

M E M O R A N D U M

March 3, 2025

TO: Government Operations and Fiscal Policy (GO) Committee
FROM: Livhu Ndou, Senior Legislative Attorney
SUBJECT: Resolution to establish the Infrastructure Funding Workgroup
PURPOSE: Worksession

Expected Attendees

None

Background

On November 12, 2024, the County Council voted to enact Expedited Bill 16-24, Development Impact Tax – Amendments.¹ Bill 16-24 amended the law governing transportation and school development impact taxes. During the Government Operations & Fiscal Policy (GO) Committee worksessions on Expedited Bill 16-24, on October 10 and October 17, 2024, the GO Committee recognized that there are flaws in the current impact tax system that require further study and new, creative solutions. The Council echoed this sentiment during worksessions and action on Bill 16-24. The GO Committee recommended the formation of a workgroup to study the County’s infrastructure needs and provide recommendations on how funding for those needs can be generated.

Public Hearing

A public hearing was held on February 25, 2025. Several speakers testified in support of the formation of the workgroup. The Council also received written testimony and correspondence. However, speakers asked for several changes. The County Executive recommended striking repairs from the infrastructure list, adding more representatives from DOT to match the number of representatives for schools, and accelerating the timeline so that the final report can be submitted before the next budget cycle. The Planning Board recommended identifying specific infrastructure needs, such as climate change, telecommunications, and water and sewer, and hiring an outside facilitator. Individuals recommended defining the scope of transportation, encouraging more civic

¹ Staff reports and the final bill can be found here:
<https://apps.montgomerycountymd.gov/ccllms/BillDetailsPage?RecordId=2840&fullTextSearch=16-24>.

engagement, reducing the size of the group, adding the Department of General Services (DGS) and Montgomery College, as well as hiring a facilitator.

The Council received written testimony from several of the speakers, as well as a letter from the Commission on Aging.² The Commission on Aging supported the formation of the workgroup but requested a broader definition of infrastructure and including Department of Health and Human Services (DHHS) representatives, civic groups, and residents.

Discussion

The resolution sets an overall goal for the workgroup to recommend strategies to fund infrastructure and growth-related needs in the County. The resolution creates 2 objectives for completing this work: 1) determining and assessing the County’s various infrastructure needs, and 2) researching a variety of funding mechanisms to fund that infrastructure.

For membership, the resolution lists several relevant County departments and agencies, Montgomery County Public Schools (MCPS), and the State Highway Administration (SHA). While the resolution does not include outside stakeholders, it does require the workgroup to meet with both developers and community members and provide opportunities for public feedback.

The resolution requires the workgroup to submit a final report to the Council by June 30, 2026. This will allow time for the Council to review the report and incorporate it into the 2028-2032 Growth and Infrastructure Policy (GIP) if needed. The resolution also requires the workgroup to update the GO Committee on its progress and findings by March 2026 and no sooner than December 2025.

1. What should the goal of the workgroup be?

The goal of the workgroup is to “recommend strategies to fund infrastructure and growth-related needs in the County.” Given questions about the scope and focus of the workgroup, *Council Staff recommends formatting changes to the resolution to clearly highlight and distinguish between the goal and the objectives.*

Goal:

A workgroup is established by the Council to recommend strategies to fund infrastructure and growth-related needs in the County.

Objectives:

1. The workgroup will ...
2. The workgroup will ...

² Written testimony can be found here:

<https://www.montgomerycountymd.gov/COUNCIL/OnDemand/testimony/20250225/item6.html>.

2. What should the objectives of the workgroup be, and how should infrastructure be defined?

The workgroup has two objectives:

- to determine and assess the County’s various infrastructure needs, with an emphasis on schools and transportation infrastructure, to include net new infrastructure, repairs, and upgrading existing infrastructure to levels that meet anticipated future demand; and
- to research a variety of funding mechanisms to fund future infrastructure needs. The workgroup must consider new funding mechanisms in addition to reform of the current impact tax system. The objective is a funding mechanism that is equitable, predictable, and sustainable.

Since the workgroup’s goal is to recommend funding mechanisms, the first objective is determining infrastructure needs. Of note, the County already has a Capital Improvements Program (CIP), which is a Council-approved list of what the County will fund. The workgroup would be taking a broader look at all infrastructure needs, including items that may or may not be in the current CIP.

Under the current impact tax system, impact taxes are tied to development and intended to fund schools and transportation. Schools and transportation are needs that development necessarily generates. It is known that most developments will generate students and create a need for roads, sidewalks, or other transportation. However, while the resolution keeps the emphasis on schools and transportation infrastructure, it would allow the workgroup to consider whether there is other important infrastructure that the County should consider as part of a new funding mechanism.

The Council received recommendations for both broadening and narrowing the scope of “infrastructure”.

- The County Executive recommended striking “repairs” from the objectives, to focus on funding new infrastructure and bringing existing infrastructure up to current standards.
- The Commission on Aging recommended expanding the scope of infrastructure to include “care infrastructure like schools and care facilities for children and the elderly, health infrastructure like hospitals and clinics, and access to healthy food and nourishment.”
- The Planning Board recommended including climate resilience, utility undergrounding, water, sewer, and telecommunications, stating that these are topics raised frequently by stakeholders and throughout the development review process.
- Individuals recommended including Montgomery College, parks, libraries, recreation centers, police and fire stations, stormwater management, telecommunications, and

major capital initiatives needed to advance climate resilience, as well as the necessary rehabilitation or renovation of all the above.

