

October 2007 ■ Conference Paper 03

Smart Growth in Maryland

*The Impact of a Coordinated Approach on
Community Revitalization across the State*

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**Smart Growth in Maryland:
The Impact of a Coordinated Approach
on Community Revitalization across the State**

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Abstract:

Much of the press and academic attention paid to the Maryland Smart Growth effort is focused on the impacts and implementation of Priority Funding Areas and on Rural Legacy and agricultural preservation programs aimed at protecting undeveloped rural lands. Indeed, Maryland spent some \$143.6 million between FY 1999 and FY 2007 on the Rural Legacy program. Much less attention is paid to the \$679.3 million of State monies expended to support revitalization efforts in existing communities.

This study assesses the impact of the less visible, locally oriented, toolbox of Smart Growth initiatives supporting revitalization efforts in urban communities across the State. This assessment considers the effects of the following programs: Community Legacy and Neighborhood Intervention; Community Parks and Playgrounds; Historic Preservation Tax Credits; Main Street Maryland; Neighborhood Business Development; Neighborhood Conservation/Community Enhancement; and Priority Places.

Conclusions

- The most important lesson to learn from the experience with the Neighborhood Conservation initiatives is that Smart Growth can be achieved by programs that invest in revitalization within Priority Funding Areas.
- The completion of projects supported by these programs has had clear benefits to the perception that older downtown areas can be quality places for new residential development and for high quality commercial development.
- The programs, if given time to work, have the affect of drawing private investment to an area.
- The success of revitalization efforts, while visible on the ground in a variety of communities, is not documented in any systematic way by the State.

Prepared: August 2007

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Acknowledgments:

We would like to acknowledge the generous assistance of all the local officials who responded to the survey questionnaire and especially to Cathy Flerlage, Phyllis Grover, Cheryl Lewis, Kathy Maher, Douglas Miller, and Laschelle Miller. In addition we are grateful for the assistance of staff from the Maryland Department of Planning, the Maryland Department of Housing and Community Development, the Maryland Department of Natural Resources and the Maryland State Highway Administration.

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Introduction

The name of the 1997 Maryland State initiatives is "Smart Growth and Neighborhood Conservation." The title is no accident; it reflects a dual goal of reducing the State support for sprawl, while simultaneously increasing State support for the revitalization of existing communities and targeting new growth to existing centers.

Much of the press and academic attention paid to the Smart Growth effort is focused on the impacts and implementation of Priority Funding Areas and on Rural Legacy and agricultural preservation programs aimed at protecting undeveloped rural lands. Indeed, Maryland spent some \$143.6 million between FY 1999 and FY 2007 on the Rural Legacy program. Much less attention is paid to the \$679.3 million of State monies expended to support revitalization efforts in existing communities.

The 1997 initiatives incorporate a range of new and existing State programs under the umbrella of Smart Growth. In addition to targeting State infrastructure investment through the Priority Funding Area initiative, the programs that are part of the "toolbox" for revitalizing communities (*Smart Growth in Maryland, Maryland Department of Planning, July 2001*) include such diverse programs as:

- Community Legacy,
- the State Highway Administration's Neighborhood Conservation Program, and
- Historic Preservation Tax Credits.

This study assesses the impact of the less visible, locally-oriented, Toolbox of Smart Growth Initiatives upon revitalization efforts in urban communities across Maryland.

The Tool Box of Programs

This assessment considers the effects of the following programs:

- Community Legacy and Neighborhood Intervention
- Community Parks and Playgrounds
- Historic Preservation Tax Credits
- Main Street Maryland
- Neighborhood Business Development
- Neighborhood Conservation/Community Enhancement

- Priority Places

Community Legacy and Neighborhood Intervention

Community Legacy is a program of the Department of Housing and Community Development

Neighborhood Intervention is an additional funding program within Community Legacy. Like Community Legacy funding, this program provides funding for local economic development; however, it does not require a comprehensive revitalization plan or designation as a Community Legacy Area.

The Community Legacy Program began in 2002 and through FY2007 has distributed a total of \$42,193,000 to 390 projects. The total public and private investment in these projects is \$233,364,418. Of the 390 projects, 367 of them are Community Legacy projects and 23 are Neighborhood Intervention projects.

