

Chapter 9 [Added 9/23/09 by Resolution 2009-09-03] **Municipal Growth Element**

Introduction

A Municipal Growth element is required as a result of legislation enacted in 2006 (House Bill 1141). The primary goal of the Municipal Growth element is to develop a plan for future territorial growth around the Town of North East. The new element must be integrated with the Land Use element of the Comprehensive Plan and developed in coordination with Cecil County.

Under House Bill 1141, the Municipal Growth element must include the consideration of eleven basic land use issues. In addition, an un-codified section of HB 1141 encourages the Town and County to enter into Joint Planning Agreements on municipal growth. The eleven issues are paraphrased below and organized according to the planning process.

Vision

- Future municipal territorial growth (comprehensive and long-term view of annexation potential and land supply)
- Relationship of long-term development policy to the vision of future municipal character

Background

- Past growth patterns (in terms of territorial and population growth)

Needs

- Population growth projections
- Municipal land capacity (must be considered in determining land needed for growth)
- Land needed to satisfy demand consistent with the long-term development policy

Land constraints

- Rural buffers and transitions
- Sensitive areas protection

Public Services

- Services needed for growth
- Infrastructure and service financing
- Any extra-territorial service responsibilities

Interjurisdictional Cooperation and Support (encouraged)

- County-Town Joint Planning Agreement on municipal growth and development

Planning Background

The Town of North East adopted plans for growth, including a Growth Area Map, in the 2004 Comprehensive Plan; that Plan also discussed many of the same issues that must now be considered under House Bill 1141. In March, 2008, the Town adopted a new Growth Area Map, placing the Town in a good position to further advance its municipal growth planning under this new Growth Element. The Town has been a steady advocate of planning for possible Town expansion. The 2008 Map will benefit from a fresh evaluation in light of the issues listed in the Introduction, and also needs an evaluation from a water resource perspective. (A separate Water Resources Element is also required by HB 1141.)

The following process was used in preparing this Element:

- Examine the Town’s Vision of the future; refine or expand it as needed.
- Test the suitability of the 2008 Growth Area Map under HB 1141:
 - Land demand
 - Development capacity, including infill and redevelopment potential
 - Sensitive areas, transition areas, and greenbelts
 - Community character
 - Services and infrastructure
 - Water supply, wastewater, and point and non-point source pollution (addressed in the Water Resources Element, and used as an input to the Growth element)
- If needed, change the Map and/or identify policies or conditions that address HB 1141.
- Prepare a series of goals, policies, or recommendations for municipal growth.
- Amend the Comprehensive Plan to:
 - Add the new Municipal Growth Element as a new chapter.
 - Incorporate the Growth Area Map into the Land Use Element of the Comprehensive Plan.
- Future Action: Use the Map for review of annexation petitions, rezoning requests, service extensions, and other planning and zoning matters.

The new Map and overall Growth Element that resulted from this process is a reaffirmation of the Town’s desire to function as an economic hub and rural population center, suitable for growth under Maryland’s statutory planning visions and Cecil County’s Comprehensive Plan. It builds on the cooperative efforts between the Town and Cecil County to plan for development, municipal annexation, establishment of urban boundaries, protection of rural community character, and provision of safe and adequate services, particularly water and sewer. The new Growth Area Map appears at the end of this Element.

Following is a summary of how House Bill 1141, State growth policy, Cecil County’s adopted plans, and North East’s adopted plans were used to prepare this Element and update the Growth Area Map for the Town.

The Town's Vision of Future Municipal Growth

Town Vision

The Town's current vision is:

To preserve North East's rural community character while expanding the economic base of the Town by capitalizing on the local tourism, industry, planned employment growth and area commerce.

Under HB 1141, the Town is required to consider the relationship of plans for growth on future municipal character. The Town has identified two additional vision components in this regard:

Vision for Future Growth and Annexation:

The Town of North East will pursue implementation of its growth area map consistent with the ability of the Town and County to provide adequate services and protect sensitive areas, water quality, and community character.

- The new Growth Area Map and the Comprehensive Plan will guide:
 - The location, rate, and requisite conditions for annexation
 - The character of new development
 - The effect of new development on existing neighborhoods and Town character

Vision for Infill, Redevelopment, and Adaptive Re-use.

The Town of North East will ensure that the planning and zoning program does not unnecessarily impede development, and will work with the County to establish water and sewer service priorities and capacity reservations or allocations for in-Town lots-of-record and vacant parcels.

- The new Growth Area Map and the Comprehensive Plan will guide:
 - The design and character of development
 - The effect of development on existing neighborhoods and Town character
 - The establishment of capacity reservations or priorities for infill development
 - The use of streamlined, flexible, and innovative regulations

Characteristics of the 2008 Growth Area

The majority of the Growth Area (7,675 acres, including the Town) is located in the Northeast River watershed. Approximately 634 acres, located at the western-most edge of the Growth Area, are located in the Furnace Bay watershed. The Town's growth area boundary encompasses approximately 8,309 acres, of which 1248 acres are already part of the Town's incorporated area. Land uses for the Growth Area and the Town of North East are shown in the table and map below. Land use data are also organized by watershed.

Table 2
Land Use/Land Cover and Acres in the Growth Area:
By Town, Outside Town, and Watershed

Land Use/Land Cover in the North East Growth Area	Acres in Town	Acres in Growth Area (outside Town)	Total Acres: Town and Growth Area	Acres in Northeast Watershed	Acres in Furnace Bay Watershed
Very low density residential	4.14	336.54	340.68	340.68	0.00
Low density residential	32.53	510.06	542.59	542.59	0.00
Medium density residential	105.12	341.94	447.06	447.06	0.00
High density residential	67.83	49.70	117.53	117.53	0.00
Commercial	25.80	350.30	376.10	376.10	0.00
Industrial	102.00	232.62	334.62	264.67	69.95
Institutional	49.24	222.55	271.79	271.79	0.00
Other Developed	41.51	397.49	439.00	383.48	55.52
Agriculture	58.48	518.32	576.80	576.80	0.00
Forest	477.58	2594.52	3072.10	2684.26	387.84
Open Water	26.88	0.00	26.88	26.88	0.00
Roads	257.00	1405.10	1662.10	1566.98	95.12
Barren land	0.00	101.83	101.83	76.15	25.68
TOTAL AREA	1248.11	7060.97	8309.08	7674.97	634.11

Note: The land use data and maps used elsewhere in the Town's Comprehensive Plan are derived primarily from State tax parcel data. The Growth Element uses, instead, Cecil County's "Land Use/Land Cover" classification system to ensure consistency for analytical purposes over a large area that includes both Town and County territory. The County's system also provides land cover data, while State parcel data does not. Land cover data gives insight to the extent of forest, farmland, and barren land. Land cover data is needed for land capacity analyses within this Element, and for non-point source pollution estimates in the Water Resources Element.