Suggestions for Committee discussion:

- a) ***The Committee should determine to what extent the workgroup should consider repairs.*** Removing repairs from the resolution would allow the workgroup to focus on new infrastructure needs. However, if the Committee wishes to remove “repairs” from the resolution, it may be helpful to guide the workgroup in distinguishing between “repairs” and “bringing existing infrastructure up to current standards”. There may be renovations that others consider repairs, such as updating malfunctioning energy or electrical systems for higher-efficiency models. A useful distinction is repairs are meant to maintain safety and functionality, while renovations are more substantial updates.
- b) ***The Committee could consider adding to the resolution that the workgroup should review the list of other infrastructure needs provided via testimony and correspondence and identify which needs the Council may want to consider in future funding mechanisms.*** There are many important community needs that are not traditionally considered infrastructure. Further, many of the types of infrastructure requested for consideration by testimony are funded in other ways, including federal and State aid, the Water Quality Protection Charge (WQPC), GO bonds, revenue from the private sector, and grants. Since revenue will be finite, it is important for the funding mechanisms to prioritize what infrastructure needs should take priority. When deciding the scope of infrastructure for purposes of this workgroup, the Committee should consider the size of the workgroup as well as the deadline for the final report. Expanding the scope will necessarily require more time, and depending on the expanded scope, additional representatives. Allowing the workgroup to report back on other types of infrastructure that should be included during their first check-in with the GO Committee will allow the Council to consider expanding the scope of infrastructure while prioritizing funding needs, keeping the workgroup focused, and accounting for other funding sources.

3. Are there additional recommendations for including a racial equity and social justice lens?

As noted in the resolution, evidence suggests that impact taxes have a negative impact on eliminating racial disparities and inequities in the County. The resolution requires the workgroup to include in the final report how any proposed funding mechanism aligns with the County’s values of racial equity and social justice (RESJ), environmental resilience, safety, and economic competitiveness. The Office of Legislative Oversight (OLO) has completed reports suggesting strategies for ensuring all the Council’s work takes RESJ into account. The GO Committee has also done extensive work in this area.

Suggestions for Committee discussion:

a) ***The Committee could require the workgroup to answer the following questions, suggested by OLO:***

- *Equitable Community Engagement* – How do the proposed recommendations reflect the expertise of and center the needs of BIPOC, low-income, or low-wealth constituents in the County? What BIPOC constituents/groups helped shape the development of the recommendations, and how?
- *Context/Data on Racial and Social Inequity* – What racial or social inequities are the proposed recommendations anticipated to help diminish? What are your data sources?
- *Alignment with Best Practices* – How do the proposed recommendations reflect best practices for advancing RESJ from researchers, other jurisdictions, and advocates? What are your sources?
- *Anticipated RESJ Impact* – Are the proposed recommendations anticipated to advance RESJ? Will it benefit BIPOC, low-income, or low-wealth constituents more than it benefits White, higher-income, and high-wealth constituents? If so, how?
- *Equitable Implementation* – How will the proposed recommendations be implemented to advance RESJ? Are there adequate resources for implementation? How will the policy be evaluated for advancing RESJ?

b) ***The Committee could also require the workgroup to review OLO’s “Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development” and incorporate its recommendations into their review.***³

4. What should the composition of the workgroup be?

The workgroup is made up of the following members:

- 3 members of Council Central Staff, to be chosen by the Executive Director;
- 2 representatives from the Montgomery County Planning Department, to be chosen by the Planning Director;
- 1 representative from the Montgomery County Parks Department, to be chosen by the Parks Director;
- 1 representative each from: Department of Transportation (DOT), Department of Finance, Office of Management and Budget (OMB), Department of Permitting Services (DPS), and the Department of Housing and Community Affairs (DHCA), to be chosen by the County Executive;
- 2 representatives from Montgomery County Public Schools (MCPS), to be chosen by the Superintendent of Schools; and

³ The handbook can be found here:
https://www.montgomerycountymd.gov/OLO/Resources/Files/2024_reports/OLOReport%202024-11.pdf.

- 1 representative from the Maryland Department of Transportation State Highway Administration (SHA), to be chosen by the SHA Administrator.

All members are government employees. However, the resolution does require the workgroup to conduct stakeholder outreach, including meeting with both developers and community members. There must also be opportunities for public feedback.

Much of the feedback received has discussed the composition of the workgroup. Arguments have been made for both more representatives and fewer representatives. The composition of the workgroup should consider two important factors: the size of the group, and the objectives of the group. For example, community members may be important in determining the infrastructure needs in their communities, whereas developers may be important in determining what are feasible options for funding infrastructure but encouraging development. Members who either receive or contribute to the CIP could have different biases. While a workgroup with many areas of expertise is important, the timeline for the workgroup is short, so there should be consideration of how large the group can be before productivity declines. As noted in written testimony, “Such a large group would be difficult logistically in arranging meetings, would discourage participation from individual members, and would be harder to generate a desired consensus on recommendations.”

The below list includes everyone who has been recommended for addition or removal.

