

**J00A01**  
**The Secretary's Office**  
**Maryland Department of Transportation**

***Executive Summary***

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The Secretary's Office (TSO) provides overall policy direction, management, and administrative support to the Maryland Department of Transportation (MDOT). The budget for TSO includes grants to various entities for transportation-related purposes.

***Operating Budget Data***

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(\$ in Thousands)

	<b><u>FY 18</u></b>	<b><u>FY 19</u></b>	<b><u>FY 20</u></b>	<b><u>FY 19-20</u></b>	<b><u>% Change</u></b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
Special Fund	\$79,344	\$83,702	\$86,504	\$2,802	3.3%
Adjustments	0	171	616	445	
<b>Adjusted Special Fund</b>	<b>\$79,344</b>	<b>\$83,873</b>	<b>\$87,120</b>	<b>\$3,247</b>	<b>3.9%</b>
Federal Fund	10,968	9,418	14,437	5,019	53.3%
Adjustments	0	0	0	0	
<b>Adjusted Federal Fund</b>	<b>\$10,968</b>	<b>\$9,418</b>	<b>\$14,437</b>	<b>\$5,019</b>	<b>53.3%</b>
<b>Adjusted Grand Total</b>	<b>\$90,313</b>	<b>\$93,291</b>	<b>\$101,557</b>	<b>\$8,266</b>	<b>8.9%</b>

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

- Nearly 61% of the \$8.3 million increase in the fiscal 2020 allowance is due to additional federal funding for metropolitan planning organizations.

Note: Numbers may not sum to total due to rounding.

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## ***PAYGO Capital Budget Data***

(\$ in Thousands)

	Fiscal 2018	Fiscal 2019		Fiscal 2020
	<u>Actual</u>	<u>Legislative</u>	<u>Working</u>	<u>Allowance</u>
Special	\$66,711	\$95,355	\$101,125	\$46,581
Federal	7,878	13,000	14,485	7,537
<b>Total</b>	<b>\$74,588</b>	<b>\$108,355</b>	<b>\$115,610</b>	<b>\$54,118</b>

- The fiscal 2019 working appropriation is \$7.3 million higher than the legislative appropriation. Some of the larger changes include:
  - increased funding for the MDOT Office of Planning and Capital Programming consultant contract (\$3.0 million);
  - increased funding for the department’s information technology improvement projects (\$1.6 million); and
  - reduced funding for the Odenton Transit Oriented Development grant (-\$3.4 million).
  
- The fiscal 2020 allowance decreases by \$61.5 million from the fiscal 2019 working appropriation, including decreased spending of \$56.5 million for system preservation and minor projects. Some of the larger changes include:
  - increased funding for the department’s asset management program (\$4.8 million);
  - increased funding for the Department of Information Technology oversight costs on MDOT projects (\$4.5 million); and
  - reduced funding for the Baltimore-Washington Superconducting Maglev project (-\$5.2 million).

**Operating and PAYGO Personnel Data**

	<b><u>FY 18 Actual</u></b>	<b><u>FY 19 Working</u></b>	<b><u>FY 20 Allowance</u></b>	<b><u>FY 19-20 Change</u></b>
Regular Operating Budget Positions	305.00	304.50	307.00	2.50
Regular PAYGO Budget Positions	<u>13.00</u>	<u>15.00</u>	<u>13.00</u>	<u>-2.00</u>
<b>Total Regular Positions</b>	<b>318.00</b>	<b>319.50</b>	<b>320.00</b>	<b>0.50</b>
Operating Budget FTEs	8.75	10.00	10.00	0.00
PAYGO Budget FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total FTEs</b>	<b>8.75</b>	<b>10.00</b>	<b>10.00</b>	<b>0.00</b>
<b>Total Personnel</b>	<b>326.75</b>	<b>329.50</b>	<b>330.00</b>	<b>0.50</b>