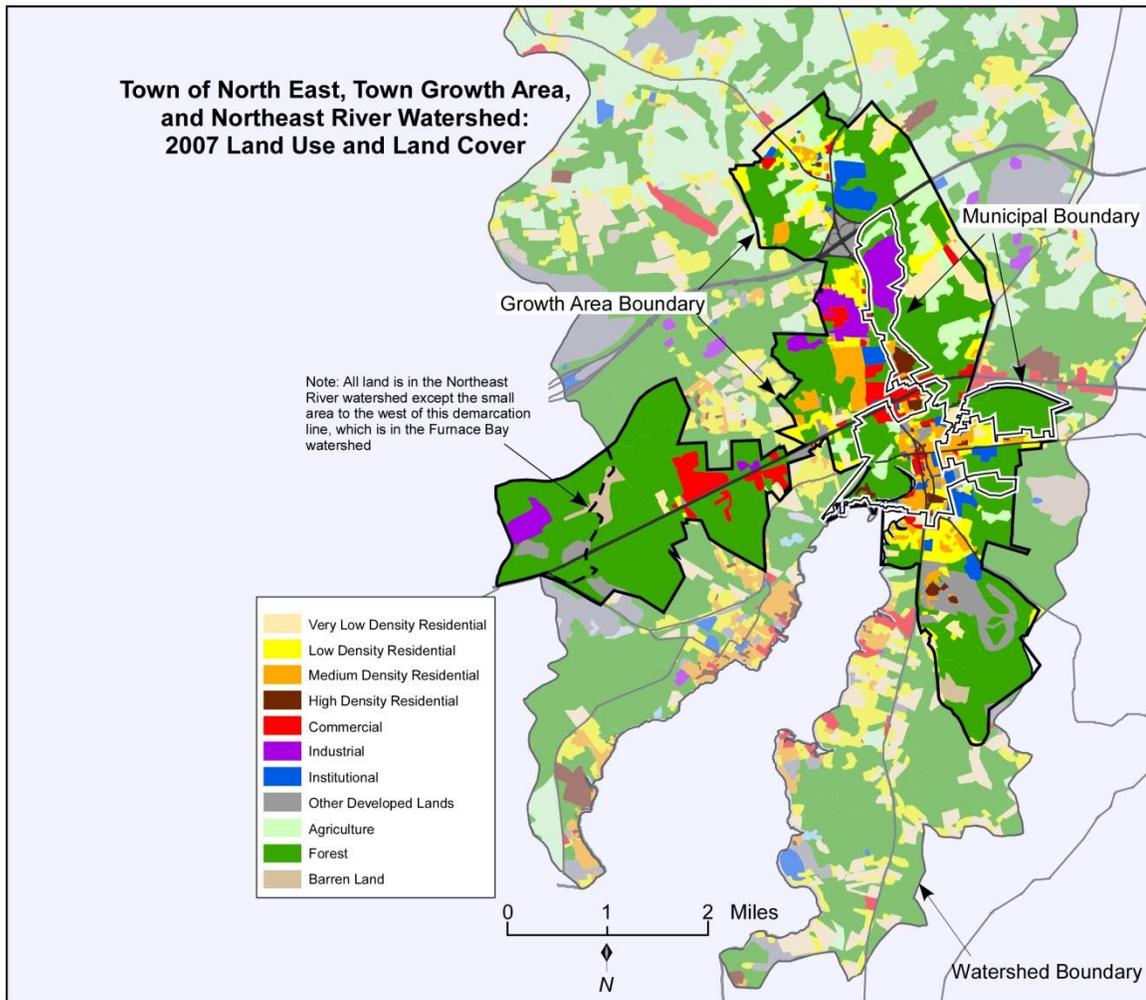


Exhibit 1

Land Supply of the 2008 Growth Area Map

Areas planned for future growth on the 2008 Growth Area Map were reviewed for wetlands, 100 year floodplains, streams, recent development, and restricted open space. The following estimated land supply exists within the unincorporated portion of the Growth Area.

Planned Residential:	1,703 acres
Planned Economic Growth	2,206 acres
Existing Settlements (mostly low density residential)	1,716 acres
Roads	<u>1,436 acres</u>
All Land Beyond Town Limits	7,061 acres

Relationship of Long Term Development Policy to Community Character

Under the Town’s long term development policy, the character, visual cohesiveness, and bounded edges of existing neighborhoods and the older Town core will stay intact. New development must be compatible with adjacent existing neighborhoods in terms of scale, land use, design, and connectivity. Suitable transition areas may be identified at the outer limits of the growth area,

depending on planned land uses in the County. The Town supports the County's efforts for rural land conservation around the edges of the growth area.

Building Support for the Growth Area Map

The Town proposes the following steps to build support for the new Growth Area Map:

- Coordinate with Cecil County and nearby municipalities to develop the Map.
- Encourage the County to adopt the Growth Map into the County Comprehensive Plan and County Master Water and Sewerage Plan.
- Encourage the County to adopt zoning tools that discourage development before annexation can take place. (Needed to address a consequence of the new annexation rules in House Bill 1141)
- Use a Joint Planning Agreement to solidify Town and County cooperation (see Recommendations section for possible components of a JPA).
- Encourage the County to adopt the "Greenbelt Growth Scenario" as the official long-term growth policy for Cecil County.

The New Growth Area Map

By reference, and as required under House Bill 1141, the Growth Area Map developed under this element is officially part of the Land Use Element of the Comprehensive Plan. The new Map differs from the 2008 Map in the following ways:

- 1) Areas for growth are now organized into Two Tiers
 - Tier One (growth planned within 20 years)
 - Areas for infill and redevelopment (in Town)
 - Areas outside Town and
 - adjacent to existing (2009) Town boundaries
 - with existing or planned water and sewer service
 - identified by the County as suitable for annexation
 - identified by the County as suitable for developed land uses
 - identified independently by the Town as suitable for annexation and growth
 - Tier Two (beyond a 20 year horizon): all areas within the Growth Boundary which are not included in Tier One.
- 2) The Map includes consideration of:
 - Major infill parcels (vacant or significantly under-developed)
 - State population projections and growth scenarios, and transportation analysis zones
 - County-designated Urban Growth Boundary site
 - Planned service categories for water and sewer (W/S-2 and W/S-3)
 - Growth scenarios under review by Cecil County
 - Water resource issues (water supply and water quality)

Long Range Planning Context

Cecil County's statutory role in long range planning and annexation, the County's control of sewer service, and other formal County-municipal ties (e.g., Water Service Agreements and the Urban Growth Boundary Study) form an important context for the Town's long range planning. The Town's first step in developing a new Growth Area Map was to create a composite of the official plans from Cecil County that affect land in the Town's 2008 Growth Area. This composite map appears on the following page.

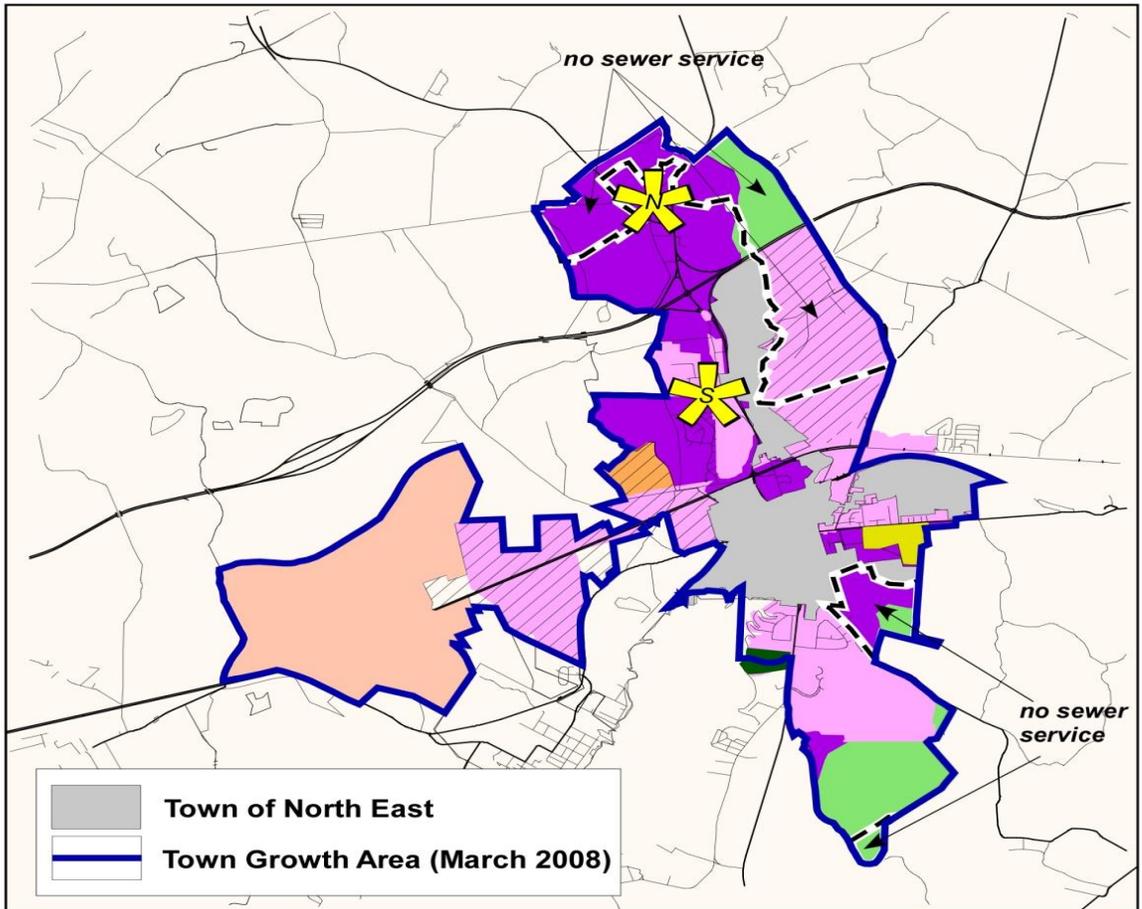
An inspection of Town and Cecil County official plans and maps shows that there is significant agreement between the Town and County about future land uses around North East. This common understanding is a function of the Town's location within the I-95 and US Rte. 40 corridors, and Town and County plans for public water and sewer. There is also considerable agreement about future annexation potential and planning for water and sewer.