- Add:
 - *Industry representative(s)* – As noted in Councilmember Glass’ letter to the Committee, industry representatives could “bring important expertise and insights to this important policy discussion, as they are the ones deciding when and where to build the projects that ultimately contribute funds to the capital budget.”
 - *1 Department of Transportation (DOT)* – The County Executive recommends adding an additional representative for DOT, bringing the total to 2 DOT representatives. The County Executive notes that MCPS is given 2 representatives, despite being in a better place fiscally in terms of both impact taxes and other revenue sources.
 - *Department of General Services (DGS)* – Testimony notes that DGS manages County projects that are not under DOT, including those of the Department of Housing and Community Affairs, as well as the Departments of Public Libraries, Recreation, Police, and Fire and Rescue.
 - *Montgomery College* – As noted in testimony, Montgomery College may have infrastructure needs similar to MCPS.
 - *Energy and telecommunications utilities* – The Planning Board testified that these utilities should be added if the scope of “infrastructure” is broadened to include climate resilience, utility undergrounding, water and sewer, and telecommunications.
 - *Department of Health and Human Services (DHHS)* – The Commission on Aging recommended included DHSS to “create a more inclusive workgroup that reflects

the whole community rather than the departments involved in traditional infrastructure planning.”

- *Civic groups/community members* – The Commission on Aging recommended including civic groups and residents across the County who may be caregivers, parents, and elders.
- Remove:
 - *SHA* – Testimony recommended removing SHA because the objective of the workgroup is to identify County needs.

Suggestions for Committee discussion:

- a) ***When considering whether to add additional representatives who are not government employees, the Committee could alternatively consider increasing the outreach requirements.*** For example, the resolution could be more specific about the level of outreach required, including both the form and quantity of outreach. Specific groups or communities could be listed, in addition to the number of required meetings with those groups. This would ensure that the workgroup considers the important views of both the private sector and community, while keeping the workgroup to a workable size. Further, the final report should include all feedback received so that the Council may review it.
- b) ***In discussing who to add or remove, the Committee should consider the following:***
 - The County Executive requested an additional representative from DOT so that there is equal representation for schools and transportation. Alternatively, the Committee could reduce the number of representatives from MCPS so that there is 1 DOT representative and 1 MCPS representative.
 - Planning currently has 2 representatives, since Planning Staff are tasked with drafting both the Growth and Infrastructure Policy and the impact tax bill. However, if the Committee is concerned about the size of the group, it could reduce this to 1 representative.
 - The Committee could also consider whether to make the group smaller by removing MCPS, SHA, and Parks. Removing MCPS and SHA would keep the membership of the workgroup to County departments and agencies. This would remove any concerns about outsized bias from external agencies who have a stake in the CIP. Alternatively, these members could be appointed as non-voting members.
 - If a developer is added, then the Committee should consider what type of developer should be included. For example, whether the developer representative should be a for-profit developer, non-profit developer, commercial developer, residential developer, mixed-use developer, or even represent a chamber of commerce. Councilmember Friedson proposes adding 1 for-profit developer and 1 non-profit developer.
 - If the Committee chooses to include community members, it should consider whether representation is needed from different parts of the County and whether a

community representative should have expertise in impact tax reform, infrastructure needs, or other relevant factors.

- The Committee should strive to appoint a diverse workgroup, consistent with the County's RESJ policies. This can include the makeup of the group, an expert in RESJ issues being included as a representative, or a Chair or facilitator with racial equity and social justice expertise.

5. Should there be a Chair or facilitator?

The resolution allows the Council to appoint either a Chair and Vice-Chair or a Facilitator. Given the size of the group, it is important to appoint someone as Chair or facilitator who can create meeting agendas, coordinate a large group, ensure completion of the final report, and be a contact person for the Council. In addition to testimony recommending hiring a facilitator, it was suggested that the Committee consider establishing a budget for the workgroup to hire an external entity to do nationwide research or complicated analysis.

Suggestions for Committee discussion:

- Council Central Staff as Chair – Since this is a Council workgroup, a member of Council Central Staff would be an appropriate liaison between the workgroup and the Council. Given the expected workload and that this work would be done in addition to Central Staff's regular duties, a Vice-Chair could be helpful.
- Facilitator – Testimony recommended hiring an outside facilitator with expertise in infrastructure funding and financing as a neutral third-party. A facilitator would require a contract and going through the procurement process. The length of time to complete the contract and procurement process depends on the contract amount but can be anywhere from 2 to 9 months.⁴
- Data Analyst – The resolution requires the workgroup to check in with the GO Committee months before the final report is due. Since the composition of the workgroup should be subject matter experts who can identify the infrastructure needs of the County and provide data and analysis, it may be more useful to allow the workgroup to ask the GO Committee for additional research resources if needed. Any such contractor would also need to go through the contract and procurement process.

6. What should the final report include?

The resolution requires a final report be submitted to the Council by June 30, 2026. The GO Committee will hold a worksession on the workgroup's progress no earlier than December 2025 and no later than March 2026. At that time, the workgroup must have made sufficient progress to

⁴ An informal solicitation can be done for contracts under \$100,000. Solicitations over \$100,000 require a Request for Proposal (RFP) and can take up to 9 months. The Council could do an appropriation that names the contractor, but it would likely require approval from both Procurement and the Chief Administrative Officer. The Council could also do a non-competitive grant if the contractor is named in a grant resolution.

update the GO Committee on its findings thus far, including an analysis of the County’s current infrastructure needs, suggested funding mechanisms, and issues needing further study.

