



Jim Young, Chair
Dusty Rood, Chair-Elect
Jerry Shapiro, Immediate Past Chair
Georgette "Gigi" Godwin, President & CEO
Ilaya Hopkins, VP, Government Relations

October 5, 2016

RE: Bill 37-16 MCCC Supports Planning Board Recommendations

Dear Councilmembers Navarro, Katz and Riemer:

We appreciate your strong track record of encouraging dense development in and around areas served by transit that are job centers and offer a mix of housing options to further Montgomery County Government economic development objectives. We believe the 2016 Subdivision Staging Policy should be tailored, coordinated and simple to strengthen those goals.

Staff recommendations on Bill 37-16 to set uniform rates countywide (page 11) are counter-productive to the needs of Montgomery County and will effectively eliminate the ability to attract and retain the next generation of critical talent. These young professionals in early stages of their careers will not be able to afford to work and live in Montgomery County.

In light of the staff recommendations included in the Worksession 2 Memo dated October 4, 2016, MCCC reiterates our support for specific recommendations of the Planning Board including:

- Treatment of Red Areas including lower impact taxes
- Exemptions for bio science buildings
- Incentives for reduced parking and dedication of additional open space

We also recommend

- Continued use of exemptions from school impact taxes in former Enterprise Zones

Fundamentally, these recommendations reflect that not all parts of the county are the same and therefore need to be treated differently rather than subject to the same average impact tax. They also demonstrate how impact taxes can be used strategically to enhance or undermine economic development objectives. This is particularly true as efforts continue to brand Montgomery County as a BioHealth cluster in the Capital Region (page 13).

A deliberate and well executed strategy of attracting the next generation of top talent is what fuels economic development that provides great schools and quality of life. Metropolitan Policy Areas, now referred to as Red, have some of the highest priced land and some of the most constrained conditions, adding to the cost to build.

Imposing additional impact taxes may render many projects unviable. More importantly, for those projects that do go forward, the high costs are passed on to the end users, the renters or business tenants, who will be priced out of an increasingly expensive location. Stifling redevelopment in these targeted areas and reducing the ability for a range of businesses and personal income levels to thrive in the very places we want them to locate contradicts longstanding economic development efforts of the Montgomery County Council, the Montgomery County Government and the business community. Therefore, it is critical to retain the impact taxes for the Red Areas as recommended by the Planning Board.

Thank you for considering the broader context of economic development necessary to keep Montgomery County competitive as you evaluate the staff recommendations.

Sincerely,



Georgette "Gigi" Godwin
President and CEO