In preparing this element, the Town of North East and Cecil County have designated areas for municipal growth based on the following considerations:

- Adequate acreage for the long term that allows comprehensive inter-jurisdictional planning for municipal growth, as opposed to case-by-case annexation.
- Adoption of a growth plan within the Northeast River watershed that reduces pressure for rural sprawl by accommodating growth, preserving greenbelts, and minimizing the impacts of growth on water quality.
- Municipal accommodation of a higher-than-trend share of County population growth as a strategy to further reduce sprawl within the rural environs beyond the Town.
- Compatibility with Cecil County's long term growth scenarios

Cecil County Land Use and Annexation Policies for the Town's Growth Area

A Composite of Official Maps of Cecil County



WITHIN THE GROWTH AREA OF THE TOWN OF NORTH EAST:

Identified by Cecil County as suitable for annexation (Source: Urban Growth Boundary Plan - 2000)

-  Suburban District (Source: County Comprehensive Plan - 2004 amendment)
-  Development District (Source: County Comprehensive Plan - 2004 amendment)
-  Village District - south (Source: County Comprehensive Plan - 2004 amendment)

Land comprehensively planned by Cecil County, but not identified for annexation

-  Suburban District (Source: County Comprehensive Plan - 2004 amendment)
-  Development District (Source: County Comprehensive Plan - 2004 amendment)
-  Site UGB1 (Source: Urban Growth Boundary Plan - 2002 amendment)
-  Mineral Extraction
-  Rural Conservation
-  Village District - north (Source: County Comprehensive Plan - 2004 amendment)

Special items within Growth Area

-  Rural Conservation
-  State Land
-  Sewer service not planned
-  Cecil Land Trust

Areas Not Shown on Map:
Chesapeake Bay Critical Area
Critical Area Buffer
Sensitive Areas

Exhibit 2

Background: Past Growth Patterns

Physical and Territorial Growth Patterns

The Town of North East was settled prior to 1700 and incorporated in 1850. The Northeast River was the primary focus of early settlement. Mills were constructed along the river banks, farming expanded, and fishermen plied their trade in the plentiful waters. Excerpts from the following historical maps show the early formation of the Town, its built environment, and its ties to the Northeast River.

Note the railroad tracks and early roads on the 1898 map below; no town boundaries are indicated. Several short streets with homes and businesses head to the waterfront off the major north-south axis (future MD 272).

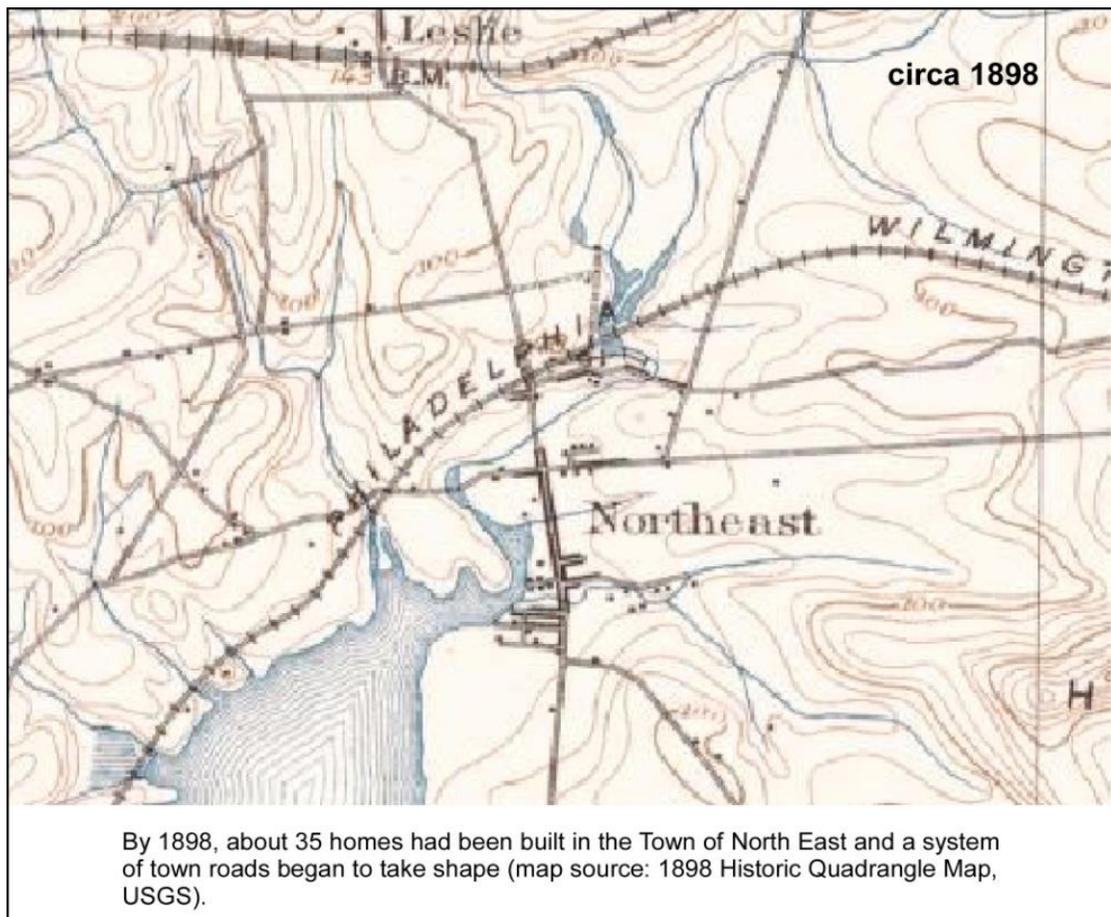


Figure 1

The USGS quadrangle map from 1942 (below) is an early representation of corporate boundaries for the Town. The number of buildings in Town grew 500% between 1898 and 1942.

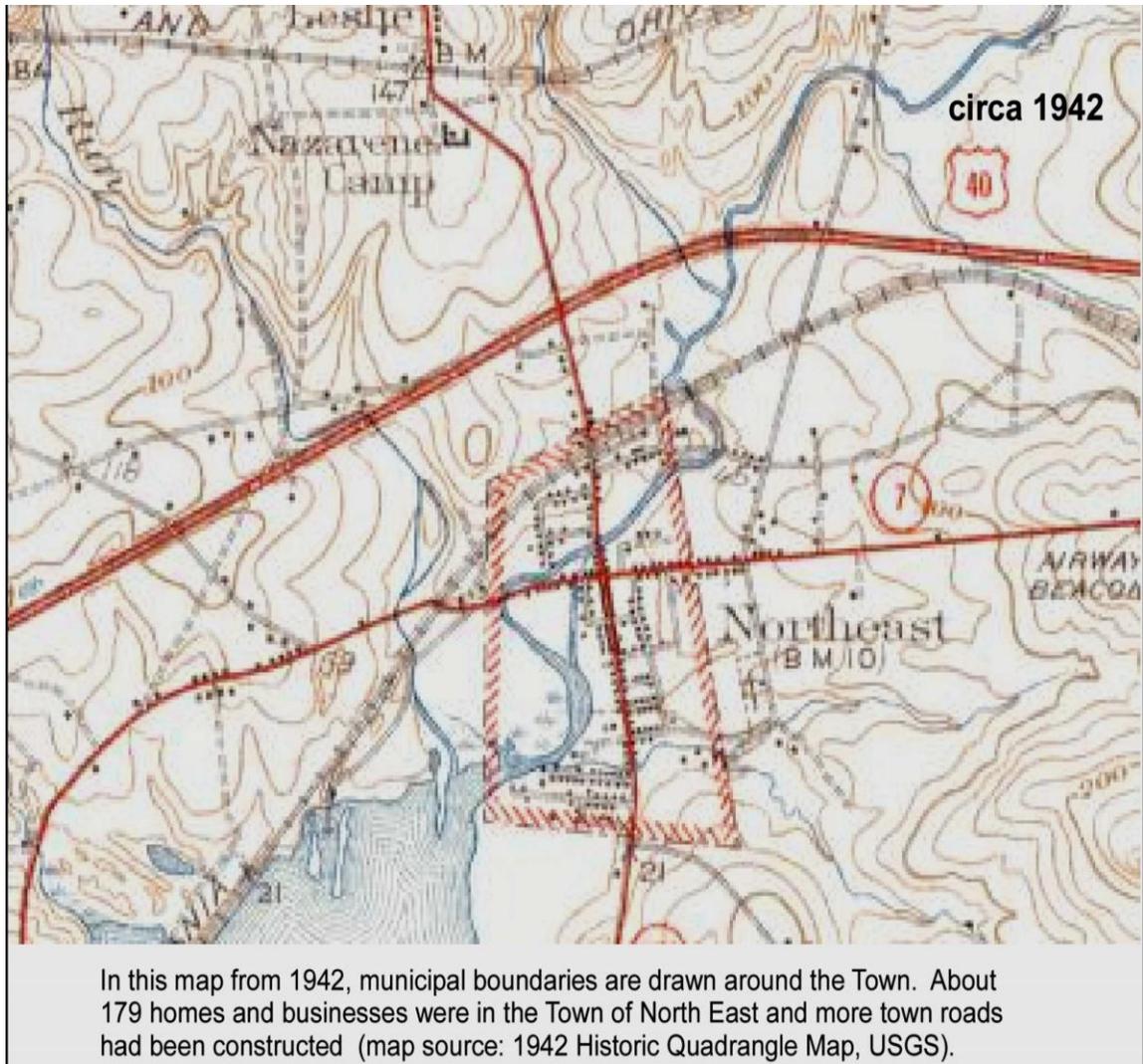


Figure 2

Over the years, North East has pursued annexation northwards, in a logical progression towards US Route 40, and thereafter, to Interstate 95, in order to capitalize on economic growth within the major US Rte. 40-I 95 corridor. In addition, there has been significant territorial growth to the east and west, all of which has remained south of US Rte. 40. The original Town boundaries are gone, except in the southeast corner of Town, where a few segments of the original boundary line still exist today.