**Vacancy Data: Regular Positions**

Turnover and Necessary Vacancies, Excluding New Positions	20.67	6.88%
Positions and Percentage Vacant as of 1/1/19	23.50	7.35%

- The fiscal 2020 allowance includes 2.5 additional operating budget regular positions. Two positions were transferred in from outside MDOT although 1 of these positions was intended to go to the Governor’s Office of Crime Control and Prevention. The remaining transfer from outside the department will be used for special research such as Maryland’s electric vehicle infrastructure, alternative transportation options, and the effect of alternative transportation options on transit ridership. The 0.5 position transferred from within MDOT will be used for Minority Business Enterprise and Disadvantaged Business Enterprise contract compliance.
- There are 2 fewer capital positions in the fiscal 2020 allowance than in the fiscal 2019 working appropriation. One of these positions was transferred to the Maryland Port Administration for procurement support; the other was transferred to the State Highway Administration to support the I-495 and I-270 public-private partnership program.

## ***Key Observations***

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- Maryland is participating with eight other Mid-Atlantic and Northeastern states and the District of Columbia to develop a policy to cap and reduce greenhouse gas emissions from transportation sources. The goal is to develop the policy within a year, after which each jurisdiction will decide whether or not to implement it.
- Across the entire department, there were 19.5 fewer filled positions on January 1, 2019, than there were one year prior.

## **Operating Budget Recommended Actions**

1. Add language restricting funds until all of the reports related to the Baltimore Metro shutdown review requested in the 2018 Joint Chairmen’s Report have been submitted and reviewed.
2. Add annual budget bill language restricting operating grants-in-aid funding.

## **PAYGO Budget Recommended Actions**

1. Add annual budget bill language limiting system preservation and minor project funding to the projects identified in the Consolidated Transportation Program.

## **Updates**

- ***Transit-oriented Development – Project Updates:*** The Office of Real Estate and Economic Development in TSO is responsible for disposing of excess land owned by MDOT as well as promoting development around transit stations. The Department of Legislative Services and MDOT developed an administrative process to provide for the reporting and oversight of transit-oriented development (TOD) projects. The status of TOD projects, based on the most recent MDOT report, is provided.

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**Maryland Department of Transportation**

***Budget Analysis***

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**Program Description**

The Secretary's Office (TSO) provides overall policy direction, management, and administrative support to the Maryland Department of Transportation (MDOT). Units within the office provide support in the areas of finance, procurement, engineering, audits, administrative services, planning and capital programming, human resources, and Minority Business Enterprise certification. Executive staff support is also provided for management services, public affairs, the general counsel's office, and policy and governmental relations. Within TSO, the Office of Transportation Technology Services provides centralized computing, network, infrastructure, and general information technology (IT) services for MDOT. TSO also makes grants to various entities for transportation-related purposes.

Key goals of the department are:

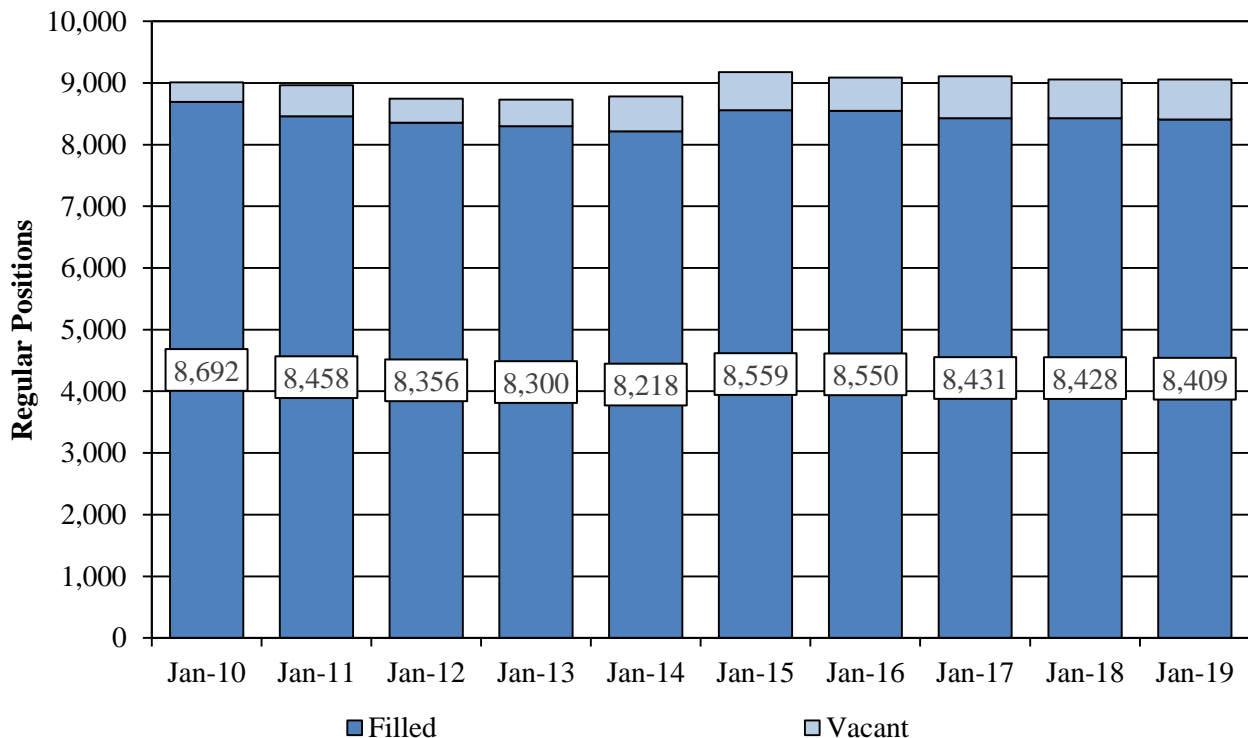
- ensuring a safe, secure, and resilient transportation system;
- maintaining a high standard and modernize Maryland's multimodal transportation system;
- improving the quality and efficiency of the transportation system to enhance customer experience;
- providing better transportation choices and connections;
- facilitating economic opportunity and reducing congestion in Maryland through strategic system expansion;
- ensuring environmental protection and sensitivity; and
- promoting fiscal responsibility.

## Performance Analysis: Managing for Results

### 1. Productivity and Quality – Recruit and Retain Quality Employees

One of the key factors that affects an agency’s ability to carry out its mission and achieve its goals is having an adequate number of filled positions to do the work. **Exhibit 1** shows the number of filled and vacant positions for all modes on January 1 of each year from 2010 to 2019. There were 19.5 fewer filled MDOT positions on January 1, 2019, than a year earlier. The vacancy rate for the department as a whole was 7.2%. Among the MDOT business units, the State Highway Administration (SHA) had the highest vacancy rate at 10.3% while the Maryland Transit Administration (MTA) had the lowest at 4.4%.

