

MEMORANDUM

July 24, 2023

TO: Economic Development (ECON) Committee

FROM: Marlene Michaelson, Executive Director
Logan Anbinder, Postgraduate Fellow
Affiong Ibok, Summer Fellow

SUBJECT: Urban Districts – Services and Funding

PURPOSE: Discussion

Those expected for this worksession:

Ken Hartman, Director, Strategic Partnerships
Jacob Newman, Silver Spring Regional Services Center Director
Corey Orlosky, Manager, Special Projects, Office of Management and Budget
Seamus McNamara, Fiscal and Policy Analyst, Office of Management and Budget

Overview

During the FY24 budget worksessions in April 2023, the Economic Development (ECON) Committee expressed interest in revisiting aspects of the County’s Urban District (UD) policies. The ECON Committee highlighted three areas of follow-up from the budget worksession on UD’s:

- The services provided to each UD, especially the baseline services that would be provided by the County at large in the absence of an Urban District.
- The source of revenue for each district and whether an Urban District Charge similar to the one created for the new Friendship Heights Urban District (or other funding mechanisms/sources) might be appropriate to adapt to the original three Urban Districts in the future.
- What the underlying policy basis should be to determine the appropriate transfer to the Urban Districts from the General Fund. The Executive’s recommended budget included a significant increase in the transfer from FY23 to FY24 for the Bethesda and Silver Spring UD’s and projected significant growth in the transfer in the six-year period of the Fiscal Plan without an underlying policy basis for this growth in the transfer.

In addition, Committee Members raised questions regarding funding for baseline and enhanced services elsewhere in the County. This issue is addressed both in the section on baseline services and in a staff proposal later in this memorandum to initiate pilots of additional districts with more limited scopes of

services elsewhere in the County. One other question not addressed in this memorandum deserves further exploration: when it is appropriate to use non-profit or private entities rather than County Government to provide some or all of the UD services. This question can be better addressed after considering issues related to baseline services and funding. There are also several issues related to the County Parking Lot Districts (PLDs), and their relationship with Urban Districts, which will be addressed at a joint ECON and Transportation and Environment Committee meeting to be scheduled for this fall. Projections for future PLD revenue streams will impact both the PLDs and the Urban Districts.

This memorandum provides some background on the UDs, followed by a discussion of the three aforementioned items and identification of elements that the Committee may wish to consider further. In summary, staff recommends that the Committee ask for the following additional work on UDs:

- Additional assessment of which services should be designated as baseline, which as enhanced baseline and which as non-baseline, and the related costs.
- Additional analysis of alternative funding mechanisms for Urban Districts, such as an Urban District Charge like the one used in Friendship Heights, and an implementation strategy to make the change if the analysis supports it.
- Development of a policy to determine when General Fund Transfers to Urban Districts should occur that can be applied for the FY25 budget and budgets going forward.
- Creation of a pilot of a modified Urban District for commercial development in other areas of the County.

History of Urban Districts

Montgomery County has four Urban Districts: Bethesda, Silver Spring, Wheaton, and Friendship Heights. The legislation to create these special taxing districts was passed in 1986 to build a financial and administrative framework to provide funding for additional or enhanced services in these areas. These services included street sweeping, additional public amenities, promotion of residential and commercial interests, and cultural and community activities. Excluding the newest Urban District, Friendship Heights, the UDs were carved out from the long-defunct Suburban District which was located in the lower part of the county. Additional information on the history of the Urban Districts is found at © 1.

Details of Each Montgomery County Urban District

Urban Districts vary in size, management structure, and the magnitude of funding they receive from different funding sources. All Urban Districts can receive revenue from property taxes, Parking Lot District transfers, and transfers from the General Fund. Urban Districts can also receive revenue from other funding sources, such as charges on optional method development. The differences in the level of revenue gained from these funding streams heavily influences the service capacity and management capacity of the UDs, and is sensitive to changes in fiscal circumstances at the County level. Friendship Heights, which is a cross-jurisdictional urban district straddling Maryland and Washington, D.C., is managed as a Business Improvement District on the D.C. side. The Friendship Heights UD is funded by a commercial district charge based on square footage or the number of rooms or units, depending on the type of building. Additional information on the composition of each Urban District is available at © 2.

Comparison with Urban District Analogues in Other Jurisdictions

The County’s Urban Districts share many similarities with local business and community districts common throughout the country, often (though not exclusively) referred to as Business Improvement Districts (BIDs). The clean & safe, promotion, and placemaking services provided by the UDs are also the primary missions of many BIDs in other jurisdictions. Additionally, the ad valorem property tax in the County’s three original UDs is a typical type of funding mechanism for BIDs, although some BIDs levy assessments based on other metrics, such as square footage or in proportion to benefits received.

