traffic mitigation plans for employers • Marketing of alternative transportation options such as public transit, carpools, and vanpools to employers and employees in downtown Bethesda • Completion of an annual survey of employees to monitor changes in transportation use

Finding #3: Since BUP's last reauthorization in 2008, the organization reduced the number of staff slightly and has expanded services in some areas.

Since 2008, BUP's employee complement changed from 33 full-time and three part-time positions to 31 full-time and three part-time positions. During this period, BUP's revenues decreased by 4% as a result of reductions in both non-County revenues such as event income and sponsorships and County contract revenues. At the same time, BUP has added services in some areas:

- In 2011, BUP opened Gallery B, a nonprofit gallery for artists to display their work at a low cost, and in late fall of 2013 BUP plans to open Studio B to provide a low-cost studio space for local and regional artists.
- In May of 2012, BUP completed "Tunnel Vision," an initiative to display art in the tunnel next to the Bethesda Metro Station and began providing regular maintenance services in the tunnel.
- In 2013, BUP entered into an agreement with the National Institutes of Health to maintain a green space at the corner of Woodmont and Wisconsin Avenues, which is adjacent to the Bethesda Urban District.

Several County and community partners interviewed by OLO noted that new development projects in downtown Bethesda will lead to an increased workload in the future for BUP as more residents and visitors arrive.

Finding #4: County and community representatives provided positive assessments of BUP's services and staff.

OLO interviewed County Government representatives and other individuals who work with BUP. All interviewees reported satisfaction with BUP's work. Most interviewees reported that BUP's services are of very high quality and that BUP communicates and collaborates with its partners extremely effectively. Many cited BUP's high level of expertise in urban district management and several emphasized the role of BUP's senior management in ensuring efficiency and effectiveness.

OLO also reviewed focus group feedback on BUP's performance, compiled by Association Laboratory, Inc. during BUP's strategic planning process. The feedback indicated that participants, which included property developers, residents, visitors and employers in downtown Bethesda, had a consistently high regard for BUP, its staff, and BUP's role in Bethesda. Focus groups shared specific positive feedback regarding the quality of BUP's website, BUP's ability to effectively promote events, BUP's role in resolving problems and coordinating with the local arts community, and BUP's positive relationship and effective communication with the County.

B. FINANCES

Finding #5: In FY13, BUP’s expenditures were \$4.3 million.

In FY13, BUP’s expenditures were \$4.3 million, reflecting a decrease of 4% from FY09 as shown in the table below. For each year, BUP’s largest expenditure categories are field operations and marketing and special events.

Bethesda Urban Partnership Expenditures, FY09 – FY13 (Actuals, \$000s)

	FY09	FY10	FY11	FY12	FY13
Field Operations and Bethesda Circulator	2,273	2,254	2,205	2,305	2,306
Marketing and Special Events	841	816	806	774	769
Transportation Management	604	593	560	545	549
Internal Operations	525	531	490	492	486
Arts and Entertainment District	191	159	140	154	146
Reserve for Equipment Replacements	50	50	50	50	50
TOTAL	4,484	4,403	4,250	4,321	4,306

Source: Bethesda Urban Partnership

Finding #6: In FY13, the County Government provided 93% of BUP’s revenue via five contracts. BUP’s contract to manage the Bethesda Urban District provided the majority of funding from the County Government.

In FY13, BUP received 93% of its revenues from the County Government via five contracts to provide specific services in Bethesda and other urban districts. 7% of its revenues came from non-County sources including event income and sponsorships, Bethesda Circulator advertising, and contracts with non-County entities to provide maintenance services.

Bethesda Urban Partnership Revenue by Type, FY09 – FY13 (Actuals, \$000s)

BUP Revenue	FY09	FY10	FY11	FY12	FY13
County Revenue	4,133	4,011	3,971	4,014	4,110
Non-County Revenue	476	362	393	315	323
Total BUP Revenue	4,609	4,372	4,365	4,329	4,433
County % of Total	90%	92%	91%	93%	93%

BUP’s contract with the County to manage the Bethesda Urban District provided \$3.4 million in revenues in FY13, which represents the majority (82%) of revenues from the County.

Finding #7: Bethesda Parking Lot District funds represent the primary source of revenue for the Bethesda Urban District.

The Bethesda Urban District provides the funding for BUP’s contract to manage the Bethesda Urban District. The Urban District receives funding from transfers from the Bethesda Parking Lot District (PLD), from the Urban District Tax, and from maintenance charges paid by optional method developers.