North East has been successful in attracting new jobs and economic growth. For example, the North East Commerce Center, located directly off I-95, is the home of the Flying "J" Travel Plaza and regional headquarters for Delmarva Power Company. A short distance past the Commerce Center is the main campus for Cecil College. North East is also home to the Upper Bay Museum which displays one of the area's largest collections of hunting and fishing memorabilia. The Town is well positioned for continued growth when the economy recovers from the current downturn, provided that water and sewer service is available.

The map on the next page shows the current municipal boundaries of North East, encompassing around 1200 acres. The form of both traditional and contemporary neighborhoods can be discerned, and overall, the form of development is compact and consistent with State smart growth principles.

Population Growth Patterns

The Town's population growth is fully covered in Chapter One of the Comprehensive Plan. Growth that took place after the Plan's original adoption, however, signals a change in the rate of growth. Based on the Maryland Department of Planning's "Population Estimates for Incorporated Places" (April 2000 to July 2007) growth noticeably increased in the Town after 2004.

Between 2000 and 2004, North East only gained an average of 5.5 people per year. However, between 2004 and 2007, the Town has seen a steady average annual growth of 21 people per year (2004-2005: 14 people; 2005-2006: 31 people; and 2006-2007: 18 people). Over the period 1980 to 2007 the Town's share of total County population has averaged 3.1 percent. Cecil County's recent population growth is an important consideration for the Growth Element. Between 2000 and 2007, Cecil County grew 16 percent, which was the highest rate of growth for all Maryland Counties over the same period, with the exception of counties in Southern Maryland. The Town's location near the US40-I95 corridor makes it a potential beneficiary of some of the population growth and economic development planned by the County. Past patterns of population growth in the Town may be weak indicators of future potential, especially if water and sewer capacities can be increased to handle the planned growth. Future population growth is discussed below (Land Needs).

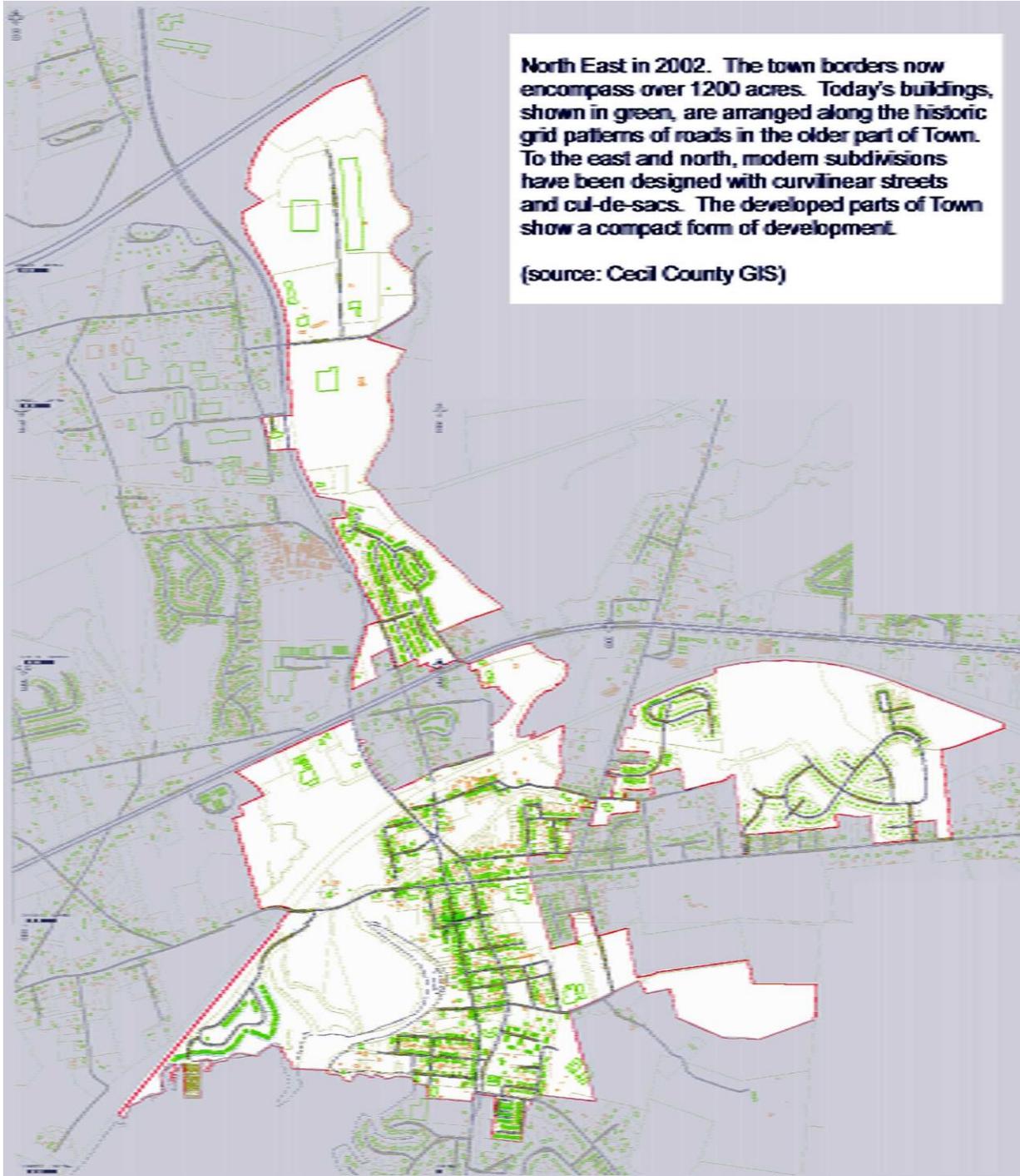


Figure 3

Land Needs

This section examines future land needs as a function of population growth and development policy. Growth is estimated on the basis of past trends, current MDP projections, and in light of the Town and County’s long term growth policies. Consideration is also given to current municipal land capacity, based on two methodologies.

Population Growth Projections

Population growth projections are used to ensure that an adequate supply of land is comprehensively planned and zoned to meet residential land demand and to provide an extra measure of supply for market flexibility and private choices. For purposes of this Element, population growth is reviewed using two methods: 1) growth is assumed to remain a constant 3.2 percent of County growth (based on the average percentage for the overall period 1980 to 2007), and 2) growth is based on a high development pressure scenario. The projections below also take into account that the State’s population projections for Cecil County have been revised significantly upwards since the North East Comprehensive Plan was adopted.

Table 3
Population Projections:
Constant Share Method (3.2 percent of County population)
and High Development Pressure Scenario

	2000	2010	2015	2020	2025	2030
Cecil County	85,951	108,100	121,650	134,500	147,350	159,950
North East: Constant Share Method	2,744	3,455	3,888	4,299	4,709	5,112
North East: High Dev. Pressure Scenario	2,744	3,566	4,246	5,030	5,942	6,969

Sources: Historical and Projected Total Population for Maryland Jurisdictions (Revisions December 2008, MD Dept. of Planning). Cecil County Municipal Populations Projections: High Development Pressure Scenario (March 2009, MD Dept. of Planning)

Residential Land Needed for Growth

Constant Share

The year 2030 is used as a target since it approximates the 20-year horizon of the Municipal Growth Element. Under the constant share method, the Town is projected to have 5,112 people by 2030. As of 2007 (the date of the latest Town population estimates from MDP), the Town's population was 2,829. Residential land is therefore needed for an additional 2,283 people by the year 2030.

The County's household size in 2010 is projected to be 2.67 people per household, and this will decline to 2.58 by 2030 (Source: MDP). At 2.6 people per household, the Town will have an estimated 878 new households by 2030.

Eight hundred seventy-eight new housing units will require 251 acres devoted solely to residential lots (at 3.5 dwelling units per acre). Additional land will be needed for roads, community open space, protected sensitive areas, and for meeting the State Forest Conservation Act. Total land needed for residential purposes is:

878 Lots:	251 acres
Streets:	92 acres
Open Space:	114 acres
Total:	457 acres

High Development Pressure

A "high development pressure" analysis by MDP indicates that the Town will have 6,969 persons and 2,689 households by 2030. Residential land is thus required for 4,140 new persons and 1,592 additional households by 2030.