Community Parks and Playgrounds

The Community Parks and Playgrounds Program is sponsored by the Maryland Department of Natural Resources, Capital Grants and Loans Administration. This program provides local governments with grants to improve or expand existing parks, or create new parks. Communities can use the grants to purchase and install new playgrounds within these parks. The Community Parks and Playgrounds program began in fiscal year 2002 with an initial budget of \$5.4 million. The program has allocated \$29.9 million to 306 projects through FY2007.

Historic Preservation Tax Credits

The goal of the Historic Preservation Tax Credit Program, administered by the Maryland Historic Trust, is to maintain existing neighborhoods and residential populations in older areas. This program provides benefits to home owners within historic districts by providing tax credits for improvements made to the house. The State provides Maryland income tax credits equal to a percentage of the qualified capital costs expended. The percent of qualified capital costs has changed over the years ranging between 10 and 25 percent. Since 2002, the qualified capital costs have remained at 20 percent. Improvements can include upgrading plumbing and electrical systems, addition of enhanced air conditioning and heating systems, and modernization of kitchens and bathrooms.

Neighborhood Business Development Program

The Neighborhood Business Development Program, created in 1995 and administered by the Department of Housing and Community Development (DHCD), is a resource to revitalize and stimulate the economy in Maryland's older neighborhoods. The program provides flexible gap financing through loans to small businesses starting or expanding in locally designated revitalization areas throughout the state. Small businesses can receive loans ranging from \$25,000 to \$500,000 at below market interest rates. Non-profit

organizations whose activities contribute to a broader revitalization effort can also receive loans and grants.

The loan amount can equal up to 50 percent of the total project costs. Most of the loan terms average between five to ten years, depending upon the use and size of the loan. The loans require personal guarantees, collateral, and a minimum five percent capital cash contribution from the applicant. There are no application fees or prepayment penalties.

The program has awarded 241 loans for a total loan amount of \$45,179,636. In addition, there are 214 grants in the amount of \$16,791,956. The total development costs for these projects are \$61,971,592. DHCD estimates that every dollar of Neighborhood Business Works Program money invested leverages \$4.90 of private/public investment. This investment has created 10,907 full-time jobs.

Neighborhood Conservation/ Community Safety and Enhancement Program

The State Highway Administration began the Neighborhood Conservation Program in 1996. The program was designed to fund improvements to state highways in existing communities where the improvements could help to promote economic revitalization and neighborhood conservation. Numerous improvements could be funded including resurfacing, drainage, sidewalk restoration, enhancements for bikes and pedestrians, or improved access to public transit. The program ran through 2002 when it was shut down due to budget shortfalls. During the time frame from 1996 through 2002, 73 projects were funded in the program which had an overall budget of \$250 million.

In 2004, the program was reinstated under the new name of the Community Safety and Enhancement Program. Since the reinstatement of the program, 33 projects have been funded, half for construction and half for preliminary design and construction. The budget for the program has averaged \$22 million per year.

Projects currently in the program are much larger than when it was initiated in 1996. The average project in 1996 cost \$1.8 to \$2.0 million and was less than one mile long. Today the average project averages \$7 million and is 1.5 miles long. Scopes have increased for various reasons including drainage improvements and compliance with the Americans with Disabilities Act. Typically, a significant portion of the budget, 35 percent, goes towards drainage improvements since most of these towns are old and have very poor drainage and stormwater management systems. The projects also tend to be all encompassing since there is only one chance to have improvements funded through this program.

There is currently an unfunded need of \$350 million for the program. There are approximately \$40 million of unfunded projects in various stages of development.

Main Street Maryland

The Main Street Maryland Program is administered by the Department of Housing and Community Development in partnership with the National Trust for Historic

Preservation’s National Main Street Center. The objective of the program is to strengthen the economic potential of Maryland’s traditional main streets and neighborhoods. If a community meets the eligibility requirements and is selected, Main Street Maryland assists in improving the economy, appearance, and image of the traditional downtown business district.

The Main Street Maryland program has no specific annual budget; however, the 18 Main Street jurisdictions have made significant improvements to their downtowns and surrounding communities. **Table 1** shows the location of the Main Street Maryland jurisdictions and the year they completed the Main Street program.