In FY13, revenues for the Bethesda Urban District included a \$2.8 million transfer from the Bethesda PLD, \$446,000 in revenues from the Urban District Tax and \$150,000 from charges paid by optional method developers.

Bethesda Urban District Revenues, FY09 – FY13 (\$000s)

Revenue Source	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Estimated
Transfer from the Bethesda Parking District	2,775	2,835	2,593	2,865	2,815
Urban District Tax	461	478	485	463	446
OMD Maintenance Charges	138	123	150	144	150
Investment Income	4	0	1	0	0
Total	3,369	3,428	3,220	3,457	3,397

Source: Approved Operating Budgets, FY11, FY12, FY13, and FY14

The Bethesda PLD is funded by a property tax on commercial and non-commercial property in the PLD, parking fees collected in the PLD, parking fines issued within the PLD, and investment income. These funds may be used to operate, construct, and renovate parking facilities in Bethesda and fund the Urban District and transportation management activities in Bethesda.

Finding #8: BUP pays the County’s “Living Wage” rate to its employees as a matter of policy, and the County has adjusted BUP’s budget for this purpose.

In 2002, the Council adopted the Living Wage Law, which requires certain contractors and their subcontractors of the County to pay a certain level of wages – known as a “living wage” – to employees who perform work on County service contracts.¹ County staff report that the County Attorney has determined that BUP is not legally required to pay the living wage because the County has an agreement with BUP to manage the Bethesda Urban District instead of a contract. The County Attorney has not issued a formal opinion on this matter.

As a matter of policy, the BUP Board has advocated for funding to pay its employees the living wage rate. County staff report that, this past summer, the County adjusted BUP’s budget to pay BUP employees the FY14 living wage rate. In future years, the Bethesda Chevy-Chase Regional Services Center will notify BUP of living wage rate changes, and BUP’s budget request will include an adjustment for those changes.

¹ County Code § 11B-33A

C. STRATEGIC PLAN

Finding #9: Unlike previous strategic plans, BUP's recently completed strategic plan for 2014-2019 does not include requests for changes to the law or to the administration of BUP's contracts.

In December of 2008, the Council reauthorized BUP for its fourth five-year term and requested that BUP update its five-year strategic plan before the Council considers reauthorization again in 2014. In July of 2013, BUP submitted its strategic plan for 2014-2019 to the Council.

In the plan, BUP has identified strategic goals for maintenance, marketing and communications, transportation, and the Arts and Entertainment District, along with specific strategies and action items for each goal. BUP's strategic goals for 2014 to 2019 are to:

- Create a state of the art appearance and easier customer navigability for downtown Bethesda;
- Create and implement a successful marketing plan to ensure that Bethesda is at the regional forefront of attracting customers and businesses;
- Achieve a transportation system with complementary vehicular and non-vehicular options; and
- Ensure that Bethesda is a vibrant Arts & Entertainment District that attracts artists, arts patrons and arts organizations.

In previous strategic plans, BUP made specific requests with potential legal or contractual impacts. The 2014-2019 strategic plan includes no such requests.

CHAPTER VII: Recommendations

This chapter presents the Office of Legislative Oversight's recommendations for Council action and discussion related to the Bethesda Urban Partnership. In sum, OLO recommends that the Council:

- Reauthorize the Bethesda Urban Partnership for another five-year term.
- Require BUP to develop a new strategic plan before their next reauthorization.

Recommendation #1: Reauthorize the Bethesda Urban Partnership for another five-year term, and retain the requirement for an OLO evaluation prior to reauthorization.

OLO recommends that the Council adopt a resolution to reauthorize the Bethesda Urban Partnership, Inc. for another five-year term. OLO's review confirmed that BUP's activities continue to fulfill the purposes of the organization as described by State and County law, the 1994 Bethesda Central Business District Sector Plan, and BUP's own Articles of Incorporation.

OLO found that BUP's County Government and community partners are pleased with the quality of BUP's work. Representatives from County Government expressed satisfaction with the services that BUP provides; most indicated that BUP's services are of very high quality and that BUP communicates and collaborates with its partners extremely effectively. In addition, business owners, developers, employers, and residents of Bethesda who participated in focus groups displayed a consistently high regard for BUP, its staff, and BUP's role in Bethesda.

Recommendation #2: Require BUP to develop a new five-year strategic plan before the next reauthorization.