Unlike in Bethesda, Silver Spring, and Wheaton, where the UDs were carved out from the previous Suburban District, BIDs are typically formed in a process led by the private sector. In this way, the typical BID formation process more closely mirrors the formation process of the recently formed Friendship Heights UD. Also, the County’s UDs have historically focused less on marketing outside of their boundaries than many other BIDs across the country.

Characteristics of Urban Districts and Washington, D.C. BIDs						
		Bethesda	Silver Spring	Wheaton	Friendship Heights	Washington, D.C.
Formation	Evolved from suburban district	✓	✓	✓		
	Initiated by non-gov. entity				✓	✓
Type of Levy	Ad valorem property tax	✓	✓	✓		✓*
	Charge based on square footage/units				✓	✓*
PLD Funding	Receives PLD funding	✓	✓	✓		
	Receives no PLD funding				✓	✓
Primary Services	Clean & safe	✓	✓	✓	**	✓
	Streetscape maintenance – Light (trash collection, litter control, etc.)	✓	✓	✓	**	✓
	Streetscape maintenance – Heavy (trees, concrete)	✓	✓	✓		
	Marketing & promotion	✓	✓	✓	✓	✓
	Special events	✓	✓	✓	✓	✓
Administration	Administered by RSC		✓	✓		
	Administered by independent entity	✓			✓	✓

*Seven of Washington, D.C.’s 11 established BIDs establish a funding mechanism based on square footage or number of units, and seven charge an ad valorem property tax (four levy both for different types of properties).

**The Friendship Heights Urban District is discussing the possibility of implementing soft maintenance and ambassadors to perform clean & safe functions.

A summary of features common to BIDs in other jurisdictions, as well as a review of case studies of BIDs in Maryland, Virginia, and Washington, D.C, is attached at © 4.

Baseline Services

In 1998, an Urban District Working Group formed to develop a recommended set of Urban District baseline services. These services, which would be funded by the General Fund in the absence of UDs, included street sweeping, mowing, tree pruning, and streetlight maintenance. The chart developed by the 1998 Working Group is attached at © 6.

However, as the both the population and the demands on public spaces have grown, there is a need to redefine baseline services. It is important to clarify what are true baseline services (i.e., services provided to all areas with measurable commercial development throughout the County) and to better understand the additional services provided in UDs including enhanced baseline services (increased provision of the same basis service provided elsewhere in the County, such as more frequent street cleaning) and non-baseline services (services not provided elsewhere in the County outside UDs). Staff asked Executive staff to categorize all UD services into baseline, enhanced baseline and non-baseline groupings and to estimate the costs of each, but this information has not yet been provided. Staff believe this information will be important in assessing fee structure and other issues raised below.

Funding Structures

According to the County Code, Chapter 68A, Urban Districts may be funded through the following combination of sources:

- A tax on property within the UD (Bethesda, Silver Spring, Wheaton) or a commercial district charge (Friendship Heights)
- Revenue transferred from each UD's respective PLD. The amount transferred cannot be more than 90% of the total of the transfer plus the UD tax revenue.
- A maintenance charge on optional method developments within the UD
- Transfer from the General Fund
- Miscellaneous revenue, including charges for service and private contributions

While levels of revenue generated by each of these sources vary significantly from district to district, the most significant difference in the funding structure of the UDs is that the original three districts (Bethesda, Silver Spring, and Wheaton) collect revenue via an ad valorem property tax, and Friendship Heights collects revenue via a commercial district charge. The property tax in the original three UDs is subject to the provision in Sec. 305 of the County Charter that sets limits on increases in the overall property tax rate. The tax rate can only be increased with an offsetting decrease of property tax for other purposes or a unanimous decision of the Council to increase property taxes. The practical implication is that the tax rate has remained flat since FY09 for Bethesda, and since at least FY06 for Silver Spring and Wheaton, and it is unlikely to be increased in the future, even if property owners supported a higher assessment to enable the UD to undertake new services. The commercial district charge in Friendship Heights is not subject to this provision. A new Urban District Charge could be created to provide greater flexibility to change rates, particularly if the rate is set annually by resolution. Potential characteristics of a new Urban District Charge include the following:

- The charge could be enabled by legislation that applies to the three existing UDs, but the rate could be set by resolution, which would enable the Council to set a new rate each year to account for inflation or changes in need.

- Urban District Charges are not tied to the value of the property, but rather could vary by type of development, age of the building (or renovation) and other factors that would fairly allocate the costs.
- The boundary of the UD would not need to change, and the charge could be established to mirror the existing fees.
- Property owners and UD Advisory Boards should play a key role in determining whether the charge should increase or decrease based on their needs.

One issue that should be explored further is whether there is any reason to have a combination of both ad valorem taxes and an Urban District Charge (which would require a change in law). For example, would there be any benefit to having enhanced maintenance services funded by an ad valorem tax and marketing/event planning funded by an Urban District Charge? One rationale for the dual approach might be to fund maintenance services, typically provided by County employees, by an ad valorem tax and use the Urban District Charge to fund a non-profit or private provider for marketing and event planning services. Further work would need to be done to assess whether the benefits of a combine tax/charge approach justify the complications.

