

# Montgomery County Aims To Accelerate Approval Process To Spur More Development

**March 15, 2021** | Jon Banister, Bisnow Washington, D.C. (<https://www.bisnow.com/author/jon-banister-59843>) (<mailto:jon.banister@bisnow.com>)

Montgomery County (<https://www.bisnow.com/tags/montgomery-county>) is looking to position itself as a more business-friendly jurisdiction that can better compete with D.C. and Virginia for investment, and it is starting by fixing its development approval process.



Developers say the county has historically had a complicated, multi-step entitlement process that creates longer wait times before breaking ground and can force some investors to shy away from the county. The county acknowledges this reputation and is looking to do something about it.

After a public-private advisory group made a series of recommendations to improve economic development in the county, Montgomery County last month announced the launch ([https://www2.montgomerycountymd.gov/mcgportalapps/Press\\_Detail.aspx?Item\\_ID=33751](https://www2.montgomerycountymd.gov/mcgportalapps/Press_Detail.aspx?Item_ID=33751)) of a "Speed-to-Market Working Group" that aims to cut its entitlement process time in half.

"Being able to massively speed up our development review process will help reverse the reputation the county may have as a place where it can be difficult to break ground or move forward on a project quickly," Montgomery County Economic Development Corp. CEO Ben Wu said on a *Bisnow* webinar (<https://www.bisnow.com/webinar/washington-dc/working-better-together-in-montgomery-county-6965>) earlier this month.

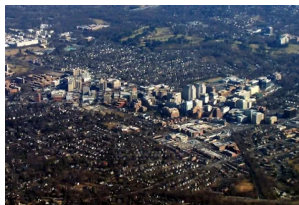
The recommendations came in November ([https://www2.montgomerycountymd.gov/mcgportalapps/Press\\_Detail.aspx?Item\\_ID=28112](https://www2.montgomerycountymd.gov/mcgportalapps/Press_Detail.aspx?Item_ID=28112)) from County Executive Marc Elrich (<https://www.bisnow.com/tags/marc-elrich>)'s Economic Advisory Group,

led by Stonebridge (<https://www.bisnow.com/tags/stonebridge>) Managing Principal Doug Firstenberg (<https://www.bisnow.com/tags/doug-firstenberg>). The group, consisting of over 30 business leaders, was tasked with pitching ideas to help the county recover from the economic effects of the coronavirus pandemic.

The group's recommendations, which were unveiled in a 14-page document ([https://www.montgomerycountymd.gov/OPI/Resources/Files/2020/EAG\\_Roadmap\\_11-2020.pdf](https://www.montgomerycountymd.gov/OPI/Resources/Files/2020/EAG_Roadmap_11-2020.pdf)) titled Economic Roadmap to Recovery & Long-Term Success, go beyond the initiative to speed up the approval process. They also include strategies for bolstering the county's talent pipeline, helping businesses attract new capital investment, and supporting hard-hit industry sectors such as restaurants, entertainment and hospitality.

Firstenberg told *Bisnow* that the overarching goal of the group's recommendations is to build a stronger, more sustainable tax base for the county that can help it weather future economic downturns.

"The lesson that people learned out of the pandemic is growing a stable tax base is important, and Montgomery County has not had as robust a development pipeline as other jurisdictions," Firstenberg said in an interview last week. "So speed to market and these other things that would help push commercial development, it's got to go in the areas targeted in the master plans, that's where you get unanimity of opinion where people say, 'We want to create a long-term stable tax base.'"



Well before the pandemic damaged the economy, developers (<https://www.bisnow.com/washington-dc/news/neighborhood/cameron-pratt-on-why-montgomery-county-has-fallen-behind-northern-virginia-99668>) and local officials (<https://www.bisnow.com/washington-dc/news/neighborhood/montgomery-county-council-member-lack-of-job-growth-becoming-a-crisis-99911>) had raised alarms (<https://www.bisnow.com/washington-dc/news/economic-development/montgomery-county-moving-toward-fiscal-peril-needs-to-spur-new-development-report-finds-96963>) about Montgomery County falling behind Northern Virginia in job growth and private sector investment.

EYA (<https://www.bisnow.com/tags/eya>) President McLean Quinn,

whose residential development firm is based in Bethesda (<https://www.bisnow.com/tags/bethesda>) and has built thousands of units in the county, said that improving its development process could help Montgomery County compete with neighboring jurisdictions.

"The imperative to streamline the processes and accelerate approvals I think is really driven by economic development and the strength of the Northern Virginia and D.C. employment markets in comparison to Montgomery County," Quinn said.