An additional 1,592 new households will require 455 acres devoted solely to residential lots (at 3.5 dwelling units per acre). Additional land will be needed for roads, community open space, protected sensitive areas, and for meeting the State Forest Conservation Act. Total land needed for residential purposes is:

1,592 Lots:	455 acres
Streets:	165 acres
Open Space:	207 acres
Total:	827 acres

Land Needs for the Town's Long Term Growth Policy

The Town believes that the high development pressure scenario is a more accurate predictor of future growth than the constant share projections. This is based on several factors:

- The Town's location in the I 95/US Rte 40 growth corridor
- The Town's excellent supply of potable water resources
- The County's plans to upgrade the wastewater treatment plant to 9.1 million gallons per day
- Cecil County is the fastest growing Maryland County (with the exception of counties in Southern Maryland)
- Support from the comprehensive planning and zoning programs of Cecil County and the Town of North East

Overall, there has been a high level of Town and County coordination on annexation potential, urban growth boundaries, and water and sewer services. As part of its on-going comprehensive planning program, Cecil County is examining three Growth Scenarios: Growth Corridor, Growth Center, and Greenbelt. The scenarios are compatible with the Town's 2008 Growth Area Map, adding another layer of confidence in the Town's long range planning to date. A review of the three scenarios suggests that the Greenbelt Scenario would be the most beneficial to the Town of North East: there is no harm to the Town's growth area map, greenbelts are created, major stream valleys are protected, and planned growth is not reduced, but rather is channeled and concentrated towards North East (and other municipalities).

The Town's Growth Policy is:

To pursue implementation of the Town's new 2009 Growth Area Map, and support the County's Greenbelt Growth Scenario, consistent with the ability of the Town and County to provide adequate services and protect sensitive areas, water quality, and community character.

In order to satisfy County and Town long range plans for municipal growth and development in and around North East, the Town will use the new Growth Area Map to guide the amount and location of land needed under its long term growth policy. The new Growth Area map is also based on consideration of existing municipal capacity for growth (see following discussion).

Municipal Residential Land Capacity in the Town of North East

An estimation of land capacity within the Town has been addressed using two sources of data:

- 1) Land use and land cover data from recent aerial images of the Town were analyzed in order to identify areas of farmland, forest land, and open land zoned for development. Acreage adjustments were made for Critical Area habitat protection areas, wetlands, and development occurring since the date of the imagery. Areas affected by the 100 year floodplain were also identified.
- 2) State parcel data was analyzed to identify vacant residential lots-of-record and parcels for infill subdivision. Because this source of data does not indicate land cover or sensitive areas, the results of this analysis were adjusted in accordance with relevant data gathered in 1 above.

Analysis of Aerial Images

Vacant land was identified in Town on the basis of County land use data and recent aerial images (source: Cecil County GIS). This land included 346 acres of forest, farmland, and open land with some type of residential zoning. The land is concentrated at 12 locations in the Town. In addition, 32 small vacant lots were identified with residential zoning.

These properties were then reviewed for recent growth, sensitive areas, 100 year floodplains, and ownership. Approximately 74 acres were found to be inadequate as a reliable source of land for future residential growth due to:

- A combination of 100 year floodplain, wetlands, and habitat protection areas;
- Public or semi-public ownership; and
- Deed restricted community open space associated with modern subdivisions

There are 272 acres of land suitable for in-fill development. Based on zoning density and land required for streets and open space, this land will yield about 651 lots. With the addition of the 32 small vacant lots, total municipal capacity is estimated at 683 lots (or capacity for 683 households).

(Note: Capacity of the Ridgely Forest property is accounted for in this analysis as growth on forest land. In the following tax parcel data analysis, Ridgely Forest is accounted for as small lots of record, most of which are vacant. This explains why only 32 parcels are listed above, and many more are factored below in the parcel analysis.)

Analysis of State Tax Parcel Data

Another potential source of lots can be identified by reviewing State tax parcel data. Two areas were examined:

- 1) Parcels in Town listed as vacant, with residential zoning, under private ownership, and one acre or larger in size (263 acres on 14 parcels).

Based on zoning density, land required for streets and open space, and avoidance of environmentally sensitive land, these parcels will yield about 618 lots.

- 2) Small vacant lots-of-record, zoned residential.

There are an estimated 201 vacant residential lots free of mapped sensitive areas.

Total municipal development capacity based on parcel data is estimated at 819 lots (or capacity for 819 households).

Total Municipal Land Capacity

For purposes of this Element, the Town is estimated to have a residential land capacity for 751 households (the average of the aerial analysis and the parcel analysis).

Non-Residential Land Needs

If the market supports economic growth, it will most likely be located where comprehensive plans and adequate incentives are already in place to support the growth. For purposes of the Municipal Growth Element, it is advantageous and efficient to forecast these land needs in accordance with current County and Town plans for such growth (given the years of steady progress towards this goal). Thus, the new Growth Area Map will account for future economic growth as already shown on the 2008 Growth Map. As mentioned, the County's Greenbelt Growth Scenario is viewed as desirable for enhancing the Town's prospects for attracting new growth.

Total Land Needs for Long Term Growth and Development Policies

The estimate of land needed to meet the Town's long term growth and development policies are based on population projections and build upon specific areas of agreement between the Town and the County.

Residential land (based on the high development pressure scenario) is needed for 1,592 new households. Municipal residential land capacity is 751 new households. Thus, the calculated need, based on population projections, less municipal capacity, is for 841 households. This requires about 437 gross acres.

Residential land supply based on the 2008 Growth Area Map (Planned Neighborhoods) is 1,703 gross acres. The estimated household yield is 4080 households. This is based on development of

55 percent of gross acres, developed at an average density of 4.35 units per acre (this density is used to account for a mix of single and multi-family development in accordance with the current ratio of single-to-multifamily homes in Town). This works out to a multiplier of just under five (supply of 4080 households, divided by a need for 841 households).

The Town should reduce land supply in order to enhance the orderliness and management of future growth. The following describes an approach for doing so. It is based on the principal that locations about which the Town and County have agreement as to future land use, annexation potential, and sewer service, should form a first tier within the Growth Area. “Tier One” would be areas planned for possible annexation and growth within the 20-year horizon of the Growth Element.

It is important that areas of agreement be clearly represented on one official map (these areas now appear separately on several maps). That map should be the Town’s 2009 Growth Area Map, produced under the Growth Element, and it should be officially recognized by the County in a number of ways:

- Incorporation into the Cecil County Comprehensive Plan
- Implementation through the County Water and Sewerage Plan
- County and State support for annexations that are consistent with the Growth Area Map (in terms of services, infrastructure, financing, and zoning under the new annexation statute) Use of the Growth Area Map to guide development of a Town-County Joint Planning Agreement

Earlier in this element, a composite map indicated two types of areas where county planning was not consistent with the Town’s 2008 Growth Area Map:

- 1) Certain areas where the County did not identify land as potentially suitable for future annexation (from the Urban Growth Boundaries Plan) and
- 2) Certain areas not planned for sewer service by the County (from the Water and Sewerage Plan).

The inconsistencies and the estimated land demand are useful tools for placing the Growth Area into one of the two tiers. For purposes of this Element, areas on the Town’s 2008 Growth Area Map that show inconsistency with County plans on future land use, annexation, and sewer service are placed into a “second tier”. Areas where there is agreement are identified as “first tier”.

This methodology results in capacity for 2,326 households (on 971 acres) within that portion of the Town’s “Planned Neighborhoods” that have existing or planned sewer service (i.e., Tier One). This supply is about 2.75 times the projected need, and represents a substantial tightening of land supply.

There is a household capacity of 1,703 in planned neighborhoods that do not have sewer or planned sewer. (See the Maps on the next page.) Thus, additional planning coordination with

and cooperation from the County would be needed to develop these areas. A revised Growth Area Map (with two tiers) reduces planned growth for the Town, but on the other hand, it does bring the growth area into conformance with County planning policy and helps to focus planning on those areas where the Town and County are largely in agreement.

Under the new annexation law, the Town still retains the unilateral right to rezone annexed land after five years. But even then, the County controls the sewer needed for growth at Town densities. While the Tier Two areas reflect an absence of necessary County support, these areas are retained in the Growth Area for longer term planning, and to account for future changes in County policies and service arrangements, and for other changed conditions.

Land Supply for Economic Growth

Supply is estimated at 2,206 acres per the 2008 Growth Area Map. Areas planned for future Employment (Mixed Uses) have existing sewer.