The resolution requires the final report to include:

- a data-driven assessment of the County’s current and future infrastructure needs;
- proposed funding mechanism(s) that are equitable, predictable, and sustainable;
- how any proposed funding mechanism aligns with the County’s values of racial equity and social justice (RESJ), environmental resilience, safety, and economic competitiveness; and
- data and analysis to support any findings and recommendations.

Suggestions for Committee discussion:

- a) The County Executive recommends accelerating the timeline so that the workgroup concludes in December 2025, so that any budget recommendations can be actionable for FY27. ***Council Staff notes that an accelerated timeline may require an adjustment to the objectives and changes to the composition of the workgroup.***
- b) As noted above, the Committee may consider adding: additional RESJ requirements, an index of feedback received, and other “infrastructure” needs the County should consider.

This packet contains:

Draft Resolution	© 1
Letter from Councilmember Glass to Committee	© 4
County Executive testimony	© 5
Letter from Planning Board	© 7
Letter from Commission on Aging	© 9
Written Testimony	© 11

Resolution No.: _____
Introduced: February 11, 2025
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsors: Council President Stewart, Councilmembers Katz and Friedson
(Government Operations & Fiscal Policy (GO) Committee)

SUBJECT: Infrastructure Funding Workgroup

Background

1. The Council strives to provide housing and jobs for all County residents, while ensuring that the County’s infrastructure needs are met. The current impact tax system provides funding for schools and transportation but raises concerns about the effects on growth, economic development, and how those funds are utilized. For example, transportation impact taxes are not guaranteed to benefit the area where development occurs, and the cost of impact taxes may reduce both the amount of development and affordability of housing.
2. The Council is committed to eliminating racial disparities and inequities in the County. Evidence suggests that impact taxes shift the cost of new public infrastructure from existing residents to new residents through increased housing prices. Rates of homeownership for white and Asian persons in the County are significantly higher than the rates of homeownership for Black, Indigenous, and other people of color (BIPOC) in the County. And the population of BIPOC residents is expected to continue growing in the County. Taken together, as BIPOC residents become a larger share of the County’s population, impact taxes will likely create further racial inequities as infrastructure improvements benefit existing residents, who are more likely to be white, and burden new residents, who are more likely to be BIPOC.
3. On November 12, 2024, the County Council voted to enact Expedited Bill 16-24, Development Impact Tax – Amendments. Bill 16-24 amended the law governing transportation and school development impact taxes. During the Government Operations & Fiscal Policy (GO) Committee worksessions on Expedited Bill 16-24, on October 10 and October 17, 2024, the GO Committee recommended the formation of a workgroup to study the County’s infrastructure needs and provide recommendations on how funding for those needs can be generated.

4. The Council considers issues of racial equity and social justice (RESJ), environmental resilience, safety, and economic competitiveness in all its work. Before transmittal of the 2028-2032 Growth and Infrastructure Policy (GIP) and further changes to the impact tax regime, the Council requests additional research, analysis, and deep thinking on funding mechanisms for the County that align with the County's values.

Action

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

A workgroup is established by the Council to recommend strategies to fund infrastructure and growth-related needs in the County.

1. The workgroup will determine and assess the County's various infrastructure needs, with an emphasis on schools and transportation infrastructure, to include net new infrastructure, repairs, and upgrading existing infrastructure to levels that meet anticipated future demand.
2. The workgroup will research a variety of funding mechanisms to fund future infrastructure needs. The workgroup must consider new funding mechanisms in addition to reform of the current impact tax system. The objective is a funding mechanism that is equitable, predictable, and sustainable.
3. Members of the workgroup will include:
 - a. 3 members of Council Central Staff, to be chosen by the Executive Director;
 - b. 2 representatives from the Montgomery County Planning Department, to be chosen by the Planning Director;
 - c. 1 representative from the Montgomery County Parks Department, to be chosen by the Parks Director;
 - d. 1 representative each from: Department of Transportation, Department of Finance, Office of Management and Budget, Department of Permitting Services, and the Department of Housing and Community Affairs, to be chosen by the County Executive;
 - e. 2 representatives from Montgomery County Public Schools, to be chosen by the Superintendent of Schools; and
 - f. 1 representative from the Maryland Department of Transportation State Highway Administration (SHA), to be chosen by the SHA Administrator.

The Council will appoint a Chair and Vice-Chair, or Facilitator.

4. The workgroup will conduct stakeholder outreach, including meeting with developers and community members. The workgroup will also provide an

opportunity for public feedback, such as surveys, listening sessions, and written feedback.

