

# Climate Assessment

Office of Legislative Oversight

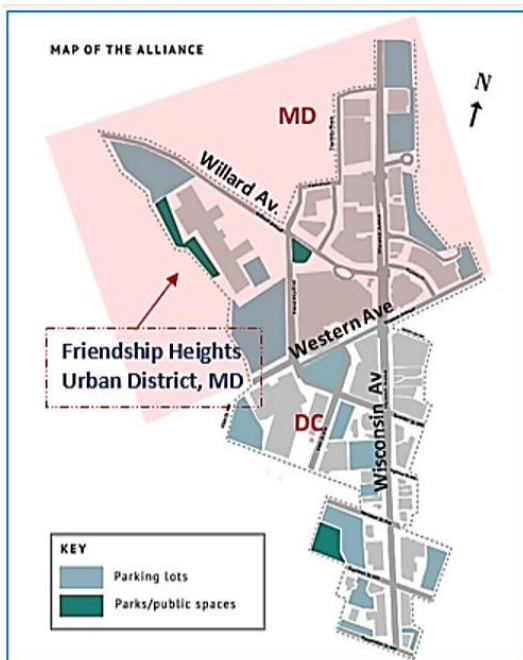
## Expedited Montgomery County Urban Districts – Friendship Bill 13-23: Heights Urban District

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 13-23 will have little to no impact on the County's contribution to addressing climate change as the creation of an urban district in the Friendship Heights area will likely not impact greenhouse gas emissions or community resilience in a meaningful way.

### BACKGROUND AND PURPOSE OF BILL 13-23E

On February 28, 2023, the Council introduced Expedited Bill 13-23 in response to a request from the Friendship Heights Alliance to establish a Business Improvement District (BID) to support the work of the Alliance on behalf of businesses and residents in Friendship Heights. Business improvement districts generally have three key features:<sup>1</sup>



- They create public districts that rely on public funding that can include fees levied by government on businesses and/or patrons on behalf of the BID.
- They are managed by non-profits which often has substantial authority to decide the level of funding, expenditures, and services provided. A non-profit's authority may be limited by federal, state, and local law.
- They perform three designated functions - cleaning, security, and marketing.

Expedited Bill 13-23 would create the County's fourth urban district: the Friendship Heights Urban District (FHUD). Currently, there are three other urban districts in the County for Bethesda, Silver Spring, and Wheaton.

Source: Friendship Heights Alliance FY 2023-24 Business Plan

State law provides that the County must consider a BID application from a group of private property owners in the proposed district. The Council must find the application meets the needs of the district for a BID to be established.<sup>2</sup> The boundaries of the new BID include the area extending along the Wisconsin Avenue

commercial corridor from Fessenden Street on the south to Oliver Street on the north<sup>3</sup> and would be articulated under Section 68A-9 of the County Code.

Bill 13-23 states that each property owner within the BID that leases property to commercial or residential tenants would be charged – subject to an annual levy by the Council – a commercial district charge. The amount of the annual charge would be calculated as follows:

- For Class 2 Properties, excluding hotels and motels, the amount of \$0.165 per square foot for each net rentable square-foot;
- For hotels or motels, the amount of \$120 per hotel or motel room; and
- For Class 1 Properties that contain 5 or more residential units, available for rent for no transient residential dwelling purposes, \$120 per unit.

The Bill also specifies that residential units limited to households earning 100 percent or less of the Area Median Income would be exempt from the commercial district charge.

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## ANTICIPATED IMPACTS

In Montgomery County, urban districts support and enhance the County’s unincorporated downtowns by maintaining streetscapes, providing additional public amenities such as planters and shelters, promoting the commercial and residential interests of these areas, and programming cultural and community activities.<sup>4</sup>

Some urban districts in the County have worked with the Department of Environmental Protection (DEP) to implement programs that could lead to small, positive impacts on the County’s contribution to addressing climate change, such as:

- The Wheaton Urban District has provided additional recycling cans to increase recycling capacity.
- The Silver Spring Urban District developed a program to kill weeds through the controlled application of heat and fire (known as “flame weeding”) to limit the risk of harmful pesticide runoff into the local ecosystem.<sup>5</sup>

However, as there are no specific projects mentioned in Bill 13-23, OLO cannot determine whether the creation of the Friendship Heights Urban District will have an impact on the County’s contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity. Therefore, OLO anticipates Bill 13-23 will have little to no impact.

## RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>6</sup> OLO does not offer recommendations or amendments as Bill 13-23 is likely to have little to no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

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## CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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## PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

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## CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

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<sup>1</sup> Craig Howard and Stephanie Bryant. 2015. Case Studies of Local Business and Community Districts, OLO Report 2015-7, February 24 as cited by Elaine Bonner-Tompkins and Theo Holt in OLO RESJ Impact Statement for Bill 3-21 Special Taxing Area Laws- Silver Spring Business Improvement District- Establish

[https://www.montgomerycountymd.gov/OLO/Resources/Files/2015\\_Reports/OLO%20Report%202015-7.pdf](https://www.montgomerycountymd.gov/OLO/Resources/Files/2015_Reports/OLO%20Report%202015-7.pdf)

[https://www.montgomerycountymd.gov/OLO/Resources/Files/2015\\_Reports/OLO Report 2015-7.pdf](https://www.montgomerycountymd.gov/OLO/Resources/Files/2015_Reports/OLO Report 2015-7.pdf)

<sup>2</sup> Memorandum to Council President Tom Hucker from Marc Elrich, County Executive. August 9, 2021

[https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2694\\_1\\_16719\\_Bill\\_3-21\\_Signed\\_20210928.pdf](https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2694_1_16719_Bill_3-21_Signed_20210928.pdf)

<sup>3</sup> Friendship Heights Alliance FY 2023-2024 Business Plan, December 2022

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<sup>4</sup> Montgomery County Operating Budget, Urban Districts

<https://apps.montgomerycountymd.gov/basisoperating/Common/Department.aspx?ID=16V10>

<sup>5</sup> Ibid.

<sup>6</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022