Table 1: Main Street Maryland Communities

Main Street Community	Date Completed
Bel Air	2001
Brunswick	2004
Cambridge	2003
Cumberland	1998
Denton	1999
Dundalk	2004
Easton	1998
Elkton	2003
Frederick	2001
Frostburg	2001
Havre De Grace	2005
Mount Airy	2004
Oakland	1998
Salisbury	2001
Takoma Park	2004
Taneytown	2000
Thurmont	2005
Westminster	1999

Source: Department of Housing and Community Development

Priority Places Program

The Maryland Department of Planning runs the Priority Places Program, in coordination with the Smart Growth subcommittee comprised of multiple state agencies. The Priority Places Program assists cities, suburbs, and small towns in creating well-planned developments and revitalizing existing communities in targeted high-growth areas throughout the State. This program builds on the Priority Funding Areas law and helps to focus State resources to particular places or projects within these areas.

Priority Places are selected based on the ability of the area to generate additional income from private investments and to spur improvements and a better quality of life in the larger surrounding area. The anticipated result is an area which offers a variety of

transportation choices and easy access to jobs, schools, shopping, and daily needs. Priority Places plan and promote land use patterns which are environmentally-friendly and good for the economy. These places use existing infrastructure (roads, utilities, etc.) as much as possible to minimize environmental impacts.

Table 2 lists the seven communities selected as Priority Places.

Table 2: Priority Places and Year

Community	Year
Crisfield	2005
Leonardtwn Wharf	2005
Hyattsville	2005
Poppleton (Baltimore City)	2005
Carroll Creek (Frederick City)	2006
Long Branch (Silver Spring)	2006
East Baltimore Development Initiative	2006

Source: Maryland Department of Planning

Total Funding and Effectiveness

Over the last decade each of the programs in the toolbox has received a wide range of funding and administrative support from the State. There is no uniform measure of funding relative to need or the number of applications received. The research team collected the funding data in **Table 3** through telephone calls to the individual program directors. The Main Street Maryland Program and the Priority Places Program do not have dollar amounts allocated to them. The other programs support specific development areas or proposals. Table 3 also reports additional investment in the development areas or proposals. The result is an interesting insight into the multiplier effect that targeted investment in projects can achieve.

Table 3: Toolbox Programs Total Expenditures 1997 – FY 2007

Program	State Funding	Total Project Costs
Community Legacy	\$42,193,000	\$233,364,418
Community Parks & Playgrounds	\$34,900,000	No Data
Historic Tax Credits	\$202,197,576	\$759,942,162
Neighborhood Business Works	\$61,971,592	\$303,661,000
Neighborhood Conservation	\$338,000,000	No Data
Total	\$679,262,168	\$1,296,967,580

Source: State of Maryland Program Directors

The data indicates that State investment in these programs is accompanied by local and private investment at a ratio of about two dollars for every one dollar expended. These numbers include only money invested on the projects in question. The project totals do not include the additional investment in surrounding areas that is encouraged by the initial investment.

Community Survey

Research Method

The research survey measures the degree to which local communities rely upon individual toolbox programs to achieve Smart Growth goals and then to measure how effective the communities perceive those programs to be in meeting their expectations. The overall response rate to the mailed survey is 16 percent. Because each community uses a different combination of programs the survey results are based on percentages of responses received for each program.

KCI Technologies, Inc. (KCI) has canvassed towns and counties across Maryland with a three-page survey to determine how communities perceive the contribution of the programs in the Smart Growth toolbox to achieving revitalization objectives. Specific questions KCI asked include:

- Were your revitalization efforts successful?
- What measures were used to determine success? (e.g. retail sales, new housing starts)
- To what degree did you rely on the State programs or initiatives identified in the ‘toolbox’ of Smart Growth programs?
- What specific State programs were used?
- To what degree did success depend upon those programs?

Based on initial responses, KCI staff interviewed a representative sample of community officials from around the State. The local officials responded to a list of questions designed to elicit more specific details regarding the value of these programs to local revitalization efforts. The interview questions focused on the following issues:

- Coordination among programs
- Ease of use or access
- Responsiveness to revitalization goals
- Sustainability of revitalization efforts
- Geographic scope and targeting to needed areas
- Ability to attract private investment

The interviewers asked follow-up questions to learn what the State or the local government might have done differently using the programs to improve the effectiveness of the revitalization.