Staff recommends that the Committee ask the Finance Department to continue what has been a preliminary exploration of this idea to provide more detailed analysis and a strategy indicating how this could be implemented in the three Urban Districts.

Additionally, Staff believes that additional analysis is needed of the charges on optional method development (OMD). In the past, the Planning Department has required that building projects that include public open space enter into an agreement with the UDs to determine the party responsible for maintaining that space. Thus, the charge on optional method developments was a mechanism for UDs to collect the revenue necessary to perform any agreed-upon maintenance the County performed for the property owner. However, in at least some UDs, the practice of establishing agreements between UDs and developers for maintenance of public open space on private property has stopped. Bethesda and Silver Spring collect revenue via these OMD charges, but it is unclear whether the services performed by the UDs are cost neutral.

Staff recommends that the Committee ask that the Planning Department reinstate the practice of requiring agreements between property owners and UDs regarding maintenance of open spaces on private land required as part of the Planning Board's approval of a project. This could include development on a range of zones that have open space requirement and may not be limited to optional method projects. In addition, the County should establish a mechanism to track these projects and ensure the County is collecting revenues that cover costs when the County provides a service the property owner would otherwise be required to perform as a condition of its development approval. Based on the results of these requests, the Committee may want to clarify in legislation owners' and the Urban Districts' respective responsibilities for these public spaces.

General Fund Transfers

One of the items that the ECON Committee discussed during the FY24 budget worksession on April 21, 2023, was the County Executive's recommendation to increase the General Fund transfers to the Bethesda and Silver Spring Urban Districts relative to FY23. These increased General Fund transfers

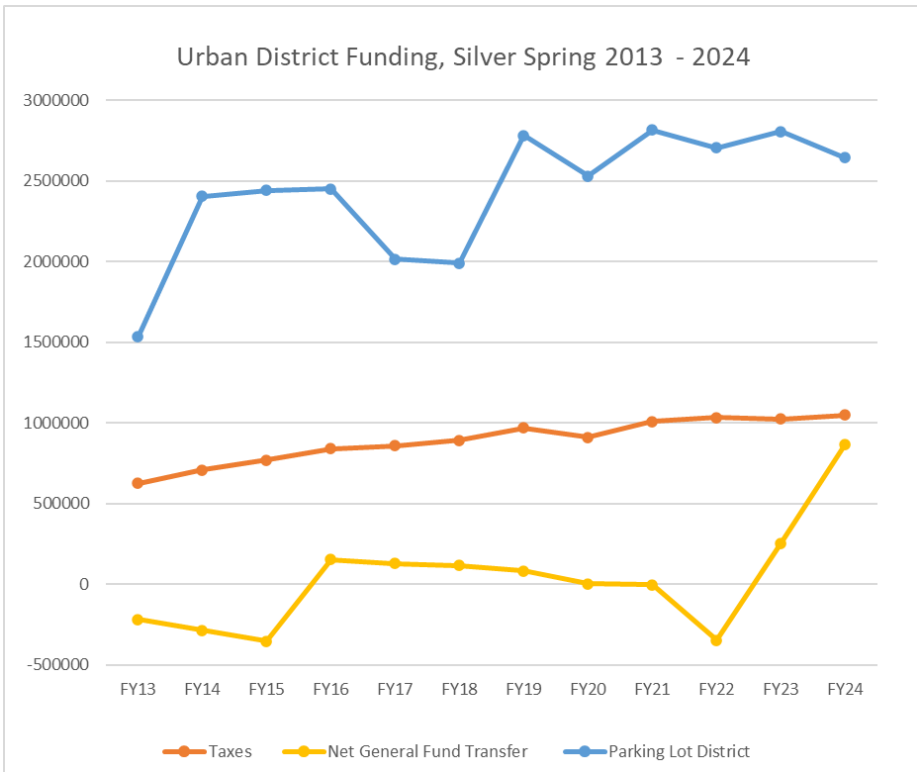
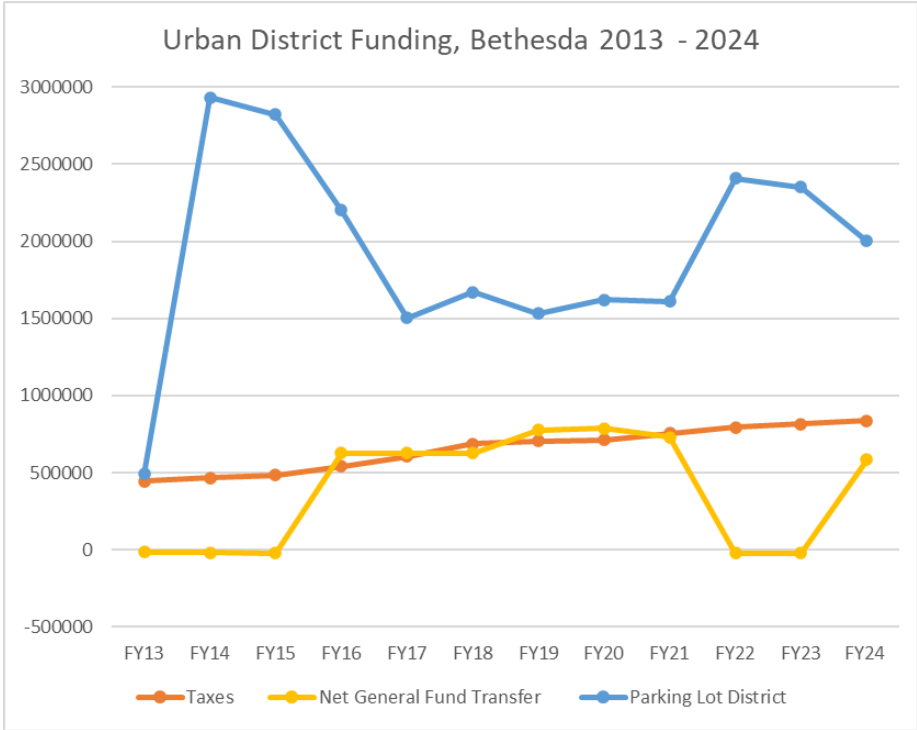
appeared to offset a reduction in revenue transferred from each urban district’s respective Parking Lot District, as well as cover the recommended increases in programs and services from FY23 to FY24.