**Exhibit 1**  
**Departmentwide Filled and Vacant Positions**  
**On January 1, 2010-2019**

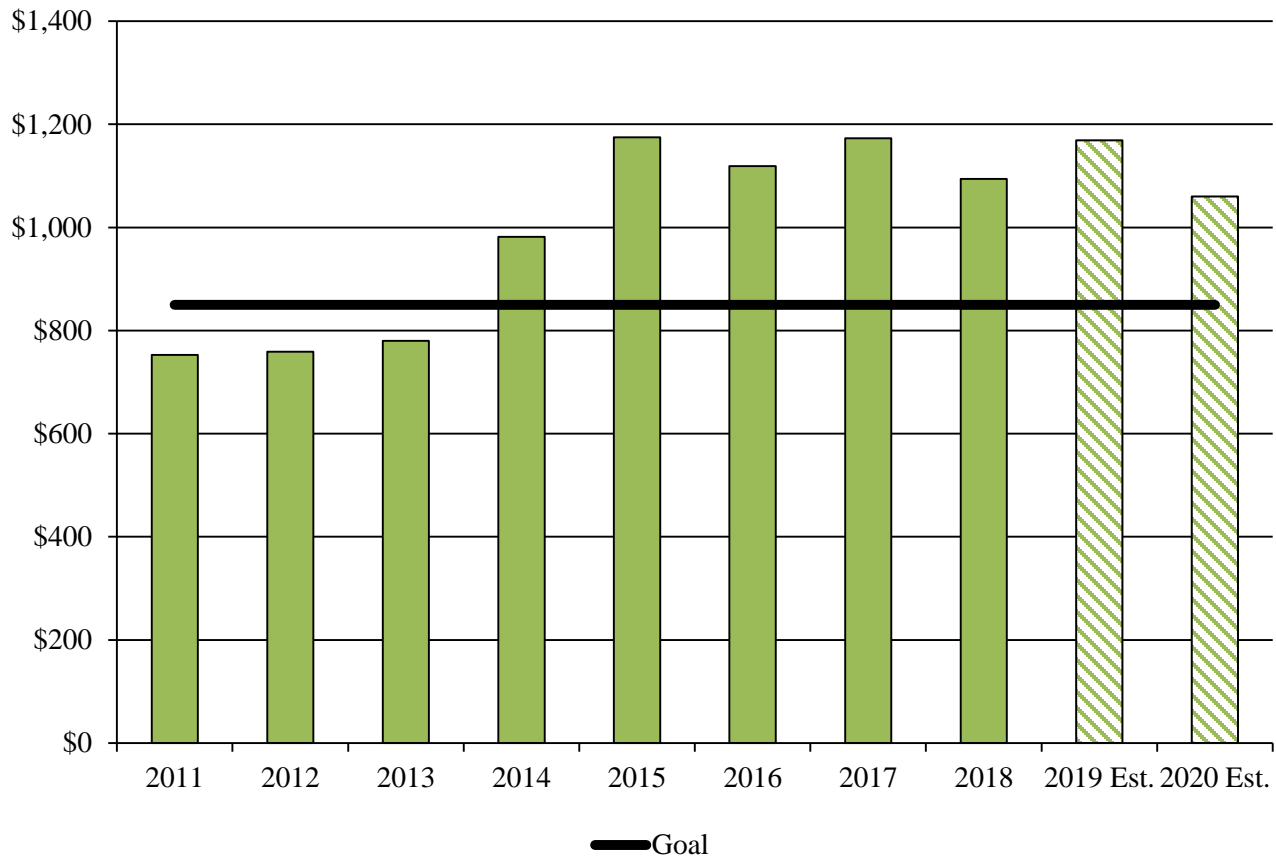


Source: Maryland Department of Transportation; Department of Legislative Services

## 2. Promote Fiscal Responsibility – System Preservation

Part of TSO’s goal to promote fiscal responsibility is to maintain Maryland’s network in a state of good repair. One objective for meeting this goal is that system preservation should be adequately funded at no less than \$850 million. As shown in **Exhibit 2**, this goal was achieved five times in the fiscal 2011 to 2018 period, with projections that the goal will be met in both fiscal 2019 and 2020.

**Exhibit 2**  
**System Preservation Funding**  
**Fiscal 2011-2020 Est.**  
**(\$ in Millions)**



Source: Maryland Department of Transportation; Department of Legislative Services

