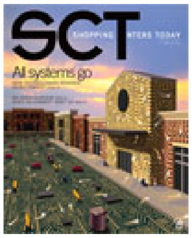

Maryland's road to smart growth

For Maryland Gov. Parris Glendening, growth issues hit close to home. The second-term Democrat has been known to tell stories of visiting his wife's family in rural Cumberland, Md., watching over the years as the state pumped millions into highway projects, the area's first regional mall went up, and downtown Cumberland died.

The developers of Downtown Silver Spring, a mixed-use project under way in Maryland, say it would have been impossible without the state's smart-growth initiatives.

As governor, Glendening's attempts to reverse this trend are being watched not only by his constituents, but by other states and cities, and by anyone with an interest in how this country might grow in the next century. In 1997, Maryland became the first state in the nation to pass statewide "smart-growth" planning initiatives.

Though still in its infancy, Maryland's plan has already met with praise and harsh criticism, from all sides of the growth-management issue.

How it happened

It is hardly Glendening's singular vision that led his state to enact smart growth. He was elected in 1994 by a state with a long history of stringent environmental and growth policies. Sean Davis, a principal with LDR International, a planning firm based in Columbia, Md., said smart growth, as proposed by Glendening, was a "logical next step," after former Gov. Donald Scheaffer approved a broad environmental protection act in 1992. Planners, including Davis, and others had discussed the concept since 1988.

Glendening's plan in Maryland follows fairly closely the model of smart growth as espoused by groups such as the Urban Land Institute (see related story, page 194). The goal is to ensure that new development takes place in municipalities and areas where infrastructure already exists, while protecting natural environments. The means is not through regulation but through incentive -- the state will kick in infrastructure costs only for projects in designated smart-growth zones. Projects in other parts of the state are permissible, provided they meet local permits -- but the state will not pay a penny for infrastructure, such as road improvements, to make the project happen.

The plan, actually a series of laws, also allows the state in some cases to buy open space for purposes of preservation, a plan similar to one overwhelmingly approved by sprawl-addled New Jersey voters in 1998.

The upside

The Peterson Cos., a development firm based in Fairfax, Va., along with Rockville, Md.-based developers Foulger Pratt Co. and Argo Investment Co., broke ground in April for Downtown Silver Spring, a mixed-use Main Street redevelopment in Silver Spring, Md. (Shopping Centers Today, April 1999). The development, a "new urbanist" project that seeks to combine narrow streets, offices, apartments for high- and low-income families, and 400,000 square feet of service and entertainment-related retail, would not have been possible without smart-growth incentives, said Tom Maskey, senior vice president of Peterson.

"We absolutely would not, could not, do this project without the smart-growth program," said Maskey, explaining that features such as housing above a parking garage and major improvements to existing streets were vital to the project's success. "Just to build that parking garage, we couldn't get enough rent to justify it."

Downtown Silver Spring (Md.) will feature entertainment-oriented retail.

Seen through the smart-growth lens, the project makes perfect sense. Its dense housing, and across-the-street retail and office space cut down on the need to drive, making environmentalists happy. Reusing existing buildings and breathing life back into a dead Main Street pleases the municipality. Creating new housing in town discourages Marylanders from settling elsewhere; that developers and retailers expect to make a buck off the project makes sense for them.

"We've been able to overcome [high in-town development costs] through the help of Montgomery County and the state of Maryland -- both in their ability to assemble land and their commitment to help buy down its cost -- to get the cost of opening a store comparable to what it costs retailers in suburban environments," said Bryant Foulger, vice president of Foulger Pratt. The developers expect tenants ranging from a supermarket to a multiscreen theater to commit to the project.

With 100,000 square feet of retail expected to open in a year, and the first of 160 apartment units ready for occupancy in late 2000, Maskey is confident Downtown Silver Spring will be a success.

But he has doubts that "new urbanism" will work in every smart growth town in Maryland or elsewhere.

"There's certainly been a call for projects like these, but the jury's still out as to whether all of them can work," he said, noting that Silver Spring's proximity to the major employment base of Washington, D.C., gives it an edge that other Maryland smart-growth towns may not have. "Not everybody wants to live this way."

The flip side

Davis, the LDR International planner, sat on a state growth commission for some 10 years as leaders and groups discussed strategies that eventually became the statewide smart-growth initiative in 1997. While he originally was solidly behind the plan as discussed, not long after it was implemented, a smart-growth bite changed some of his opinions.

Chapman's Landing, a planned community including residential units, a golf course and retail, in a smart-growth zone in Charles County, died suddenly last year when the state bought out the developer in order to preserve the land as open space. Davis, whose firm had worked on the project, was disgusted.

"A total waste of state funding," he said. "I had fully endorsed [smart growth]. I thought it was an outstanding initiative, a great next step from the 1992 act, then I saw what happened last year and said, 'Whoa. Wait a second. That's not what I was trying to do. That's not what I was told would happen.' And it totally turned me off."

Gus Bauman, a land-use attorney for the Washington, D.C., office of Beveridge & Diamond, said he believes that the state, despite smart growth's supposed balance of development and environmental interests, bowed to environmental concerns and NIMBYism in the Chapman's Landing project.

"It had all the local and federal approvals, all it needed was the state. It should have gotten built," Bauman said. "The great irony is that the people who would have lived there will now sprawl across the state for the next 15 years."

The developer didn't have to sell, Davis added, "but at the end of the day you say, enough is enough, you win. It was a bloody nightmare -- all politics."

Politics play a part

It wouldn't be the only time that Marylanders caught a whiff of partisanship in smart growth -- suggesting that states that implement such planning processes leave themselves open to have their motives second-guessed. In Sykesville, for instance, the governor canceled a planned $53 million police-training facility despite the fact that the site qualified under smart growth. Critics called it political payback to the largely Republican Carroll County. One of the general criticisms of smart growth is that the areas that stand to gain income-producing developments tend to be those in Maryland's traditional Democratic territory -- its cities -- at the expense of undeveloped suburban land, commonly Republican.

Others have raised the issue that smart growth zones can fail the common-sense test. Marc Rosendorf, senior counsel for Lerner Enterprises, a Bethesda, Md.-based developer and the Maryland state government relations chairman for ICSC, says a project he knew of in heavily developed Ocean City, Md., was shot down under the new law.

Like the Charles County development, the Ocean City project, a retail strip center expansion, had all its approvals in place, Rosendorf said, but the location didn't qualify under smart growth. "Ocean City is such a built-up area, we [in government relations] couldn't understand why it would be quashed by smart growth," he said. "That was a real eye-opener for us."

In general, areas that qualify as smart- growth zones in Maryland include: all municipalities; areas inside the Baltimore and Washington beltways; historic areas; existing enterprise zones; and former industrial sites. Nonmunicipal towns with certain population densities also qualify, which is the only way a large, out-of-the-beltway town like Columbia qualified. Still, "that leaves a ton of land -- most of the land in Maryland," out of the program, said Davis, who urges developers in areas that are considering smart growth to get to know all the intricacies first: "The devil is in the details."

Rosendorf said he fears that in an economic downturn, some areas might need help that they won't be able to get from the state.