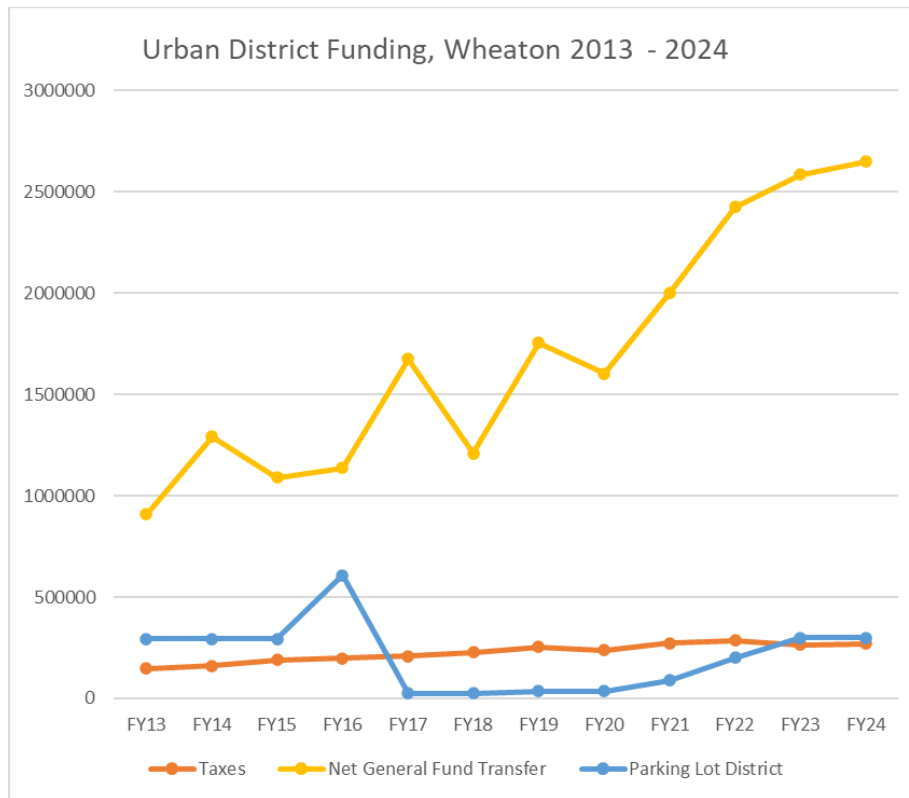
The Council’s decision not to fund a number of recommended increases for the UDs resulted in General Fund transfers to the Bethesda and Silver Spring UDs that were significantly less than the Executive’s recommended transfers, though still significantly more than the transfers in FY23. For Wheaton, the Council’s decision to increase the transfer from Wheaton’s PLD to its UD by \$200,000 to offset the General Fund transfer by the same amount resulted in a General Fund transfer that was less than the one in FY23.

The Committee expressed interest in continued discussion regarding the policy of funding the UDs via transfers from the General Fund.

