

Dear Council President Katz and County Councilmembers,

I am writing on behalf of MCCPTA to address a few remaining items in the SSP.

- 1) The annual school test
- 2) Seat thresholds
- 3) Utilization Premium Payment levels
- 4) Purple Line Station Areas
- 5) School Impact Areas

1. Annual School Test

The straw vote to establish a school's adequacy for the entire year is NOT consistent with other guidelines in the SSP.

Adequacy standards are only meaningful if we evaluate the impact that an application will have on existing infrastructure. **Consider the application of traffic tests.** We do not simply set the status of an intersection in a vacuum. Indeed, traffic, transit, bike and pedestrian adequacy tests **ALWAYS consider the impact that a project will have.** In fact, this is the case for every single agency that participates in the SSP process. Schools should be no exception. School adequacy must be analyzed as is all other infrastructure. Claims that student generation rates and enrollment forecasts are not an exact science are not valid excuses to discard the case-by-case application of the school test.

The APFO requires an adequacy determination be made. The Board may only approve a preliminary plan when it finds that public facilities will be adequate to support and service the subdivision. Further, the Board must **"provide analyses of current growth and the amount of additional growth that can be accommodated** by public facilities and services." The spirit of the policy is to compare the needs of an application to our ability to meet those needs. **This must be done for each preliminary plan application or else it does not meet the APFO requirement.**

This is what we do now, and this does not equate to cumulative tracking. The 2007 SSP intended for projects to be tracked cumulatively, but it was not implemented correctly. By evaluating individual projects against the available staging ceiling, you will simply codify what the Planning Board has been doing for the last 13 years.

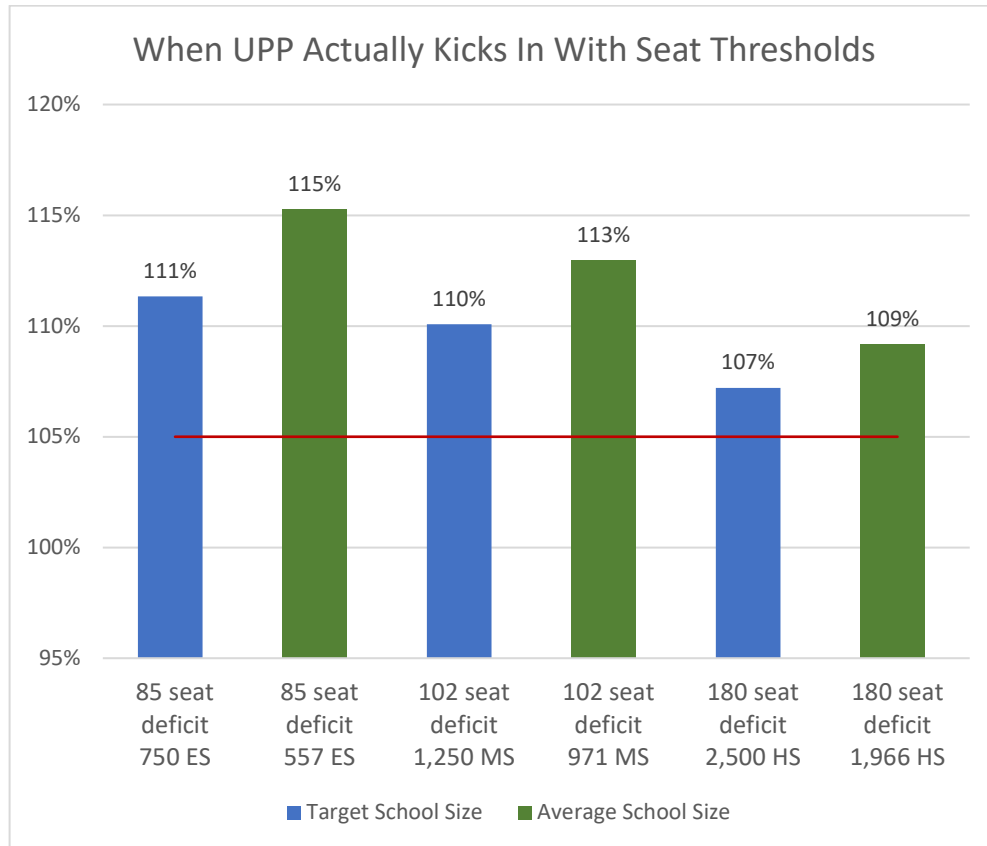
The only defensible approach is to support the current evaluation process, which no longer results in limiting development, and would merely trigger appropriate Utilization Premium Payments when an application will exceed the established adequacy standards. This is the key mechanism to fund severely overcrowded schools. Using an annual status of open or closed does not measure the **amount of additional growth that can be accommodated** as required by the APFO. Annual status would mean that in an area that is Open, in a given year thousands of units generating hundreds of students could be approved and the UPP would not kick in. Annual status not only fails to measure adequacy, it also gives up the funding that MCPS needs to accommodate unregulated enrollment growth.