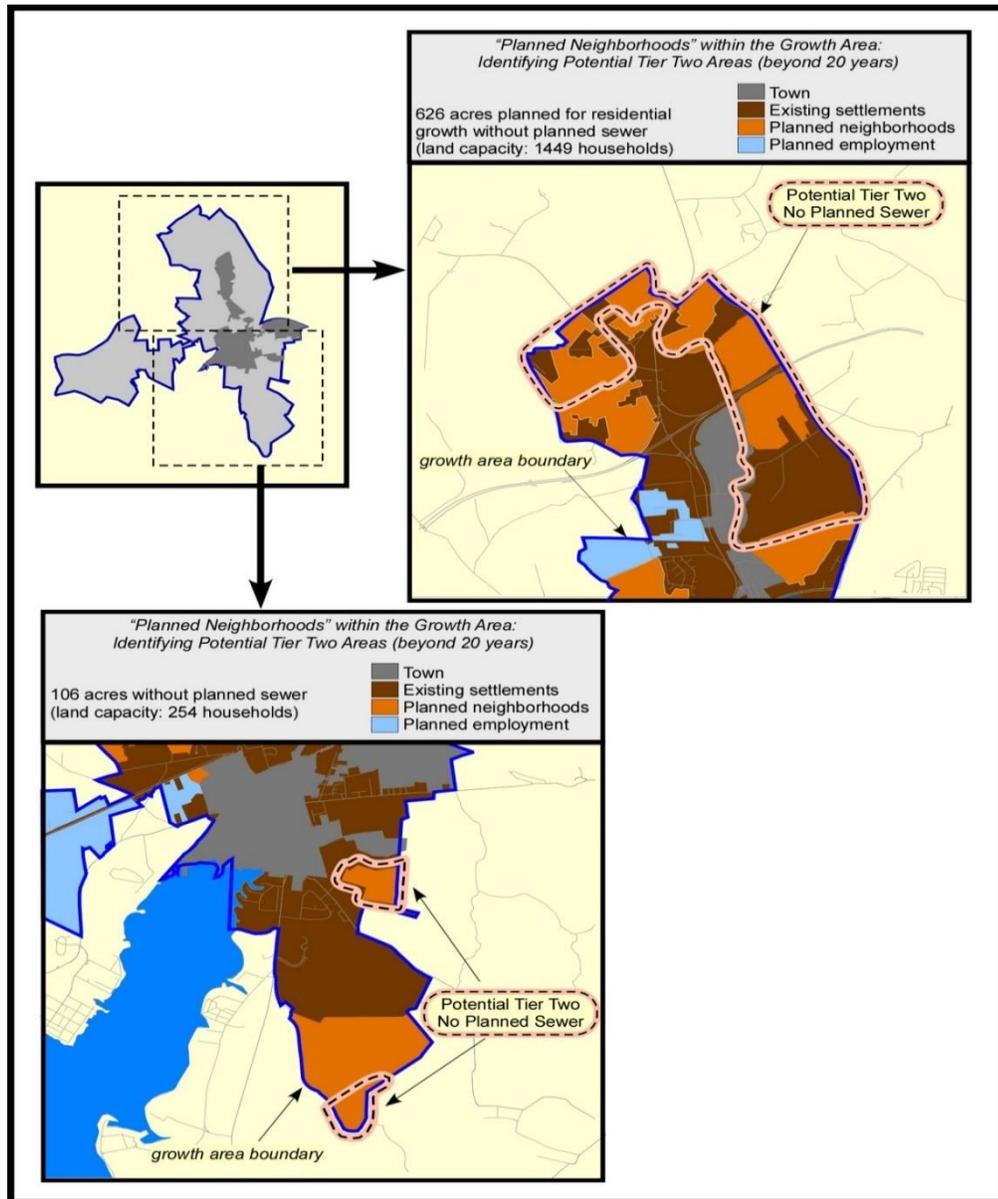


Figure 4

Land Constraints

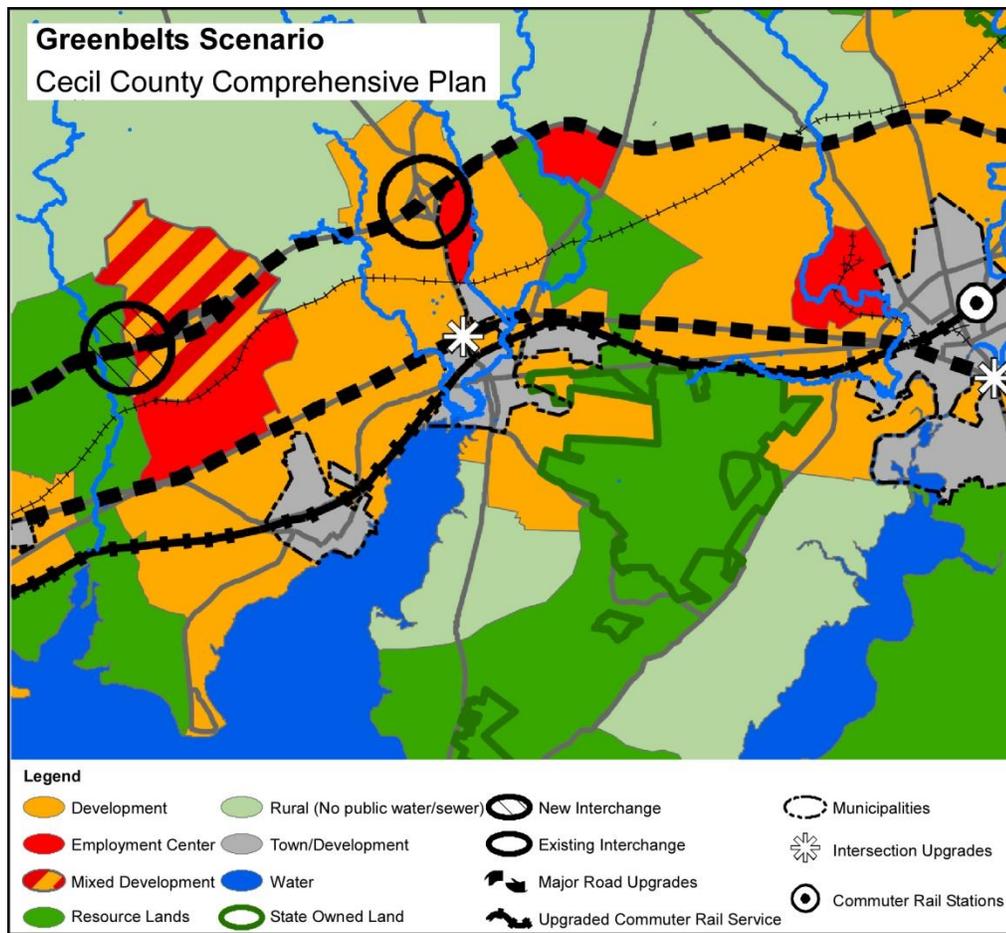
Rural Buffers and Transitions

The Town encourages and supports the County’s designation of Greenbelt Areas for conservation and preservation in the watershed. These areas include stream corridors. Especially important are the Northeast Creek and the Little Northeast Creek, which are used for the Town’s water supply. Greenbelts could be designated as sending areas for the voluntary transfer of development rights to the Town or to the Town’s Growth Area. Below is a map of the County’s Greenbelt Growth Scenario (Not an official map. Source: Cecil County Comprehensive Plan Committee, Map by ERM). This scenario map is compatible with the Town Growth Area Map.

Sensitive Areas Protection

Sensitive Areas will be avoided and point and non-point sources of pollution will be reduced. There are tidal and non-tidal wetlands that fall within the Growth Area and these areas should be avoided; development rights could be transferred to other parts of a parcel, or to other parcels

Figure 5



within the Growth Area. The Greenbelt Area encompasses forested stream corridors and buffers. Steep slopes, habitat of threatened or endangered species, and wetlands will be avoided. Stream buffers will be protected from development and will be afforested where needed. Water quality impacts will be minimized. (See also, the Sensitive Areas element.)

Public Services

Services Needed for Growth

Water, Sewer, and Stormwater Management:

Within the 2008 Growth Area, 90 percent of the area has either existing sewer service (which includes all of the Town of North East), or planned sewer. About 57 percent of the total area indicated for “planned neighborhoods” has sewer or planned sewer, and 43 percent has no planned sewer service.

The most significant area planned for residential development, but without planned sewer, is a broad swath of land, running from the northern end, to the north-eastern edge of the Growth Area (see Composite Map on page 8 and the illustration on page 18). There are 732 acres of planned neighborhoods with no planned service within the 2008 Growth Area, and 86 percent of it is located in this section.

The Town operates its own water distribution system, and extends water service to nearby areas of the County under an agreement with Cecil County. The Town’s policy is to not extend water service in the future unless the property is annexed into the Town.

Major development projects are required to have common open space (the amount determined by zoning), and these open areas provide room for stormwater management on a case-by-case basis. The area also contains surface mines (or borrow pits) which could possibly provide areas for managing stormwater as part of future reclamation efforts.

Additional information on water, sewer, and stormwater management are included in the Water Resources Element of the Comprehensive Plan.