5. The GO Committee will hold a worksession on the workgroup's progress no earlier than December 2025 and no later than March 2026. At that time, the workgroup will update the GO Committee on its findings thus far, including an analysis of the County's current infrastructure needs, suggested funding mechanisms, and issues needing further study.
6. The workgroup will submit a final report to the Council by June 30, 2026. The report must include:
 - a. a data-driven assessment of the County's current and future infrastructure needs;
 - b. proposed funding mechanism(s) that are equitable, predictable, and sustainable;
 - c. how any proposed funding mechanism aligns with the County's values of racial equity and social justice (RESJ), environmental resilience, safety, and economic competitiveness; and
 - d. data and analysis to support any findings and recommendations.
7. The workgroup will follow all requirements of the Open Meetings Act, Title 3 of the General Provisions Article of the Maryland Code, including the publishing of agendas and recording of minutes.

This is a correct copy of Council action.

Sara R. Tenenbaum, Clerk of the Council



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

EVAN GLASS
COUNCILMEMBER AT-LARGE

TRANSPORTATION & ENVIRONMENT COMMITTEE, CHAIR
ECONOMIC DEVELOPMENT COMMITTEE

MEMORANDUM

February 24, 2025

TO: Members of the Government Operations Committee
FROM: Councilmember Evan Glass
SUBJECT: Infrastructure Funding Workgroup

I appreciate the worksessions led by the Government Operations and Fiscal Policy Committee to begin evaluating updates to our impact taxes. I am fully supportive of the creation of an Infrastructure Funding Workgroup to ensure that Montgomery County's tax structure is fair, equitable and competitive. Impact taxes play a critical role in funding the County's transportation and school infrastructure projects; however, they are an imperfect tool. I look forward to this workgroup's recommendations on the best strategies to fund these essential capital projects and address the County's growth-related infrastructure needs.

However, I am concerned about the lack of external representation in the proposed membership of the workgroup. Of the 14 members proposed, all represent the "public" government perspective, with none offering a private real-world view. Industry voices bring important expertise and insights to this important policy discussion, as they are the ones deciding when and where to build the projects that ultimately contribute funds to the capital budget. For this reason I am proposing that an industry representative be added to the workgroup to ensure a comprehensive and holistic approach among all stakeholders.

I look forward to the creation of this workgroup and seeing the creative solutions it will develop.

CC: Councilmembers
Livhu Ndou, Legislative Attorney
Pamela Dunn, Senior Legislative Analyst

TESTIMONY ON BEHALF OF COUNTY EXECUTIVE ELRICH

Regarding

**RESOLUTION TO ESTABLISH THE
INFRASTRUCTURE FUNDING WORKGROUP**

Dear President Stewart and members of the Council:

My name is Ken Hartman-Espada, Assistant Chief Administrative Officer. I am here to provide testimony on behalf of County Executive Elrich regarding the resolution to establish the Infrastructure Funding Workgroup.

Thank you to the members of the GO Committee for advancing the important work of collaboratively seeking a sustainable funding source for infrastructure.

There is no argument the County has significant needs to realize the visions set in our plans. Every local and countywide plan contains a list of investments that are vital for economic development and community equity. The lynchpin of many of these plans is the build out of the BRT system.

We hear frequently from developers and commercial real estate professionals that lack of amenities and infrastructure hampers development. And we hear from community members too when our plans are not realized.

Having reliable resources for initiating infrastructure - before or alongside development - is critical for establishing a strong foundation for growth, improving public confidence; and mitigating challenges arising from development.

In hopes of ensuring this working group is efficient and effective, the Executive offers three recommendations:

1. On resolution action item 1, we suggest striking repairs – our priority should be funding new infrastructure and bringing existing infrastructure up to current standards.
2. Regarding membership, please consider providing greater representation for County transportation.
 - The representation suggests that schools are given equal or greater weight to transportation, even though DOT has suffered greater

budget cuts through the GIP. While both MCDOT and MCPS qualify for impact taxes, MCPS is in a better place fiscally in terms of both impact taxes and other revenue sources.

- We welcome SHA representation and partnership, but we assume and hope to clarify that funding raised would be going to the County, not the State.
3. Finally, we request that the timeline be accelerated to target conclusion in December 2025 so that budget recommendations can be actionable for FY27.
- While the political and financial context of 2025 is unique, the conversations and collaboration around infrastructure funding are not.
 - We should be able to find efficiencies from earlier efforts and strive to bring forward solutions for public and elected leader consideration within six months.

Thank you.



February 25, 2025

To: The Honorable Kate Stewart
President, Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue, Room 501
Rockville, Maryland 20850

From: Montgomery County Planning Board

Subject: Infrastructure Funding Workgroup Resolution

MEMORANDUM

At its regularly scheduled meeting on February 25, 2025, the Montgomery County Planning Board voted 5-0 to transmit comments related to the Infrastructure Funding Workgroup resolution to the County Council.

The Planning Board greatly appreciates the County Council's resolution to establish an Infrastructure Funding Workgroup. During Planning Board work sessions on the 2024 – 2028 Growth and Infrastructure Policy, the Planning Board recognized ongoing issues with the existing impact tax system in the county: 1) they exert downward pressure on needed new development in the county, and 2) they generate insufficient and unreliable revenue to adequately fund the county's infrastructure needs. The Planning Board Draft of the Growth and Infrastructure Policy update included a recommendation to “convene a working group across county government and with external stakeholders to explore additional financing and funding mechanisms to better meet infrastructure needs.”