2. Seat Thresholds

The addition of proposed seat thresholds also undermines the UPP. The graph below shows the impact that seat thresholds will have on collection of Utilization Premium Payments. Using a seat threshold for an elementary school, for example, will put an average elementary school at 115% before an UPP is triggered. Seat deficit thresholds made sense under threat of moratorium. But if the enrollment

thresholds are a funding mechanism, the seat deficit is irrelevant. While a capital project might not be in order at 105% there are other direct capital costs of overutilization.

Furthermore, MCPS spends over \$5 million on relocatable classrooms per year. These are the bridge between 100% enrollment and a capital project. While they are technically an operating expense, they are directly related to capacity and should be considered a valid use of UPP funds.



3. Utilization Premium Payment Rates

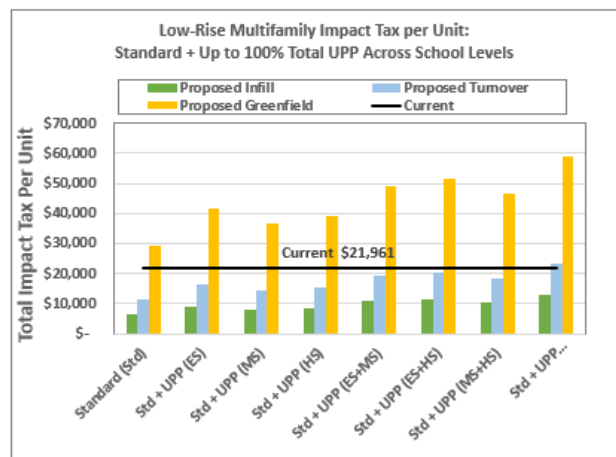
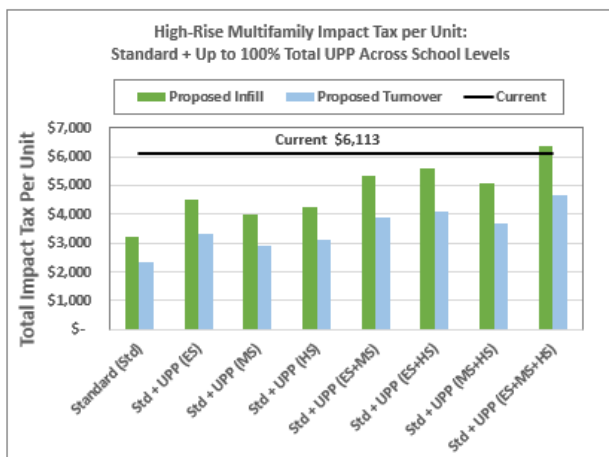
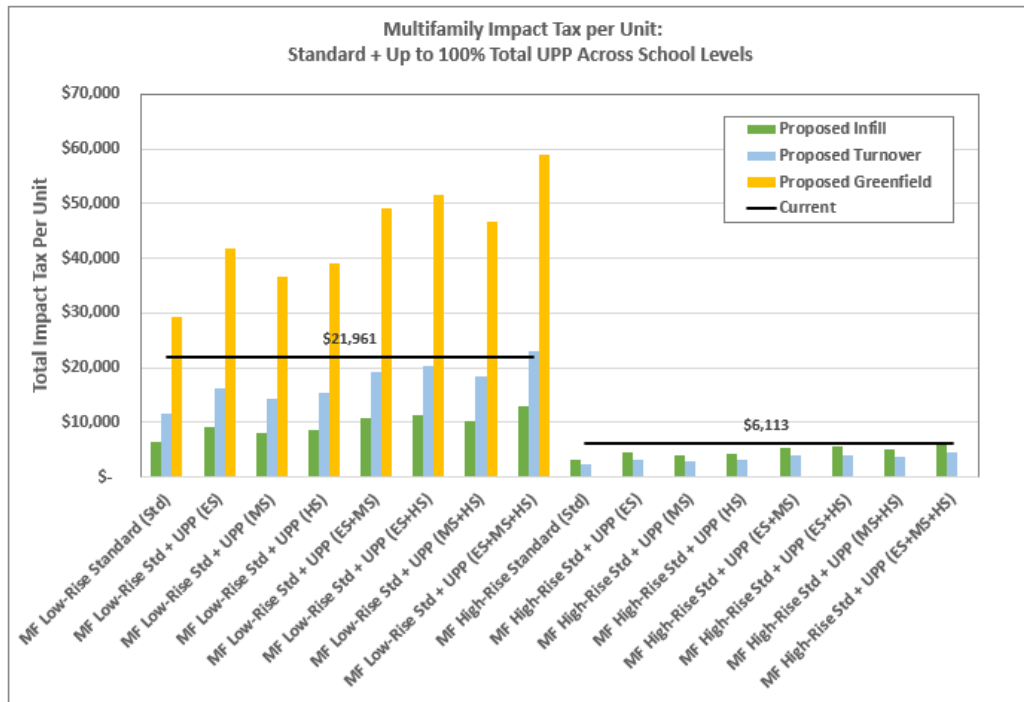
UPPs must be set at meaningful levels in order to offset the myriad discounts, tax incentives, subsidies, and impact tax exemptions. 20/40/60 – even at 105% – will not yield material funding for our schools. And at no point will UPPs “throw off cash.” Between MPDU exemptions and opportunity zones and ever-increasing tax incentives for developers, **every unit costs the County money**, and residents will pay for that. Rhetoric about a “new resident tax” oversimplifies the fiscal challenges the County faces. Creating an effective “family tax” would also have negative consequences.

Keep in mind also that **there are virtually no circumstances under which a project will pay the entirety of the UPP rate** that you set. That is, a 40% (total) UPP triggered by a high school will only result in a premium payment of 13%.

The percent of the UPP that is paid by an ES, MS or HS is 42%, 25% and 33% respectively.

Furthermore, even at a 100% UPP across all levels STILL results in a LOWER impact tax per unit than is imposed today.

Also bear in mind that it is appropriate for the UPP to exceed impact. It is not an impact tax. **It is payment that allows a developer to proceed in spite of overburdening our infrastructure** and it is only linked to the impact tax as a means of determining the rate.



4. Purple Line Station Areas

It is inconsistent with a data driven approach to change Purple Line Station Areas to Infill Impact Areas. The designation should be based in reality and reflect any changes in quadrennial updates. **In no other cases do we designate an impact area based on what we want or expect it to be over time.**

5. School Impact Areas

If the Greenfield Impact Area designation is eliminated, there is very little justification for the remaining two designations, which are not discernibly different. It makes more sense revert to countywide rates and simplify the already overly complex rate structure.