Other Services:

The Comprehensive Plan includes a thorough report on services including schools, libraries, public safety and EMS, and recreation. Services are adequate at present. A determination of service adequacy will be required for new development and may result in deferral of project approvals. Annexation proposals will be referred to the County and State for input on the adequacy of services that fall under County or State jurisdiction.

Paying for Infrastructure

The Town has both public and private sector sources for infrastructure financing. As an incorporated municipality, the Town has the authority to enact excise taxes and impact fees. These tools exact infrastructure funds from developers as a condition of project approval; excise taxes are by far the more flexible tool in terms of how the funds can be used. The Town can also enact a tax increment financing district to charge homeowners in a defined area to help pay for infrastructure.

Developer Rights and Responsibilities Agreements (DRRA) can be used to legally bind the Towns and a developer for specific development projects. Infrastructure responsibilities are often an important part of these agreements.

The Town will continue to compete for federal and State funds that support growth. The Town will review its Priority Funding Area (PFA) maps, and annexation proposals, and establish the necessary criteria, if possible, to achieve PFA status. Priority will be given to acreage within the Growth Areas that has municipal adjacency.

The Cecil County Growth Study submitted to the Cecil County Office of Economic Development and prepared by the Sage Policy Group, Inc. (January 2007), had the following information and observations about infrastructure financing:

Impact Fees

An impact fee is most commonly assessed on the construction of new structures to pay for the expansion of the service capacity of government, including by supporting the construction of fire stations, police stations, sewer/water supply systems, parks, libraries, etc. Impact fees are designated for specific uses and funds are not to be intermingled with the general fund.

In places lacking impact fees (e.g., municipalities, counties), jurisdictions must either generate funds for infrastructure expansion from the existing tax base or through the issuance of bonds. One can imagine a circumstance under which the existing community would see their taxes raised in order to finance new infrastructure and then eventually see their taxes dropped again once new taxpaying development formed around the infrastructure. The problem with this structure is that raising taxes is rarely politically convenient, and therefore communities end up in an equilibrium characterized by moderate taxes, permanently inadequate infrastructure and stunted development.

Impact fees would allow for projects to move forward within the growth corridor, thereby siphoning off much of the residential development pressure from the county's rural areas. Impact fees should be set considerably higher in the county's agricultural regions than within the growth corridor and presumably reinvested in water/sewer infrastructure, schools and other government controlled facilities.

Excise Taxes

Excise taxes represent another approach. These are sales taxes and can be levied on real estate transactions. Excise taxes are not as constitutionally limited as impact fees, which is typically viewed as an advantage from the perspective of local government, but funds generated from these taxes may be diverted for non– infrastructure purposes. If excise taxes are adopted, the study team recommends that the use of these funds be largely limited to infrastructure build–out within the county’s growth corridor.

Tax Increment Financing for Re-development

Tax increment financing (TIF) permits jurisdictions to create special districts and to make public improvements within those districts that will generate private sector development. During the development period, the tax base (assessed value) is frozen at the predevelopment level. Though property taxes continue to be collected, taxes derived from increases in assessed values (the tax increment) resulting from the new investment either head toward a special fund created to retire bonds issued to accommodate the development or to promote additional economic expansion in the district.

The study team envisions impact fees as the way to help accelerate new development within the growth corridor, while TIF districts could be defined to promote redevelopment of already developed areas that suffer from an unacceptably low average quality of development. Whichever financing mechanisms the County opts to pursue, it must be immediate... The County is already behind the infrastructure build-out curve and the impact of the latest round of Base Realignment and Closure (BRAC) will mean additional stress on the infrastructure base. Without a dramatic acceleration in infrastructure build-out, Cecil County will not be positioned to accommodate the opportunities BRAC will create for economic development later this decade and early into the next. The longer the community is forced to wait for the availability of these financing mechanisms, the greater the loss of productive farmland to development.

Extra-Territorial Service Obligations

Cecil County provides sewer service within the Town of North East, and North East provides water service to specified properties adjacent to the Town. Formal agreements between the two jurisdictions date back to the 1970’s and several revisions have since occurred. The Town now requires annexation as a condition to receiving water service.

Interjurisdictional Cooperation and Support

The following objectives will be used to enhance Town and County coordination and cooperation for municipal growth:

- Incorporation of the Growth Area Map into the County Comprehensive Plan
- Incorporation of the Growth Area Map into the County Master Water and Sewerage Plan
- County-town Joint Planning Agreement on municipal growth and development
- County-town zoning cooperation

Recommendations

Following are a series of recommendations for the Growth Area Map. Included are useful components for a Town-County Joint Planning Agreement.

Land Use Plan Element

The Growth Area Map should be adopted into the Land Use Plan Element, per House Bill 1141. The Growth Area Map should have the following features:

- 1) Growth Areas
 - These areas are the locations that the Town may annex in the future.
 - The County agrees to provide the appropriate zoning in a timely fashion or to grant zoning waivers if needed.
 - The County agrees to incorporate these areas in its Comprehensive Plan and Water and Sewer Plan during the next update.
 - The order of annexation will be determined by adjacency, landowner choices, and availability of services.
 - Forest conservation practices and 100 foot stream buffers will be required for new development.
 - Annexation plans must be consistent with the Land Use Element including the Growth Area Map.
 - Developers will be required to estimate project impacts on water quality, water supply, and waste water treatment capacity.
 - Project design will reflect traditional town or village character.
 - Until annexed, the County will refer proposed land use changes in these areas to the Town for review and comment.
 - The County, in cooperation with the Town, will develop two-tiered zoning (or an alternative) that permits higher density only if the subject property is successfully annexed and water supply and sewerage treatment capacity are adequate.

2) Greenbelts

- These areas are planned for preservation or conservation by the County.
- The County and Town will explore the transfer of development rights from Greenbelts to areas within the Town and within annexed areas.
- The Greenbelts are part of the geographic setting of the Town and the Town has an interest in what happens on these sites.
- The County and Town will discourage growth and development.
- The County will refer proposed land use changes in these areas to the Town for review and comment.

3) Municipal Water and Sewer Plan:

A simplified wastewater and water supply capacity management protocol should be established; applicants for major projects should address capacities and other facility impacts.

4) Zoning Amendments and Zoning Coordination with the County:

As part of the process of annexation, the Town does not want the County to prematurely adopt zoning for implementation of the Growth Area. The Town should work with the County to develop two-tiered zoning (or an alternative) that allows higher density only upon successful annexation, and discourages or prohibits premature development (i.e., prior to annexation).

5) Annexation Plan:

House Bill 1141 requires an Annexation Plan for specific annexation petitions (which replaced the former requirement for a scope of the extension of services). The phasing of annexations, prioritizing of sites, site planning, and zoning coordination with the County should be addressed. Guidance should be developed for preparation of an Annexation Plan that is consistent with the Municipal Growth and Water Resources elements. This should include assessments by petitioners of wastewater treatment, water supply, and non-point source impacts on the watershed.

6) TDR's:

The Town should evaluate the practical value of developing an inter-jurisdictional TDR program with the County, whereby development rights under County zoning can be voluntarily sold and transferred for use in the Town, including annexed Growth Areas. One important goal is the creation of long term protection on Greenbelt sites.

7) Municipal Character Policy:

Under the Town's long term development policy, the character, visual cohesiveness, and bounded edges of the Town should stay intact. New edge development is permitted, but it must reflect traditional Town character in terms of scale, land use, and design. The Town should consider identifying patterns of housing styles, lot arrangements, setbacks, and other elements of design that can guide infill, redevelopment, and new growth in a manner that reinforces community character.

8) Development Review Policy:

Development projects and annexation proposals should include analyses of several key factors. Developers, landowners, and applicants should provide these analyses and the Town can refer these to the County and State Planning for review and comment (similar to the existing process for projects in the Critical Area). The key factors include:

- Preservation of Community Character
- Protection of water quality (stormwater runoff)
- Adequacy of sewer treatment capacity and potable water supply
- Consistency with smart growth principles and the Comprehensive Plan
- Coordinated development plans for the Area

9) Planning Contracts:

a) Joint Planning Agreements: The law enables counties and municipalities to enter into contractual agreements as a means to solidify the inter-jurisdictional aspects of the new Comprehensive Plan (e.g., the Growth Area Map). A Joint Planning Agreement between the Town and Cecil County should be developed.

b) Developer's Rights and Responsibilities Agreements: The DRRA is similar to the Joint Planning Agreement, but operates on a different level. The DRRA is a contract between the municipality and the developer that spells out rights and responsibilities of the parties. The tool was developed as a response to complaints from the development industry that Maryland's vesting law is too severe, and that developers need some assurance that their projects will not be abandoned under pressure to ignore the local Comprehensive Plan, zoning laws, and project approvals. The Town should develop a standardized DRRA that can be adapted to suit particular projects.