Reliance

Table 4 shows the degree of reliance upon each program reported by responding communities. Degree of reliance is a measure of the expectations for these programs. The Community Legacy Program is the program most relied upon by communities across the State. More respondents actually use this program than any of the others listed. Of those who list Community Legacy as an initiative, nearly 82 percent give this program a score of 4 or 5 (five was the maximum). Only one other program is relied upon so extensively among respondents. Sixty (60) percent of the respondents give the Community Parks and Playgrounds Program a score of 4 or 5. Both of these programs support amenities or facilities that are identified by local governments as important to revitalization efforts. It is not surprising that local governments would more heavily rely upon those programs that provide direct financial support to needed facilities.

Table 4: Reported Reliance on Toolbox Programs

Program	Responses	Low (Score 1-3)	High (Score 4-5)
Community Legacy	11	18%	82%
Community Parks and Playgrounds	10	40%	60%
Historic Preservation Tax Credits	10	60%	40%
Main Street Maryland	10	50%	50%
Neighborhood Business Development	11	73%	27%
Neighborhood Conservation	8	50%	50%
Priority Places	8	50%	50%
Other State Programs	10	80%	20%

Effectiveness

The logical follow-up is to ask how effective the programs were. If a program is relied upon heavily, the expectations for success resulting from its use are correspondingly high. The responses for estimates of effectiveness are shown in **Table 5**, also on a scale of one to five.

Table 5: Estimate of Effectiveness

Program	Responses	Low (Score 1-3)	High (Score 4-5)
Community Legacy	11	27%	73%
Community Parks and Playgrounds	10	30%	70%
Historic Preservation Tax Credits	9	33%	67%
Main Street Maryland	8	25%	75%
Neighborhood Business Development	9	44%	56%
Neighborhood Conservation	7	57%	43%
Priority Places	8	63%	38%
Other State Programs	8	63%	38%

Again the highest ranked programs are the Community Legacy Program, which 73 percent of the respondents give a rating of 4 or 5, and the Community Parks and Playgrounds Program, which 70 percent of the respondents give a rating of 4 or 5.

There are some interesting departures from the reported reliance on other programs. Only 50 percent of the respondents say they rely heavily on the Main Street Maryland Program. Yet when asked about program effectiveness, 75 percent of the respondents rate it as very effective. Perhaps more interesting is the Historic Tax Credit Program. Most communities do not indicate that they rely heavily on this program; yet this program was rated as highly effective by 67 percent of the respondents. There is a clear recognition by local governments of the importance of tax credits in historic revitalization areas. The program most relied upon by communities across the State was the Community Legacy Program. First of all more respondents actually utilized this program than any of the others listed. Of those who did list Community Legacy as an important initiative nearly 82 percent of the respondents gave this program a score of 4 or 5 (five was the maximum). In this category only one other program was relied upon so extensively among respondents. Sixty (60) percent of the respondents gave the Community Parks and Playgrounds program a score of 4 or 5. Both of these are funding programs that support amenities or facilities that are identified by local governments as important to revitalization efforts. It is not surprising that local governments would more heavily rely upon those programs that provide direct financial support to needed facilities.

One last finding is worthy of mention. More communities list the Priority Places Program as a program that they rely upon than have actually been selected for participation in it. On further investigation it becomes clear that some communities confuse Priority Places with the Priority Funding Area concept. The overall effectiveness rating for Priority Places was fairly low (about 38 percent gave it a high rating); however, all the communities actually participating in the program give it the maximum rating of 5 for effectiveness.

Overall, the average scores and written responses in the survey documents indicate a consistently high degree of effectiveness for all of the programs in the Smart Growth toolbox. The responses are accompanied by statements that make it clear that use of these programs is a key to successful revitalization of a number of communities. This is as true for very small communities - Crisfield states that the initiatives are “very important” in establishing a strategic revitalization plan for the community- as it is for larger municipalities. The Town of Bel Air states that the “Smart Growth Initiatives were critical to the town’s efforts. The programs provided the funding, technical support and organizational assistance necessary to successfully move ahead with the town’s revitalization.” This positive response extends even into large urban counties. Anne Arundel County, in responding to the overall importance of the initiatives states that they “were an important incentive for private investment and in some cases provided the ‘but for’ funds that made the project a ‘go’.”

Program Assessment: Case Studies

The researchers look at a range of communities by size, circumstances and geographic location across Maryland. Officials in these towns answer specific and detailed questions regarding their experiences with the Toolbox of Smart Growth Initiatives. They describe the long-term success and remaining issues surrounding their revitalization efforts.