URBAN DISTRICT GENERAL FUND TRANSFERS, FY23 & FY24			
	FY23 Approved	FY24 Recommended	FY24 Approved
Bethesda	\$0	\$605,115	\$432,923
Silver Spring	\$761,789	\$1,407,730	\$922,279
Wheaton	\$2,930,510	\$2,993,928	\$2,624,321
TOTAL	\$3,692,299	\$5,006,773	\$3,979,523

Analysis of historical UD fiscal plans indicates that General Fund transfers have occurred intermittently for the Bethesda and Silver Spring UDs. For Bethesda in particular, the size of the General Fund transfer generally seems inversely correlated with the size of that year’s PLD transfer. The Wheaton UD has historically been funded by a significant General Fund transfer because it did not have the same level of development as the other two UDs with a smaller tax bases for the Urban District Tax and less revenue generated by the PLD. The subsidy of the Wheaton UD was intended to help encourage development and redevelopment.





Source: Urban District Six-Year Fiscal Plans

Note: Urban Districts receive revenue from other funding streams not listed here. For example, both Bethesda and Silver Spring receive a limited amount of funding from “Charges for Services.”

Note: Fiscal plans provides estimates for FY13-FY23 and the recommended budget for FY24.

If future transfers from each Urban District’s respective PLD decline or remain constant, the district will not be able to maintain the same level of services without other revenue increases. The Council will need to consider whether funding should come from a General Fund transfer or another source.

The Council could consider adopting a policy that establishes a rationale for the General Fund transfer to the UDs and for increases or decreases, rather than assuming it should be used to make up any shortfall in funding not provided by the PLDs or Urban District Tax or Charge. This policy should also identify the appropriate funding sources for new services not currently provided. The policy should be developed before consideration of the FY25 Operating Budget and used to help guide decision about future Urban District budgets

Community Improvement Districts in Other Parts of the County

The Committee has raised questions regarding the services being provided to other commercial areas outside the UDs. While other areas do not have the same level of development as the four UD areas, do not have Parking Lot Districts, and may not have the same ability for businesses or residents to pay an Urban District tax or charge, staff believes there may still be reasons to consider creating a modified Urban District with a reduced scope of services. These could take the form of actual UDs, BIDs, or Main Streets, the last of which exists in Takoma Park and are described at © 4 below. This could be done on a pilot basis to consider alternatives and address issues before potentially proceeding with a broader

effort. One option would be to identify three pilots in areas not currently served by UDs (e.g., Upcounty west, Upcounty east, and east County).

Among the questions that would need to be considered to create the pilot are the following:

- What is the location for the pilots and the boundaries of the districts?
- What additional services should be provided above the baseline services currently provided by the County?
- Is there community/business support for creating a new district?
- What options exist (if any) to collect revenues or contributions?
- What level of County funding will be needed to provide the desired services?

This packet contains:

	<u>© #</u>
History of Urban Districts	1
Details of Each Montgomery County Urban District	2
Urban District Analogues in Other Jurisdictions	4
1998 Urban District Working Group Chart of Baseline Services	6

APPENDIX

History of Urban Districts

The Council passed legislation to establish the Urban Districts in 1986. These special taxing districts (Bethesda, Silver Spring, and Wheaton) to provide an administrative and financial framework for delivering to urban areas within the county that were or would become “intensely developed” enhanced services such as:

1. Increased streetscape maintenance
2. Provision of additional public amenities such as plantings, seating, shelter, and works of art
3. Promotion of commercial and residential interests
4. Cultural and community activities

Evolution from Suburban Districts

The UD's evolved from—and briefly coexisted with—the now defunct Suburban District. The Suburban District was established in 1927 to provide a financial framework for developing public infrastructure in the lower portion of the county (Wheaton, Silver Spring, and Bethesda). It was funded by two forms of real and property taxes: a tax levied to pay for interest on and retire Suburban District Bonds, and a property tax which could not exceed 30 cents per \$100 of assessed property value. Revenue from the property tax was used to pay for four kinds of services within the district: administrative, road maintenance, street lighting, and miscellaneous services. The tax on bonds was eliminated in 1955 when the County ceased to issue bonds for district projects and the property tax was renamed the Urban Maintenance Tax in July 1995 and later subsumed into the General Fund in 1996.

Funding Structure

Property Taxes. As with the aforementioned Suburban District Tax, the UD property tax cannot exceed 30 cents per \$100 of assessed property value. Furthermore, this tax is subject to two charter restrictions:

1. The Council must set a spending affordability guideline and cannot approve a capital and operating budget that exceeds the guidelines without approval from eight council members
2. Unless there is unanimous approval, the Council cannot levy an ad valorem weighted tax rate on real property to finance the budgets that exceeds the ad valorem weighted tax rate on real property approved for the previous year.

Parking Lot District Fees. UD's receive varying levels of revenue from parking fees collected from publicly operated parking lots. Over the past decade, Wheaton has received the least revenue from PLD transfers.

Transfers from the General Fund. All UD's transfer money to and receive money from the General Fund. Wheaton receives the majority of its revenue from General Transfer funds.