OLO recommends that the Council require BUP to develop a new five-year strategic plan before the next reauthorization. BUP should continue to seek input from constituents, including County Government departments, business owners, employers, developers, residents, and visitors to Bethesda at the beginning of the strategic planning process through surveys or focus groups.

OLO also suggests that BUP should continue to include a status report on implementing objectives identified in the previous strategic plan. This would assist the Council to assess BUP's performance and understand how the new plan differs from the previous one.

CHAPTER X. Agency Comments

The Office of Legislative Oversight circulated a draft of this report to the Chief Administrative Officer for Montgomery County and to the Board of Directors the Bethesda Urban Partnership. OLO greatly appreciates the time taken by County Government and BUP representatives to review the draft report and provide comments. OLO's final report incorporates technical corrections provided by County and BUP staff.

The written comments received from the CAO and the BUP Board of Directors are included in their entirety, beginning on the following page.

CHAPTER VIII. Agency Comments

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The written comments received from the CAO and the BUP Board of Directors are included in their entirety, beginning on the following page.



OFFICE OF THE COUNTY EXECUTIVE

MEMORANDUM

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

October 23, 2013

TO: Chris Cihlar, Director, Office of Legislative Oversight
FROM: Timothy L. Firestine, Chief Administrative Office
SUBJECT: OLO DRAFT Report 2014-1
2013 Evaluation of the Bethesda Urban Partnership

Thank you for the opportunity to comment on Draft OLO Report No. 2014-1, regarding the evaluation of the Bethesda Urban Partnership (BUP). Your comprehensive review of the Bethesda Urban Partnership confirms our long-held opinion of the BUP as a high-performing, forward-thinking organization. I am very pleased to read that Executive Branch staff and the community continue to hold BUP in high regard. BUP is a critical partner in providing services in the Bethesda Urban District, a key economic engine for Montgomery County.

In response to the report's recommendations, I offer the following comments:

OLO Recommendation #1

Reauthorize the Bethesda Urban Partnership for another five-year term, and retain the requirement for an OLO evaluation prior to reauthorization.

CAO Response to OLO Recommendation #1

We concur with OLO's recommendation to reauthorize the BUP with another OLO evaluation and Council Reauthorization in five years. We feel the five-year timeframe provides an important opportunity for the Executive Branch and County Council to reacquaint ourselves with the issues important to the continued success of the Bethesda Urban District.

OLO Recommendation #2

Require BUP to develop a new five-year strategic plan before the next reauthorization.

CAO Response to OLO Recommendation #2

We concur with the recommendation to require the development of a new five-year strategic plan before the next reauthorization. The strategic plan, updated regularly, is a critical exercise not only for BUP but for the County as a whole as we seek to enhance the economy and livability of our urban centers.

Chris Cihlar, Director, Office of Legislative Oversight
October 23 2013
Page 2

We appreciate the opportunity to comment on this draft report and look forward to participating in the Council's review. If you have any questions or need additional information, please contact Ken Hartman, Bethesda-Chevy Chase Regional Services Center Director, at 240-777-8206 or ken.hartman@montgomerycountymd.gov.

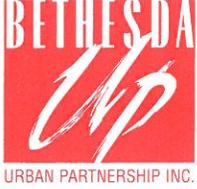
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cc: Fariba Kassiri, Assistant Chief Administrative Officer
Ken Hartman, Director, Bethesda-Chevy Chase Regional Services Center

**Business, Residents and
Government Working for
a Better Bethesda**

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Oct. 24, 2013

Chris Cihlar, Ph.D., Director
Office of Legislative Oversight
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Dear Dr. Cihlar,

The Board of Directors of the Bethesda Urban Partnership (BUP) has reviewed the draft of the OLO Report for 2013. We appreciate the opportunity to comment on the technical aspects of the report and your acceptance of these comments. The findings in the report reflect what we also feel are the strengths of our organization, and we are very appreciative that you are recommending re-authorization of the Bethesda Urban Partnership.

We greatly value your time and effort in reviewing our Strategic Plan, talking to key constituents and thoroughly reviewing our efforts in downtown Bethesda.

The BUP Board again wishes to thank the Office of Legislative Oversight for their efforts in producing this, OLO's fourth recommendation for reauthorization. It is the goal of our Board and staff to continue to provide downtown Bethesda with the most efficient and effective maintenance, marketing and transportation management services through the reinvestment of the fees raised in the Urban District.

Sincerely,


Andy O'Hare
Chair

cc: Natalia Carrizosa, Research Associate, OLO