The Montgomery County Planning Board reviewed the draft resolution and made the following comments:

1. The Planning Board strongly supports the creation of an Infrastructure Funding Workgroup.
2. The resolution should explicitly identify the “various infrastructure needs” that the Council intends to be explored by the workgroup. If these needs are not identified, they may not receive the focus they deserve from the workgroup. In addition to school and transportation infrastructure, the Planning Board recommends including a focus on climate resilience, utility undergrounding, water, sewer, and telecommunications – topics that are frequently raised by stakeholders and throughout the development review process.
3. If the Council agrees with the above comment, the membership in the workgroup should be expanded to include representatives from the relevant public agencies and utilities.
4. The draft resolution also includes language that “the Council will appoint a Chair and Vice-Chair or Facilitator.” The Planning Board strongly recommends hiring an outside facilitator with

The Honorable Kate Stewart
February 25, 2025
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experience in infrastructure funding and financing to assist the workgroup in developing recommendations.

The Planning Board looks forward to monitoring the progress of the Infrastructure Funding Workgroup. As always, Montgomery Planning Staff are available should any questions or concerns arise regarding these comments.

CERTIFICATION

This is to certify that the attached report is a true and correct copy of the technical staff report and the foregoing is the recommendation adopted by the Montgomery County Planning Board of the Maryland-National Capital Park and Planning Commission, at its regular meeting held in Wheaton, Maryland, on Thursday, February 20, 2025.



Artie L. Harris
Chair

CC: Livhu Ndou, Senior Legislative Attorney
Bilal Ali, Legislative Analyst

Attachments:

A – Planning Board Staff Packet



COMMISSION ON AGING

February 21, 2025

Montgomery County Council
100 Maryland Avenue, 4th floor
Rockville MD 20850

Resolution to Establish the Infrastructure Funding Workgroup– Support with Amendments

Dear Chair Stewart and Montgomery County Council:

I am writing on behalf of the Montgomery County Commission on Aging in support of the County Council resolution to establish the Infrastructure Funding Workgroup. The Commission is authorized by the Older Americans Act, P.L. 116-131, and was established by Montgomery County in 1974 to advise the County government on the needs, interests, and issues of older adult residents, and to advocate on their behalf at the local, state, and national levels.

We respectfully request amendments to the current County Council resolution, informed by the Attainable Housing Strategies public listening sessions and the Commission’s study of affordable and accessible housing for older people. During the Attainable Housing Strategies (AHS) public listening sessions, infrastructure (in)adequacy was frequently raised as a concern. Some residents suggested that, since the current county infrastructure strains to meet the needs of residents in more densely populated residential neighborhoods, any increase in housing density through the construction of missing middle housing could cause the infrastructure to break. We think that the establishment of an Infrastructure Funding Workgroup, with specific changes, could serve as a vehicle for the county to carefully and openly consider its infrastructure needs, to better and more who logistically plan for future needs, and to hopefully better address the concerns raised during AHS public listening sessions.

First, we endorse the establishment of a workgroup to determine county infrastructure needs and research possible funding mechanisms. We applaud your stated aim to consider more equitable and sustainable funding sources and further applaud the focus on racial disparities and inequities. We support the goal of aligning infrastructure funding mechanisms with the county’s values. As you know, budgets are moral documents—as are policies, tax codes, and public investments in infrastructure—and should align with our values as a community. We believe the consideration of racial equity, social justice, and environmental resilience—in addition to safety and economic competitiveness—should be integral to all government action.

But, as you establish the workgroup to consider new and more equitable ways of funding infrastructure, we encourage you to take this opportunity to consider three additional items:

1. **Reconsider the scope of “infrastructure.”** Before you consider funding mechanisms, we encourage you to rescope what it is you are funding. What is infrastructure? We believe it entails more than transit and schools, waste treatment, and power. This is particularly true Upcounty, in the Agricultural Reserve, and in other rural areas. These structures and facilities underpin our community and enable it to operate in the most basic sense, but these are not all that is necessary for our economy to function and our

people to flourish. This kind of basic infrastructure is not enough to keep families from leaving the county. As you know, we need housing. But equally important, we believe, is access to the infrastructure of care, community, and human flourishing. We believe the workgroup should begin by reconsidering and broadening the traditional definition of infrastructure.

2. **Consider infrastructure to serve the needs of all ages.** In a county in which the old will soon outnumber the young, any definition of infrastructure needs to be broadened to specifically account for the needs of older people. For our community to flourish and our economy to function, we must also consider the needs of caregivers for the old and young. Many working age adults 50+ are caregivers for children and/or aging relatives. We hope as you consider what you mean by infrastructure you consider all the things that contribute to the human flourishing of all age groups. We believe this includes care infrastructure like schools and care facilities for children and the elderly, health infrastructure like hospitals and clinics, and access to healthy food and nourishment. These, as well as gathering places like parks and playgrounds, libraries, and community and recreation centers, are infrastructure as critical to our community as the roads we drive and K-12 schools.
3. **Expand the composition of the workgroup.** We also believe that to design an infrastructure for all ages and find new and more equitable ways of funding it, you must create a more inclusive workgroup that reflects the whole community rather than the departments involved in traditional infrastructure planning. We hope, for example, that you will include representatives of Health and Human Services as well as key civic groups such as Renters Alliance and faith groups. We also believe it is critical you include a diverse group of “regular” citizens—encompassing residents from across the county and including caregivers, parents, and elders. (You might also consider incorporating a [citizen’s assembly](#) into the workgroup.)