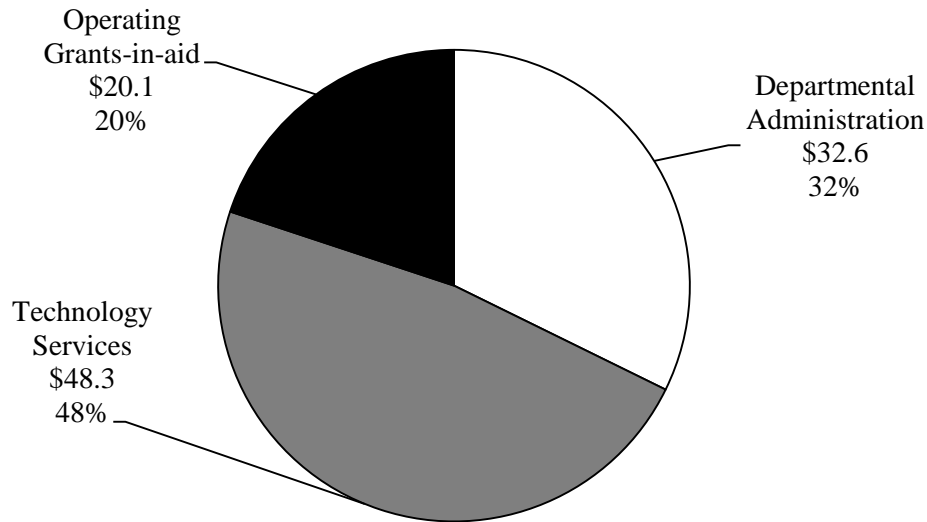
In the remaining years of the forecast period of the *Consolidated Transportation Program* (CTP), system preservation funding is projected at an average annual amount of \$974.6 million, well above the stated goal.

## Fiscal 2020 Allowance

### Overview of Agency Spending

As shown in **Exhibit 3**, nearly half of the TSO fiscal 2020 operating allowance (48%) is devoted to providing IT support to the department. Management and support services accounts for 32% of the operating budget, and the remaining 20% is used to provide transportation-related grants.

**Exhibit 3**  
**The Secretary’s Office Fiscal 2020 Allowance by Use**  
(\$ in Millions)



**Total: \$100.9 Million**

Source: Governor’s Fiscal 2020 Budget Books; Department of Legislative Services

### Proposed Budget Change

As shown in **Exhibit 4**, the fiscal 2020 operating allowance for TSO increases by a net \$8.3 million from the current year working appropriation. An additional \$5.0 million in federal funding for metropolitan planning organizations (MPO), along with the special fund match, accounts for nearly \$5.5 million of the increase. Personnel expenses increase by \$1.7 million, with over half the increase due to the general salary increase included for fiscal 2020 and full-year funding for the general salary increase that went into effect halfway through fiscal 2019. Departmental operations expenses increase by a net \$1.4 million, with computer maintenance and software costs partially offset by decreases in IT



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contractual services. Cost allocations increase by a net \$256,000 with a reduction in funding for the Department of Budget and Management paid telecommunications more than offset by an increase in the Department of Information Technology (DoIT) services allocation. This reflects the move toward funding DoIT through a fee-for-service model with each agency reimbursing DoIT for the costs of the services it receives from DoIT.

**Exhibit 4  
Proposed Budget  
MDOT – The Secretary’s Office  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Total</b>
Fiscal 2018 Actual	\$79,344	\$10,968	\$90,313
Fiscal 2019 Working Appropriation	83,873	9,418	93,291
Fiscal 2020 Allowance	<u>87,120</u>	<u>14,437</u>	<u>101,557</u>
Fiscal 2019-2020 Amount Change	\$3,247	\$5,019	\$8,266
Fiscal 2019-2020 Percent Change	3.9%	53.3%	8.9%

**Where It Goes:**

**Personnel Expenses**

General salary increase.....	\$575
Workers’ compensation premium assessment .....	283
Employees’ retirement system .....	269
Annualize fiscal 2019 2% general salary increase .....	266
Positions transferred in.....	216
Additional assistance.....	104
Reclassifications/hiring above base .....	75
Employee and retiree health insurance.....	31
\$500 bonus funding not carried into fiscal 2020.....	-130
Other fringe benefit adjustments .....	15

**Departmental Administration**

Computer maintenance contracts, software licenses, software acquisition, and software maintenance .....	2,313
Management studies and consultants .....	220
Financial Management Information System consultant .....	200
Subscriptions .....	75
Rent .....	14
Postage .....	-5
Utilities – electricity and natural gas/propane.....	-36