Hagerstown

Hagerstown, located in Washington County in western Maryland, is a mid-sized municipality with a 2000 Census population of 37,000. In 1997, the downtown area had been declining for a number of decades. It was largely viewed as unsafe, in a western Maryland context, and had a declining base of businesses despite remaining the center of county government.

Hagerstown officials viewed the key decision that has led to their revitalization success as the decision by the State to require the University of Maryland to locate their satellite campus in a building to be renovated downtown rather than in the site preferred by the University on Interstate 70. Using that as a focal point, they used the Community Legacy, Community Parks and Playgrounds, Neighborhood Business Development and Historic Preservation Tax Credits to support their revitalization efforts. Hagerstown rated all these programs highly for both reliance and effectiveness.

Hagerstown tailored their goals to those expressed in the State Programs. The Neighborhood Development Program was the initial program used. It required the designation of an area, which Hagerstown focused on downtown neighborhoods. Using that as a focus point, they utilized a number of the programs mentioned in the Smart Growth Toolbox.

Community Legacy started out as a grant and capital improvements program. The City used it to provide \$20,000 grants for mortgage assistance to existing homeowners so they could bring their homes up to code. The mortgage program (Community Legacy) reached 23 to 24 homeowners and has resulted in some investment (and re-sales) by neighboring homeowners. Property values have spiked since 2003. The City also spent \$110,000 of Community Legacy money for residential off-street parking in the targeted area. In 2004 and 2005, Hagerstown began to see a significant increase in investment in the revitalization area. That investment appeared to be tied to the opening of the University of Maryland Center in January of 2005. But other redevelopment and new development matured at the same time. The success of the program became apparent several years after key decisions were made; it did not happen overnight.

Other state programs were used in addition to those in the Toolbox, for example, Program Open Space. Most local residents see changes in the downtown area as a success of Smart Growth but do not necessarily associate it with individual programs or the State's initiatives. Residents are more likely to associate it directly with the opening and success of the University Center.

La Plata

La Plata is located in Southern Maryland and is the county seat of Charles County. Prior to 2000, the Town was beginning to use Smart Growth concepts to revitalize their downtown. They had used State resources and technical assistance to adopt a vision statement and plan for revitalization. In 2000, a major tornado destroyed much of the downtown area, after which the recovery effort in La Plata became a priority area for the use of the Toolbox of Smart Growth programs and other assistance. La Plata used Community Legacy extensively after the tornado. It was used to replace or build commercial buildings and some residential structures. The Town lost 134 businesses in the storm, but eventually recovered 133. They used Historic Preservation Tax Credits to restore the Carrico building and they used the Neighborhood Business Development Program extensively.

The primary geographic focus of the revitalization effort was downtown, though there are spillover benefits elsewhere. The downtown revitalization appears to be lasting, sustainable, and full time. There has been extensive private investment in the revitalization area. The Centennial Street offices, which stretch from the downtown core on St. Mary's Street out to US 301, are all the result of private investment. The developer is also planning to construct a mixed-use (apartments in the upper level) development in the area as well. Edelen Station is another private investment on a site that used to be 7 ½ acres of tobacco warehouse. The development has 150 luxury condominiums and some affordable units (below \$200,000) as well.

The Town views their success as stable in the long term. Businesses are seen as stable with little turnover. Expectations for additional, and substantial, residential growth are leading to additional commercial development in the downtown core and the US 301 strip. An expansion of the hospital is in the works. A positive sign is the increase in activities that are keeping people in town in the evenings.

The Town and its residents have accepted significant new growth since the tornado. They are, however, adamant about good design. The Town has higher expectations for new development than it used to and has disapproved development proposals from national retail chains that do not conform to the commercial guidelines. In fact, the older businesses, those that were present prior to the tornado, are the hardest to convince that the guidelines are necessary.

Aberdeen

Aberdeen is a town of 14,000 residents located in Harford County in the Baltimore Metropolitan area. The town is commonly associated with the Aberdeen Proving Grounds and is expected to absorb a significant amount of growth in the immediate future related to the Base Realignment and Closure Commission (BRAC). Up to this time, the Town itself has experienced limited growth except in a few, controversial, annexation proposals. Growth has occurred primarily in the areas in surrounding Harford County.