The Montgomery County Commission on Aging (CoA) strongly supports the work of the county government to address the county’s infrastructure needs. We support the Council’s resolution to establish an Infrastructure Funding Workgroup and encourage its swift passage, with amendments.

Sincerely,

Linda Bergofsky, Co-Chair

Wayne Berman, Co-Chair

Montgomery County Commission on Aging

Department of Health and Human Services

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Testimony on the Infrastructure Funding Workgroup Resolution

Glenn Orlin

Thank you, Council President Stewart, Council Vice President Jawando, and members of the County Council for the opportunity to testify on the proposed resolution to establish an Infrastructure Funding Workgroup. I congratulate the sponsors for recognizing the need for a comprehensive re-examination of how the County funds its infrastructure.

For the past 40 years that I have worked on this issue in the county, infrastructure financing has been undertaken in a piecemeal fashion: first as a limited Transportation Impact Fee ordinance in 1986 that was levied only in Germantown and Eastern Montgomery County, expanding it in the 1990s to Clarksburg and then countywide in the early 2000s, initiating a School Impact Tax and Recordation Tax Increment also in the early 2000s, adding the Recordation Tax increment for County Government CIP projects in the mid-2000s, a special taxing district for White Flint in 2010, and major increases to the Recordation Tax in the mid-2010s and again two years ago. The Impact Tax Laws themselves have undergone changes almost biennially since 1986.

With that background, I have some suggested revisions to the resolution:

1. The Workgroup composition is too large. As currently proposed, it would consist of 14 persons, or 15 if there is a Facilitator. Such a large group would be difficult logistically in arranging meetings, would discourage participation from individual members, and would be harder to generate a desired consensus on recommendations. **I suggest a total of 9 members (10 if there is a Facilitator), including one from:**

- **the Planning Department;**
- **the Parks Department;**
- **the Department of Transportation;**
- **the Department of General Services;**
- **the Department of Finance;**
- **the Office of Management and Budget;**
- **Montgomery County Public Schools;**
- **Montgomery College; and**
- **the Council Central Staff**

This composition would closely mirror the composition of the long-standing Infrastructure Maintenance Task Force (or IMTF), a staff group that I chaired for 15 years that meets every few years to identify the needs and priorities of the various types of heavy maintenance across the County agencies. There is no reason to include more than one representative per agency or department. The Department of General Services should be included since it manages nearly all the County Government projects not under DOT's purview, including those of the Department of Housing and Community Affairs, as well as the Departments of Public Libraries, Recreation, Police, Fire & Rescue, and others. Montgomery College has significant infrastructure needs and should be included. As this an effort to identify County needs, it would be inconsistent to include a member from the State Highway Administration.

2. For this purposes of this Workgroup, broaden the definition of “infrastructure” beyond transportation and public schools to explicitly include Montgomery College, parks, libraries, recreation centers, police and fire stations, stormwater management, telecommunications, and major capital initiatives needed to advance climate resilience, as well as the necessary rehabilitation or renovation of all the above. A truly comprehensive examination of infrastructure needs would go beyond merely the transportation and public schools improvements “counted” under the Growth & Infrastructure Policy.

However, the definition should not include (as suggested by the Planning Board) undergrounding utilities as well as sewer and water projects. Over the past several decades there has been an effort to program funding for limited utility undergrounding, but its costs have been so staggeringly high that Executives and Councils have regularly deferred them until they eventually have been deleted from the CIP altogether. Water and sewer projects are the joint purview of Montgomery and Prince George’s Counties and are funded not by taxpayers but by ratepayers; including water and sewer in this exercise would require participation of Prince George’s County staff and Council.

3. The Workgroup should develop a set of workable alternatives with their respective pros and cons, but it should not be expected to propose one or more “preferred” options. Selecting the preferred course(s) of action requires more than data analysis: it involves a qualitative—and inherently political—set of choices as to how much each constituency should pay or not pay. These are decisions that only you as Councilmembers can judge.

4. The Workgroup should have a budget. Collecting some of the background data could be done by working through the Workgroup members, but the task of identifying alternative funding options will require significant nationwide research and analysis of complex data sets. These tasks cannot be done by the Workgroup members without diverting substantial time from their regular duties. Furthermore, as the Planning Board recommends, the Council should hire an outside Facilitator to lead this effort.

I do not have an estimate of the total cost, but I suspect it could be in the \$25,000-50,000 range. If the Council agrees that such contractual assistance is necessary, the procurement of such assistance will delay the start of this exercise by a few months, but I nevertheless believe the March 2026 deadline for a progress report to the GO Committee and the June 2026 deadline for a final report can both be met.

* * *

I would be happy to aid this Workgroup as a Facilitator or in some other substantive fashion.

Resolution to Establish the Infrastructure Funding Workgroup

Testimony by Lee R. Keiser, Feb. 25, 2025

Montgomery County Council, Rockville, MD

Good afternoon, President Stewart, Vice President Jawando, and Councilmembers. I am Lee Keiser, a longtime District 1 resident, who was a pre-pandemic leader of our 270-home civic association in a last-mile community. During the pandemic, I was honored to serve as a County Council Senior Fellow, (remotely) based in the Central Office, where I chronicled COVID response and recovery efforts in other large jurisdictions across the U.S.