Other Revenue Sources. UD's also receive revenue from other sources such as charges or services, investment income, and charges on optional method development.

Details of Each Montgomery County Urban District

Advisory Committee Composition

All UD's have an Advisory Committee or a corporation board of directors who are appointed by the County Executive and confirmed the Council. Members usually serve three-year terms.

Bethesda

The Bethesda UD has approximately 8,700,000 square feet of office space, 1,800,000 square feet of retail space, and 10,280 residential units. Unlike Wheaton and Silver Spring, the Bethesda UD is managed by the Bethesda Urban Partnership (BUP), a non-profit organization which was created in 1994. Bethesda is the only UD that has an Urban District Corporation to serve as its management entity. Under county code, BUP and the County enter into a five-year contract (which the County can reauthorize) that allows BUP to provide services. Notably, as a non-profit entity, BUP is not subject to County procurement laws like the other UD's. In addition to "clean and safe" services, BUP also manages the Arts and Entertainment District and the Transportation Management District. The Bethesda UD's private-public partnership has certain advantages, such as the ability to navigate the procurement process more nimbly.

Bethesda has an eight-member board of directors comprised of Optional Method Developer Representatives, a small business representative, a representative from the Greater Bethesda Chamber of Commerce, residential representatives, and the director of the Bethesda Chevy Chase Regional Services center (ex-officio). There is also an Executive Committee comprised of a small business representative, a residential representative, and a representative from the Western Montgomery County Citizens Advisory Board.

Wheaton

The Wheaton Urban District has 3,092,997 commercial square feet and 1,467 unsubsidized apartments. This district is heavily subsidized by the General Fund, receiving over one million dollars a year for the last decade. This funding structure makes Wheaton more vulnerable to budgets cuts. Furthermore, because Wheaton is comprised of smaller businesses and has less large-scale development, its revenue from other sources is lower in comparison to the other UD's. This limits its capacity to provide services not funded by the General Fund Transfer.

The Wheaton Advisory Committee includes:

- Two members representing the Wheaton-Kensington Chamber of Commerce
- Two members representing businesses employing fewer than 10 employees
- Four members representing residential communities in or within 2 miles of the urban district
- One member representing a residential community in or outside the urban district who is a member of the Mid-County Citizens Advisory Board
- Two members representing businesses employing 10 or more employees
- One member representing optional member developers

Silver Spring

The Silver Spring UD is the largest UD and is set apart by its diversity and status as a major transportation hub. For example, three state highways trisect downtown Silver Spring. It is home to many public assets (including government buildings and entertaining venues) and was identified by staff as a social service hub. For the past decade, Silver Spring has received the majority its revenue from parking lot district transfers. The district has developed considerably over the years.

The Silver Spring BID was established in 2021, though it is currently inactive.

Silver Spring was created to have an 11-member advisory committee with the following composition:

- Two members nominated by the Greater Silver Spring Chamber of Commerce
- Three members representing optional method developers
- Three members representing a business employing fewer than 25 employees
- Two members representing a residential community in the UD
- One member representing a residential community in or outside the district who is a member of the Silver Spring Citizens Advisory Board.

Friendship Heights

The Friendship Heights UD, created in 2023, is a cross-jurisdictional partnership between Montgomery County and Washington DC. The Montgomery County side uses the UD funding mechanism while the D.C. side operates with a BID funding mechanism. A BID is broadly defined as a privately managed, public district that performs cleaning, security, and marketing functions.ⁱ The Friendship Heights model also allows for the Council to levy a **commercial district charge**, calculated as follows:

1. \$0.165 per square foot for commercial buildings, excluding hotels and motels
2. \$120 per room, for hotel and motels
3. \$120 per unit for properties that contain 5 or more residential units

As the commercial district charge is not a property tax, it is not subject to the charter restriction.

Oversight and Budget activities in Friendship Heights are managed by the Friendship Heights Alliance Board, a non-profit organization. Their board of Directors includes stakeholders from both D.C. and Maryland.

The Friendship Heights UD has a 5-member advisory committee with the following composition:

- Two members nominated by the Friendship Heights Alliance who are commercial property owners
- One member who is a resident renter in the district
- One member who is a residential property owner in the district
- One member who is a business representative nominated by the Greater Bethesda Chamber of Commerce

There is also a cross-jurisdictional advisory committee.

Urban District Analogues in Other Jurisdictions

The United States contains over 1,000 local improvement districts, often known as business improvement districts (BIDs).¹ BIDs' missions overlap closely with the missions of the Montgomery County Urban Districts, as many BIDs provide clean and safe services, placemaking, promotion, and marketing. Many BIDs function as public-private partnerships.

The following section outlines notable features common to BIDs in jurisdictions outside of Montgomery County, including with regards to services and funding structure. It describes in greater detail the features of local improvement districts in Maryland, Washington, D.C, and Virginia.