Quinn said one of the main flaws of Montgomery County's entitlement process is that it requires bringing projects before the planning board multiple times over a period of months or years for various phases of approvals, including the sketch plan, preliminary plan and site plan.

"When you have approval processes that are a little more formulaic and perhaps more rigid than they need to be or more sequential than they could be, it does create a slow approval process that costs more money, takes more time and probably does have some deterring effect on development activity," Quinn said.

Soltesz CEO James Soltesz, who runs a civil engineering and land planning firm and is a member of the Speed-to-Market Working Group, said streamlining the three phases of the approval process is one of the group's main goals.

He said development teams are also required to deal with a host of environmental, transportation and utility agencies on the federal, state and local levels, and they can sometimes have conflicting directives. He said the working group aims to create a more efficient process where teams can talk with all of these agencies in one meeting and receive clearer directions.

Between all of the entitlement and permitting processes, Soltesz said it typically takes at least two to three years to get all the approvals necessary to break ground in Montgomery County. He said it is especially important to accelerate this timeline for the county's growing life sciences companies, some of which have sought to quickly expand (<https://www.bisnow.com/washington-dc/news/life-sciences/vaccine-work-boosts-montgomery-county-life-science-demand-outpacing-available-space-106117>) over the last year as they work to develop

Covid-19 (<https://www.bisnow.com/tags/covid-19>) vaccines.

"With what's happened over the last 13 to 14 months, if someone walks in and says 'I need 50K SF in an addition or a brand-new building,' to sit in a meeting with those individuals and be able to promise them with certainty a delivery under an expedited schedule, this speed to market initiative is exactly targeted to do that," Soltesz said.



Speeding up the development process can also make the county a more attractive landing spot for large corporate employers who want to build a new headquarters. This was the case with Marriott International (<https://www.bisnow.com/tags/marriott-international>), the county's largest private sector employer (<https://www.bisnow.com/washington-dc/news/hotel/hotel-headquarters-make-montgomery-county-vulnerable-to-industry-crisis-103956>), which looked at other jurisdictions before choosing in 2016 to remain in Bethesda (<https://www.bisnow.com/washington-dc/news/office/marriott-to-keep-corporate-hq-in-bethesda-66537>).

The \$600M headquarters project, featuring a 21-story office building and a 244-room hotel, broke ground (<https://www.bisnow.com/washington-dc/news/mixed-use/marriott-celebrates-groundbreaking-of-new-downtown-bethesda-headquarters-89841>) in 2018 and is scheduled to deliver next year.

Marriott International Chief Financial Officer Leeny Oberg said the company had a positive experience working with the county on planning and permitting. She said cost was a major factor when it was deciding which jurisdiction to locate in, and the \$60M in financial incentives from Maryland and Montgomery County helped reduce the costs for the company.

"It obviously was a fairly competitive situation, and the state of Maryland together with Montgomery County put together an impressive package that allowed us to feel like it was a real competitive economic proposition for the company as well as a spectacular place for our associates to work," Oberg said on the webinar.

Attracting more employers and developers could help Montgomery

County recover from the pandemic, which has hurt its unemployment rate and its pace of new construction.

Montgomery County's unemployment rate reached a peak of 9% in May, according to a March 1 report from MCEDC ([https://static1.squarespace.com/static/5873c778e6f2e14a3529e892/t/603d4e3feeed357423c37af7/1614630466014/MoCo+Economic+Indicators+Briefing+Q4+2020\\_030121.pdf](https://static1.squarespace.com/static/5873c778e6f2e14a3529e892/t/603d4e3feeed357423c37af7/1614630466014/MoCo+Economic+Indicators+Briefing+Q4+2020_030121.pdf)), which said that unemployment from April to November was higher than ever before.

The county's unemployment rate dropped to 5.7% in December, according to the report, but that was still 3.3 percentage points higher than the December 2019 rate. The county's total labor force as of December was 546,000, down roughly 18,000 from one year earlier.

New development starts have also slowed down in the county during the pandemic, the report found. Montgomery County issued permits for 349 residential units in Q4, down roughly 40% from Q4 2019. It issued roughly 192K SF of commercial building permits in Q4, down about 35% from the prior year.

Montgomery County Planning Department Deputy Director Robert Kronenberg, speaking on the webinar, said he has seen a significant increase in planning applications filed over the last few months.

"We're seeing a lot of energy with the applications," Kronenberg said. "If some of the applications we're seeing are any indication of future ones coming in, it's a good note for us for the next six to nine months."

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See Also: In National Landing, Investments In Transportation And Construction Pave The Way For A Bright Future ([/washington-dc/news/neighborhood/national-landing-construction-transportation107420-107420](https://www.washington-dc/news/neighborhood/national-landing-construction-transportation107420-107420))

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