Aberdeen relied heavily on Community Parks and Playgrounds for a number of projects; however, their primary source of assistance was a combination of Community Legacy

and Community Development Block Grants along with county assistance. They did not receive Main Street designation because they do not employ a Main Street Coordinator. They found Community Legacy easy to work with. It allowed them to develop and implement their own program for revitalization. DHCD's revolving loan program was also important.

The City targeted the downtown area for revitalization efforts, however their designated downtown included the commercial areas along US 40, which tends to diffuse the geographic focus of the revitalization activities.

Private investment has been important to the revitalization. For the most part, it has come from a single local investor who has focused on health care services and has tied this strategy to the senior center located downtown. In addition, a small sandwich shop has opened with private investment. The downtown area still needs residential development as well as the weekend and evening activity supported by nearby residents.

Aberdeen does a business survey twice a year. At last count they had a 97 to 98 percent occupancy rate in their downtown. Despite this high occupancy rate, there is a continuing need for State programs to maintain and increase momentum.

The public does see the improvement in the downtown area, but does not associate it with the Smart Growth Initiatives. The public will generally still react negatively to high density proposals. They might react differently to locally-scaled development in the downtown.

Aberdeen needs assistance in the three large infrastructure areas of schools, transportation, but most especially water supply. They need assistance to address aging infrastructure such as water, sewer, and stormwater facilities. There are no State programs to address conditions in older military housing communities. Such programs do not exist outside of CDBG grants, which are insufficient for the task.

Leonardtown

Leonardtown is a small but growing municipality in southern Maryland and is the county seat of St. Mary's County. It has been an early, constant and enthusiastic participant in Smart Growth programs. Leonardtown received a Smart Growth award in 2002 from Governor Glendening for its downtown revitalization efforts. More recently it has been a recipient of a Priority Places designation for the Leonardtown Wharf project.

Leonardtown used Community Legacy funding and the Priority Places designation as building blocks for their downtown area goals. The goals of Smart Growth matched very well the goals established by the Town for its revitalization. The Town has focused its efforts on the downtown (immediately around the Town square) and the wharf project. They have required that other residential development in the Town be based on neo-traditional development principles and have made connectivity with the downtown a key component of those projects. State staff has been supportive in helping the Town implement design principles to support that goal.

The residential activity in surrounding areas of the Town is the biggest private investment in the community. This activity is largely the effort of two local developers. They have supported the town with impact fees for sewer line upgrades, school sites, and \$500,000 for the Wharf project. In addition, there are four or five new restaurants in the downtown. New investment has occurred in public buildings. The Town offices are in two floors of a privately funded building. The Town has purchased two floors in a condominium arrangement. Other local builders have rehabilitated downtown buildings. Redevelopment of an apartment complex downtown is under way.

Town officials do not believe that downtown revitalization can ever be left without the support of government attention. Nevertheless, they believe that development and redevelopment in the downtown has reached a critical mass that allows it to be self-sustaining in the short-term. In addition there are restrictions on additional growth in the surrounding county that has resulted in Leonardtown becoming the center of growth and development in the County. After the BRAC decisions in the 1990s, the center of development activity in St. Mary's County had been Lexington Park.

Trappe

Trappe is a small town in Talbot County on Maryland's Eastern Shore. In 2000 it had a population of 1,100. For many years the town had been bypassed by any development activity. In recent years residents have demonstrated unhappiness with a continuing decline in population and declines in locally-oriented business. The Town has responded with an aggressive policy of annexation around the town with a very strict limit of 7,000 to 8,000 people as a total build-out population to be achieved over a very extended time frame. Any individual development proposal will be approved only if it is accompanied by a commitment by the developer to pay for any needed infrastructure improvements and services. The Town has also incorporated a strong greenbelt concept into their comprehensive plan. No additional annexations are expected other than two or three parcels for public purposes. Development activity to date has occurred exclusively within the historic confines of Trappe.

Nearly all of the development activity in Trappe has been the result of private investment. With the knowledge that development in a larger, annexed area is coming, local builders have invested in the downtown. This investment includes a restaurant complex which will ultimately have three eating establishments where previously the Town had none. A local investor has also demolished some dilapidated buildings a block away from the downtown and is constructing mixed-use buildings with retail on the ground floor and apartments on the second floor. The development community has paid for everything in Trappe. This includes funding for a town planner, funding for police officers and eventual funding for a new fire station and town hall. The development that is occurring in the downtown is happening with the expectation that there will be an increased population creating a demand for small localized services in the community.