Services

The majority of BIDs' services fall under the categories of cleanliness, safety (together referred to as "clean and safe,") marketing and promotion, and placemaking. A 2015 Office of Legislative Oversight (OLO) review of BIDs in other jurisdictions found that most of the districts researched developed a budget based on the services they wanted to provide, rather than identifying services after receiving a budget allocation.

Funding Structures

The OLO report found that the most significant and most common revenue source for BIDs nationwide is taxes on property owners and/or businesses. Assessments are typically based on value but may also be based on factors like property class, square footage, or location. Another funding source may be a per-unit charge on hotels, condominiums, and/or apartments.

Most structures reviewed in OLO's report allowed BID organizers to develop the district's service-based budget and tax rate, subject to government oversight. In other jurisdictions, the local government establishes the assessment rate.

Comparison to Main Streets

Like BIDs, Main Street programs are localized organizations dedicated to economic development. Montgomery County currently contains one Main Street recognized by Main Street America, which is located in Takoma Park. While Main Streets share some of the same goals as BIDs and the two types of programs often coexist within a given jurisdiction, they also differ in key ways. The establishment of new BIDs or Urban Districts in Montgomery County, or the development of existing Urban Districts, should not preclude the creation of additional Main Streets in the County.

While BIDs typically receive funding via a tax or charge levied on the business and/or residents within their boundaries, Main Streets are funded primarily via external partnerships and government grants. Consequently, Main Streets typically have smaller staffing structures than BIDs, often consisting of a single full-time staffer. Main Streets and BIDs typically overlap in their missions of placemaking and economic development, but many BIDs additionally provide clean and safe services that Main Streets do not.

¹ While these organizations are referred to by many names, this section will refer to them collectively as BIDs for simplicity.

BIDs and Main Streets may also differ in terms of geographic size. A visual comparison of Washington, D.C.'s BIDs and Main Street programs indicates that most Main Streets are narrow corridors extending along specific roadways, while BIDs tend to comprise broader geographic areas of multiple blocks each.

Ultimately, BIDs and Main Streets may play complementary roles within a larger community.

Review of Other Jurisdictions

Maryland – Few BIDs currently exist in Maryland, in part due to the high threshold (80%) of property owners whose support is needed to establish a bid, although that threshold was decreased to 51% in Montgomery County in 2017 and will decrease to the same percentage for Prince George's County in fall 2023. Areas currently developing BID proposals include Hyattsville in Prince George's County, and the York Road corridor in Baltimore City.

In Baltimore City, the Downtown Management Authority is a BID comprising 106 blocks that functions as part of the larger Downtown Partnership of Baltimore. The BID is funded via a tax surcharge and pursues typical priorities such as clean and safe, economic development, and capital projects, as well as homeless outreach.

Virginia – The BIDs in Arlington County, VA, which include Ballston, National Landing, and Rosslyn, are similar to Montgomery County's Urban Districts (but differ from the nationwide norm) in that a public body plays an active role in their formation. The public organization Arlington Economic Development assists private BID proponents by helping to survey property owners to identify whether there exists the 50% support necessary to establish a BID. Extant BIDs are funded via a property tax.

Washington, D.C. – Washington currently has 11 BIDs, with a 12th, the Friendship Heights BID, currently under consideration at the City Council. BIDs in Washington require the support of the councilmember in which the district would be located. The districts are funded by a property tax surcharge that is collected by the city and returned to the organization administering the BID. Individual BIDs have authority over expenditures, which encompass the typical mission of clean and safe, promotion, and capital improvements, as well as homeless and youth services. Some of the funding structures of the 11 BIDs are based on value, some on number of units/square footage, and some rely on a combination of both mechanisms depending on property type.

ⁱ Carol Jean Becker, Seth A. Grossman, and Brenda Dos Santos, "Business Improvement Districts: Census and National Survey," International Downtown Association, January 2011, pp. 6-7.