2012 GROWTH AREA MAP

Below is the revision of the 2008 Growth Area Map into a Two-Tiered system followed by an amended Land Use Map.

2012 Town Growth Area Map 3

Two Tiers for Growth

- * Tier One: within 20 years
- * Tier Two: Beyond 20 years

EXISTING SETTLEMENTS

- Residential
- Commercial
- Public/Semi-public

POTENTIAL FUTURE GROWTH AREA (County)

- Planned Neighborhood
- Marine Commercial
- Mixed-Use Employment

Planning Area Boundary

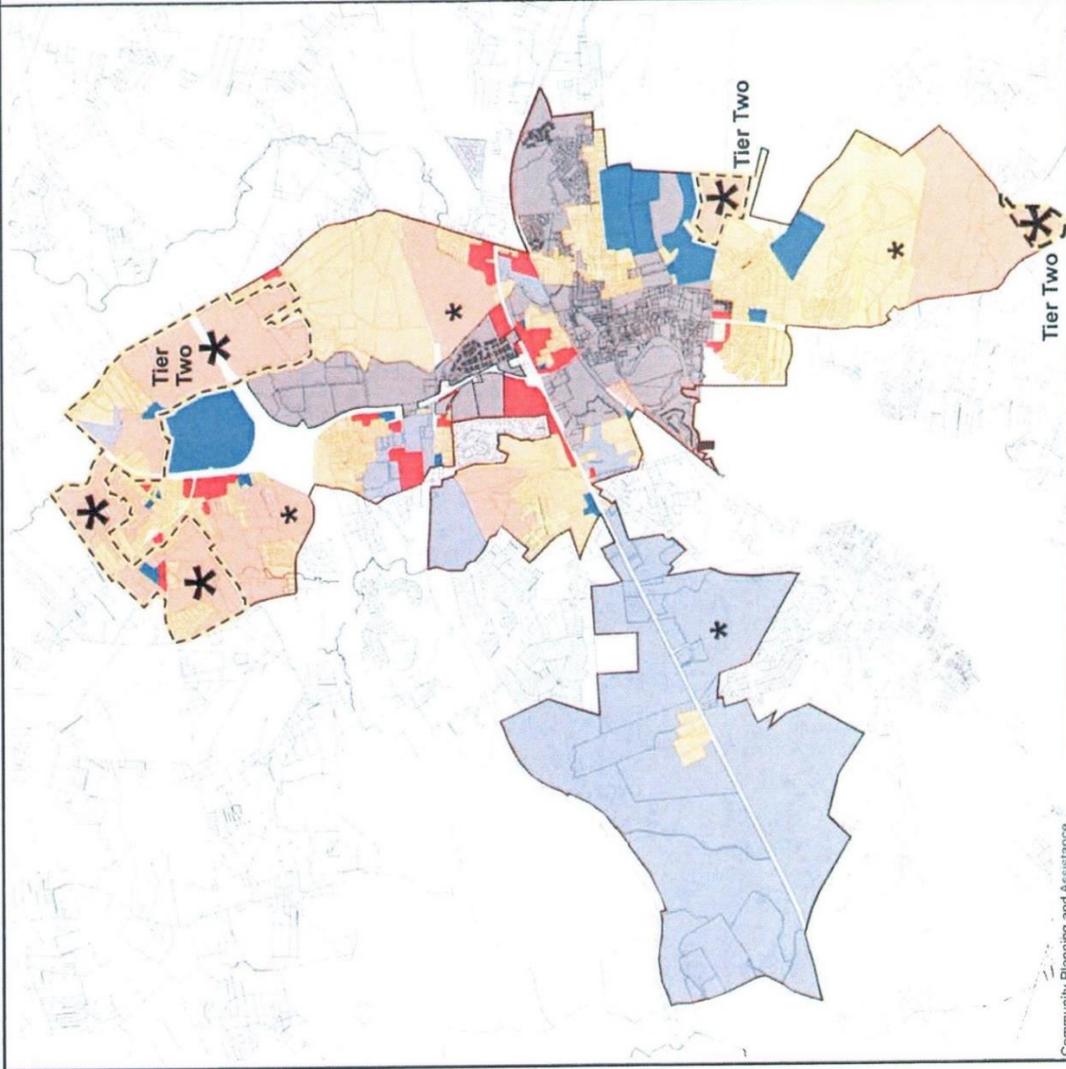
- * Tier One lands are all parcels within the Planning Area beyond the Corporate Area and not in Tier Two

Corporate Area

Approved by Mayor and Commissioners November 14, 2012 reflecting the changes made by Resolution 2012-11-02

[Signature]
Planning Commission Chairman

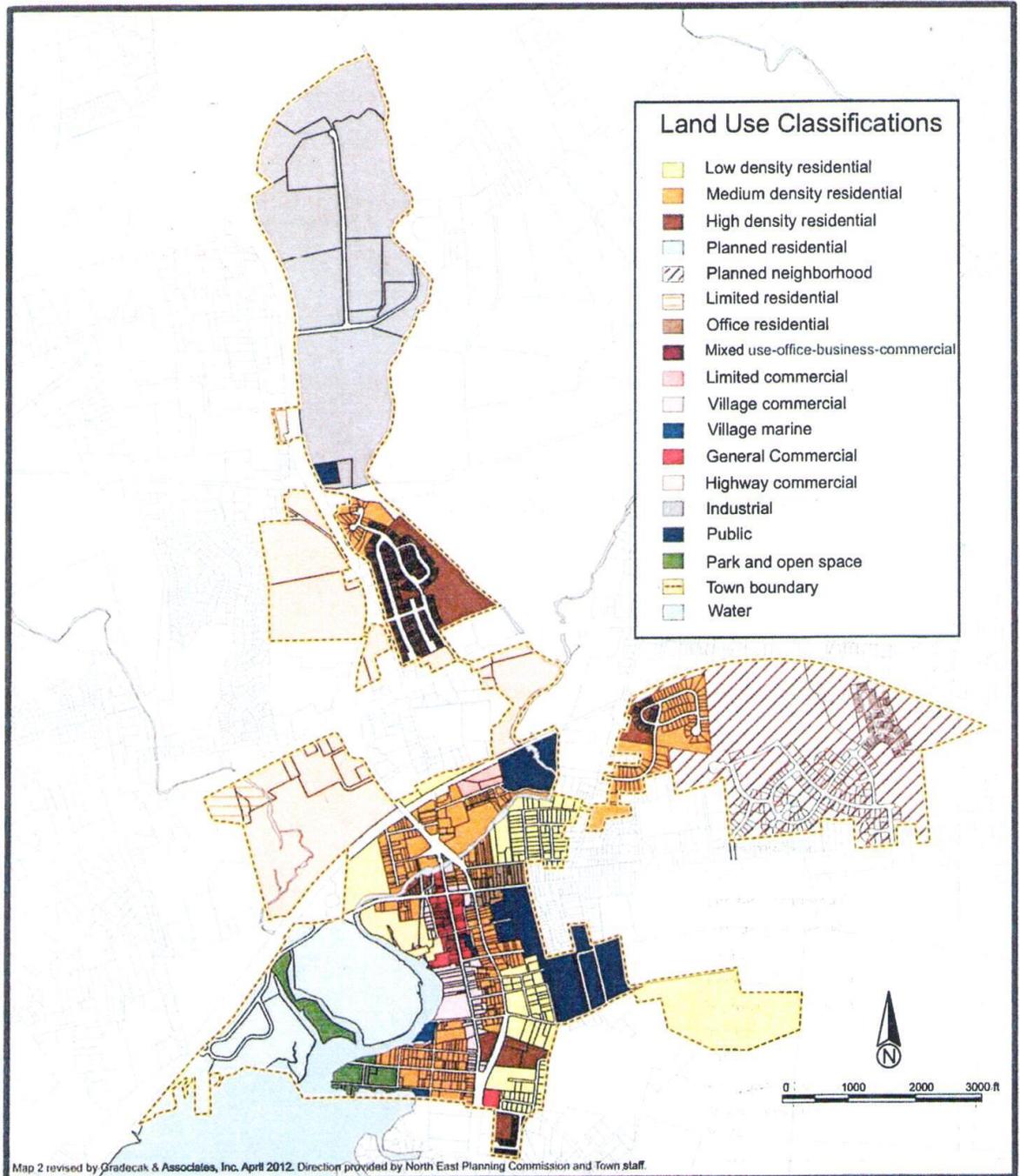
[Signature]
Planning Commission Secretary



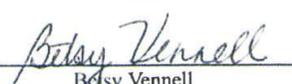
Community Planning and Assistance

Map 3

2012 - Town of North East Land Use Plan - Map 2




 Brian Morgan
 Chairman, Planning Commission


 Betsy Vennell
 Secretary, Planning Commission

Amended by Mayor and Commissioners on November 14, 2012. Map 2- Land Use Plan reflects changes made by Resolution 2012-11-02