Community Parks and Playgrounds provided some money that was very helpful. The Town also was able to use some Community Development Block Grant assistance.

Because the State did not agree with the approach being taken by Trappe, the Town has not received substantial assistance from any of the other Smart Growth programs. The Town has sent repeated applications (Priority Places, Community Legacy) but has never received assistance from the State.

Key Findings

Reading the responses to the survey and discussing Smart Growth with local officials, there is no doubt in the minds of local officials about the value of State programs that are targeted and financed sufficiently to support downtown revitalization. The list of successful downtown communities in Maryland is extensive and growing. Examples can be found in every region, in successful downtown revitalization efforts in Glen Burnie, Cumberland or Hyattsville, or in smaller communities like Oakland or Vienna. This success is concrete and visible.

There are common threads in the survey responses. One is an almost universal satisfaction with the toolbox programs as well as the accessibility of the programs and the interaction between local officials and the program managers. The responses to the survey questions vary from jurisdiction to jurisdiction, but generally the local governments characterize the experience as very positive. As might be expected, programs that come in grant form are greatly appreciated. Programs that come with requirements for matching funds are not as accessible, especially to small jurisdictions. Most jurisdictions describe the State agencies involved with the programs as very helpful throughout the process, but jurisdictions that have not received assistance through competitive programs, such as the Community Legacy and Priority Places Programs, are more critical. Nearly all of the jurisdictions report positive experiences with State agencies once their programs are approved.

There are common themes throughout the responses to the survey and follow-up questions regarding the long term prospects for continuing success of downtown revitalization. One theme is that there are certain indicators that tell whether existing efforts have been successful and whether the revitalized area has ‘turned a corner’. The indicators in nearly every case are:

- Private investment in the area (especially local investment),
- Residential development close by or oriented to the revitalization area, and
- Night-time and weekend activity.

In each case there is a perceived tipping point, at differing scales depending on the size of the community, at which downtown activity becomes self-sustaining after which it begins to attract additional similar activities and investment. Viewpoints from respondents regarding the sustainability of revitalization efforts are tied directly to actual activity in these areas or expected activity in the relatively near future.

That said, no one felt that the downtown areas can be left to support themselves. Everyone believes that continued improvements and attention to the changing needs in a revitalization area is necessary to maintain the momentum that has been achieved. Some officials express the view that the quality of their revitalization efforts means that they

will continue to grow while surrounding areas see resistance to new growth and development. Of greater concern to a number of respondents is the ability of local governments to meet new requirements for the management of storm water, water quality standards associated with Total Maximum Daily Loads and the costs of upgrading and maintaining aging infrastructure.

Keeping in mind the overwhelmingly positive response to the range of neighborhood revitalization programs that have been established, local officials emphasize the following points:

- 1. Continuing and increasing attention to and funding for revitalization is the best way to promote development consistent with Smart Growth goals:** The track record demonstrates that each dollar of State investment in redevelopment efforts generates an additional two dollars of local or private investment in a downtown area. The State needs to continue to keep the needs of local communities in mind in any policies and legislation that affect growth and development. For years, State and federal programs subsidized suburban growth at the expense of downtown communities and small municipalities. Many of those programs still exist and should be examined further. The State needs to continue and increase funding for programs that are targeted to support the revitalization of downtown and neighborhood, community-oriented, commercial and residential areas. There are continuing needs for programs to provide support for a variety of projects from streetscapes to downtown parking.
- 2. The importance of finding and nurturing locally oriented private investment:** One of the key indicators of the success of any revitalization effort is private investment. In most communities some of the most beneficial and visible projects are the work of local investors. In addition to supporting revitalization through continuing investment, State and local programs should be designed to encourage such investment through streamlining the decision making processes for permits and development ordinances. The accessibility to local investors of programs providing financial assistance or tax incentives should also be examined.
- 3. Understand the importance of a perception of success:** Closely associated with efforts to find and nurture local investment is the notion that success breeds success in revitalization efforts. Investment of all kinds will occur when there is a perception, at least, of success. If investors believe that revitalization is more than a passing fad, that it is real and continuing, then they will support the effort with their own resources. Once again it is important that State and local government have a continuing presence in the effort. The need for the types of investments and projects that bring evening and weekend activity to an area are key to this perception as well. Success has a momentum of its own. Economic activity and investment leads to additional residential development in an area which in turn leads to more economic activity. This is the “tipping point” mentioned by many respondents. Finally this perception applies to the initiatives as well. Even where revitalization has occurred it is not always associated with the programs that

provided the impetus for that success. State officials managing these programs need to do a better job in publishing the results of their success.