APPENDIX B-1

**BASELINE SERVICES RECOMMENDED TO BE FUNDED BY THE GENERAL FUND, FY 98 COST
(‘LOW COST’ AND ‘HIGH COST’ SCENARIOS)**

Urban District, Service	Service Level	Quantity	Unit Cost	Low Cost	High Cost
Bethesda					
Sweeping	3 times/week	23.68 mi	\$18.20/mi	\$67,250	\$67,250
Trash pickup from cans	2 times/week	161 cans	\$2.50/can	\$41,860	\$41,860
Litter collection	3 or 5 times/wk	133,300 sy	\$.0034/sy	\$70,700	\$117,840
Brick cleaning	2 times/year	29,732 sy	\$.38/sy	\$22,600	\$22,600
Mowing	12 times/year	10,870 sy	\$.047/sy	\$6,130	\$6,130
Tree pruning	22- or 6-yr cycle	921 trees	\$45/prune	\$1,880	\$6,910
Streetlight maintenance	half or all lights	354 lights	\$4/light/year*	\$10,000	\$20,000
Security**				\$0	\$0
Bethesda, Total				\$220,420	\$282,590
Silver Spring					
Sweeping	3 times/week	25.98 mi	\$18.20/mi	\$73,760	\$73,760
Trash pickup from cans	2 times/week	131 cans	\$2.50/can	\$34,060	\$34,060
Litter collection	3 or 5 times/wk	159,178 sy	\$.0034/sy	\$82,200	\$137,000
Brick cleaning	2 times/year	29,786 sy	\$.38/sy	\$22,640	\$22,640
Mowing	12 times/year	13,297 sy	\$.047/sy	\$7,500	\$7,500
Tree pruning	22- or 6-yr cycle	719 trees	\$45/prune	\$1,470	\$5,390
Streetlight maintenance	half or all lights	438 lights	\$4/light/year*	\$10,000	\$20,000
Security**				\$0	\$0
Silver Spring, Total				\$231,630	\$300,350
Wheaton					
Sweeping	3 times/week	11.22 mi	\$18.20/mi	\$31,860	\$31,860
Trash pickup from cans	2 times/week	48 cans	\$2.50/can	\$12,480	\$12,480
Litter collection	3 or 5 times/wk	35,777 sy	\$.0034/sy	\$12,560	\$21,080
Brick cleaning	2 times/year	12,000 sy	\$.38/sy	\$9,120	\$9,120
Mowing	12 times/year	9,881 sy	\$.047/sy	\$5,570	\$5,570
Tree pruning	22- or 6-yr cycle	242 trees	\$45/prune	\$500	\$1,820
Streetlight maintenance	half or all lights	157 lights	\$4/light/year*	\$2,000	\$4,000
Security**				\$0	\$0
Wheaton, Total				\$74,090	\$85,930

* Plus an allowance for streetlight replacement.

** The UDWG believes that sufficient funds for security should be a baseline service funded by the General Fund, but not necessarily as part of urban district budgets.

MEMORANDUM

July 27, 2023

TO: Economic Development (ECON) Committee

FROM: Marlene Michaelson, Executive Director
Logan Anbinder, Postgraduate Fellow
Affiong Ibok, Summer Fellow

SUBJECT: Urban Districts – Services and Funding

PURPOSE: Discussion- **Addendum**

We received a baseline services chart comparing services provided within Urban Districts and services provided Countywide. The information received shows that within the UDs some services are provided more frequently than they are provided Countywide. More cost information is necessary to complete an analysis. The chart received from the Executive staff is attached at © A1.

This packet contains:
2023 Baseline Services Comparison Chart

Circle #
A1

Baseline Services Comparisons - Provided by Executive Staff

County Wide Services	Frequency	Week/ Month/ Year	Urban District Services	Bethesda		Silver Spring		Wheaton	
				Frequency	Week/Month/ Year	Frequency	Week/ Month/ Year	Frequency	Week/Month/ Year
Litter collection	Litter is collected by the mowing crews on primary roads while performing mowing and by service requests on residential roads. Highway Services also responds to 311 requests pertaining to large amounts of debris dumped in the right of way such as mattresses, tires, construction materials, and unwanted household goods.		Litter collection	7	week	7	Week	5	week
Street Sweeping	Once a year and as requested.		Street Sweeping	3	week	3	Week	3	week
			Sidewalk Cleaning	as needed		1	Week*	as needed	
Roadside Mowing	7-10 day cycle. 1,800 acres on a bi-weekly basis across seven crews and a mix of equipment. Total rounds vary from 12-16 dependent on how the grass grows.		Roadside Mowing	as needed		30	Year*		
			Emptying Trash Receptacles	7	Week	7	Week	7	week
			Emptying Recycle Receptacles	3	Week	7	Week	5	week
Tree Maintenance	Maintains over 250,000 trees in the dedicated county right of way and another 200,000 in rural areas. Trees are pruned, planted, and removed by request. Arborists inspect trees daily per resident request and prescribe the appropriate action to be taken (pruning, removal and/or planting). Tree crews prune, remove or plant trees depending upon arborist recommendations on a daily basis.		Tree Maintenance	1	year ¹	7	Year**	1	week**
			Leaf Management	as needed ²		7	Year*	12	year
			Median & Parks Mowing	as needed		1	Week*	1	Week*
Brick Repair	scheduled as needed		Brick Repair	as needed		as needed		as needed	
Sidewalk Repair	scheduled as needed		Sidewalk Repair	scheduled as needed		scheduled as needed		scheduled as needed	

* Factors in Seasonal spikes for Spring - Fall
 ** Prune every tree every year for clearance and structural health, pest management as needed, mulch tree pits twice per year and weed as needed.
 Remove and replace dead trees in spring and fall.
¹ Each tree pruned every year for structural health and elevation.
² Leaves removed from sidewalks and curbs daily in November and December