Further, as a dedicated pedestrian safety advocate, I have testified regularly about a ¼-mile, state road bikeway/sidewalk capital project that's permanently stuck in Final Design Stage. In 2024, it was pushed out beyond the six-year budget cycle. What remains, however, is my enthusiasm for civic engagement and my earlier decades as a public policy professional; that together have piqued my interest in the Council's proposed Infrastructure Funding Workgroup. Thus, I appreciate the chance to testify today.

Naturally, the Workgroup must clearly define the scope of transportation projects: would it be the full universe of Capital Improvement Program (CIP) projects, or only those in a certain planning phase, closest to construction? Outside of the CIP, would the scope extend to, for example, MCDOT's Residential Sidewalk Program where about a dozen sidewalks are funded in a calendar year, but the backlog reportedly numbers over 300? Residents typically do not easily distinguish between CIP and non-CIP infrastructure.

The Workgroup proposal does not support having public members, but would engage public feedback, and require compliance with Open Meetings laws. While that may appear to check the "transparency" box, in my experience, it's lacking in the public's primary capital budget resource – the Capital Budget book – that inconsistently portrays information across CIP projects. Yes, each project page shows a GIS image, justification, some history, and of course the budget trajectory. However, Project Description Forms are written with varying degrees of objectivity, and of historical and community-landmark inclusivity. Why don't they consistently show images with nearby landmarks that are logical destinations for those who walk, roll or bike; such as schools, the library, the Capital Crescent Trail? While most project narratives cite a relevant Master Plan and year, my community's sidewalk/bikeway project official justification statement excludes its origin in the 1990 Bethesda-Chevy Chase Master Plan. It only references the 2018 Bicycle Master Plan. Such inconsistency is something I've testified about regularly.

On April 9, 2024, then-Vice President Stewart asked that Capital transportation projects be broken out by Council District and by Equity Focus Area. In my review of the FY26 budget book, I found a single project, the Cherry Hill Road Bike Facility, whose justification states, “This was a Tier 1 Bicycle Master Plan recommendation, and is located in an Equity Focus Area.” Surely, there are more EFA projects?

The point of these few examples is that the Infrastructure Workgroup could enhance transparency for all residents, far beyond the life of the Workgroup, by performing an audit of the Capital Budget book Transportation chapter, to ensure consistency and comprehensiveness in justifications and visuals, across all projects. While internal-agency Workgroup membership assures that staff has ready access to more comprehensive and timely project documents, the public’s primary infrastructure-budget resource should offer enhanced transparency regardless.

In sum, the glacial pace with which few master-planned transportation projects ever come to fruition erodes public trust for taxpayers. Therefore, this Funding Workgroup is sorely needed. But we should also be mindful of possibly-parallel opportunities to enhance civic engagement around infrastructure projects generally, across all sectors.

Finally, Montgomery Planning’s recommendation to bring in a highly-skilled, transportation-infrastructure facilitator is a wise one, and I heartily support Dr. Glenn Orlin’s self-nomination in this regard. I also stand ready to assist.

Thank you.

Lee R. Keiser

ADDENDUM

GO Item #1
March 6, 2025
Worksession

MEMORANDUM

March 5, 2025

TO: Government Operations & Fiscal Policy Committee
FROM: Livhu Ndou, Senior Legislative Attorney
SUBJECT: Resolution to establish the Infrastructure Funding Workgroup
PURPOSE: **Worksession Addendum**

Enclosed is a memorandum from Councilmember Friedson regarding the membership of the infrastructure funding workgroup. The memorandum is attached at © A1.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

ANDREW FRIEDSON
COUNCILMEMBER, DISTRICT 1

CHAIR, PLANNING, HOUSING AND PARKS COMMITTEE
GOVERNMENT OPERATIONS AND FISCAL POLICY COMMITTEE

MEMORANDUM

March 4, 2025

TO: Members of the Government Operations & Fiscal Policy (GO) Committee

FROM: Councilmember Andrew Friedson 

SUBJECT: Membership of the Infrastructure Funding Workgroup

As a County Council and Government Operations and Fiscal Policy (GO) Committee, we have had numerous policy discussions regarding infrastructure funding as we continually seek to find a balance between the funding needs of our schools, transportation, and other public priorities, and our community's growing housing affordability challenges. It is my hope that the Infrastructure Funding Workgroup will provide a venue for thoughtful discussion and decision-making on how we find the best balance to ensure Montgomery County maintains our high quality of life and fulfills our values as a welcoming and inclusive community.

Representatives from the public sector provide critical perspectives on the nuanced options and competing policy choices related to funding infrastructure and building homes. However, it is essential to include the perspectives of our private and nonprofit housing providers. Therefore, I respectfully urge the Committee to support an expansion of the Infrastructure Funding Workgroup's membership to include both a for-profit and a non-profit housing developer. Because the financing structures of market-rate and subsidized affordable housing investments are different, both perspectives are essential to ensure a thorough and informed understanding of options and potential solutions.

CC: Councilmembers
Confidential Aides
Livhu Ndou, Legislative Attorney
Pamela Dunn, Senior Legislative Analyst
Bilal Ali, Legislative Analyst