- 4. Streamline the process:** Generally the toolbox of programs assessed here were very flexible and responsive to local needs. This is an aspect of the initiatives, however, that also needs continuous attention. In addition other programs that affect revitalization efforts need to be coordinated so that they do not delay progress. Once again, this does not mean reducing environmental or other requirements. It does mean making sure that revitalization efforts get attention and priority in the decision making process. The Priority Places program had some limited success (largely due to limited application) in this area. Like Smart Growth in general, that effort needs to survive the transition from one administration to another.
- 5. Pay attention to the impact of new regulatory and planning requirements, especially requirements that add to the infrastructure finance burden:** New efforts to protect the environment, to regulate public infrastructure or to make local land use planning more meaningful are important in a Statewide context. Attention should be paid, when establishing these requirements, to the affect that they may have on revitalization efforts, especially when those efforts are just beginning to become established. Many of these programs are difficult or expensive to implement even for larger jurisdictions. Smaller jurisdictions often do not have the resources to implement the programs, or are lower on the priority list of whatever State or federal programs exist to provide assistance to local governments. Even where regulations have streamlining provisions, smaller jurisdictions may not even have the staff resources or budget to take advantage of the streamlined processes.
- 6. Understand the challenges that small communities have in attracting investment in their downtowns and the relationship of that investment to expectations of new growth:** If there are difficulties in accessing the toolbox of neighborhood conservation programs, those difficulties exist primarily in the State's smaller communities. Even the cost of preparing competitive applications to those programs may be beyond the technical or financial capabilities of those communities. Such communities need assistance in grant writing. They also have a more difficult time in attracting the local investment necessary to take revitalization beyond the affect of an individual project. Grant processes at the state level need to be fixed. Small towns, especially towns with historically declining populations, need aid in grant writing or the preparation by the grant agencies of standard formats that could be used by small town officials. The State needs to uncomplicate that process. Finally, the State often views growth in such places through the prism of past trends. There can be a lack of comprehension or sensitivity at the State level about how things work in local government, and especially in small communities. State officials (even State officials responsible for supposedly innovative programs) can be unwilling to think out of the box.

They can be too deeply wedded to their own projections and are unwilling to accept change even when their own programs are designed to encourage it.

Conclusion

The first and most obvious conclusion that can be drawn from any discussion with local officials about these programs is that they have been successful and that their importance for the continued success of neighborhood conservation efforts is clear. The completion of projects supported by these programs has had clear benefits to the perception that older downtown areas can be quality places for new residential development and for high quality commercial development.

Another conclusion drawn for the most part from discussions with local officials is that the programs, if given time to work, have the effect of drawing private investment to an area. The numbers provided by the program managers at the State level document the additional local government and private investment in specific projects supported by these programs. However, the subsequent investment in an area is not documented systematically. The research interviews resulted in some documentation of this impact and they also documented the importance of secondary investment to the long-term success of the initiatives.

The success of revitalization efforts, while visible on the ground in a variety of communities, is not documented in any systematic way by the State. Documentation of the impact of these programs should be a required feature of program management. The purpose of that documentation would be to support a continuing focus on the benefits of the programs in order to support a continuation of funding on a long term basis.

Making designated Priority Funding Areas more attractive places to live, work and play should be the goal of all of the Smart Growth and Neighborhood Conservation Initiatives. Only by making the areas of existing development desirable locations for private investment in businesses and residences can Maryland hope to change the development trends in the State seen over the last half century. This is as true for larger urban areas like Hagerstown, which is showing a trend towards downtown investment, as it is for incorporated towns in very rural areas. Small towns should not be criticized for being aggressive in finding ways to encourage and accommodate growth, even if projections based on past trends say that growth is unlikely. Growth can occur in these small communities at the intensities called for by the Smart Growth legislation and with the public infrastructure required to protect the local environment.

The most important lesson to learn from the experience with the Neighborhood Conservation initiatives is that Smart Growth is achieved by programs that invest in revitalization within Priority Funding Areas.