**Where It Goes:**

Office assistance contracts .....	-100
Miscellaneous information technology contractual services.....	-1,312
<b>Cost Allocations</b>	
Department of Information Technology services allocation .....	1,733
Department of Budget and Management paid telecommunications.....	-1,477
<b>Operating Grants-in-aid</b>	
Grants to metropolitan planning organizations .....	5,480
Payments in lieu of taxes.....	-531
<b>Other</b> .....	-12
<b>Total</b>	<b>\$8,266</b>

Note: Numbers may not sum to total due to rounding.

**Operating Grants-in-aid**

Operating grants-in-aid funding increases by a net \$4.9 million with a \$5.4 million increase in funding for MPOs partially offset by a \$531,441 decrease in payments in lieu of taxes. **Exhibit 5** provides a listing of the operating grants-in-aid for fiscal 2020.

**Exhibit 5  
Operating Grants-in-aid Funding  
Fiscal 2020**

<u>Grant Recipient</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
Baltimore MPO	\$794,431	\$7,270,147	\$8,064,578
Cumberland MPO	18,031	144,245	162,276
Hagerstown MPO	26,910	215,284	242,194
Lexington Park MPO	41,921	335,368	377,289
Salisbury MPO	38,948	311,588	350,536
Tri-county Planning Organization	0	0	0
Washington MPO	753,459	6,027,677	6,781,136
Wilmington MPO	16,585	132,699	149,284
Department of Commerce (to support the Appalachian Regional Commission)	155,000	0	155,000
Maryland Department of Planning	258,000	0	258,000
Payments in Lieu of Taxes	1,664,051	0	1,664,051

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<u>Grant Recipient</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
Baltimore City – Marine Fire Suppression Services	1,399,940	0	1,399,940
Pride of Baltimore	500,000	0	500,000
<b>Total</b>	<b>\$5,667,276</b>	<b>\$14,437,008</b>	<b>\$20,104,284</b>

MPO: metropolitan planning organizations

Source: Maryland Department of Transportation

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## **PAYGO Capital Program**

### **Program Description**

The TSO capital program has historically consisted of projects that support the preservation of the MDOT headquarters systems and air quality initiatives in the Baltimore/Washington metropolitan areas. TSO provides capital grants to public and private entities for transportation-related purposes.

### **Fiscal 2019 to 2024 CTP**

The fiscal 2019 to 2024 capital program for TSO totals \$244.4 million, a decrease of \$36.5 million compared to the prior year’s six-year capital program. A small increase in funding for major projects (\$0.4 million) is more than offset by decreases to both the development and evaluation program (-\$9.2 million) and to system preservation and minor projects (-\$28.0 million).

### **Fiscal 2020 Capital Allowance**

The fiscal 2020 allowance for the TSO capital program, including other funds that do not flow through the TSO budget, totals \$57.0 million, a decrease of \$61.2 million from the prior year’s six-year capital program. **Exhibit 6** shows the fiscal 2020 capital program for TSO by project and program along with the estimated total project costs and six-year funding included in the CTP.

**Exhibit 6**  
**The Secretary’s Office PAYGO Capital Allowance**  
**Fiscal 2020**  
**(\$ in Millions)**

<u>Project Description</u>	<u>2020</u>	<u>Total Cost</u>	<u>Six-year Total</u>
<b>Projects</b>			
Baltimore-Washington Superconducting Maglev D&E	\$10.1	\$34.7	\$25.5
<b>Programs</b>			
System Preservation and Minor Projects	\$36.7	\$0.0	\$164.7
Transportation Emission Reduction Program	4.4	0.0	27.8
Bikeways Network Program	3.8	0.0	10.3
Capital Salaries and Wages	2.0	0.0	12.0
<b>Subtotal – Programs</b>	<b>\$46.9</b>	<b>\$0.0</b>	<b>\$214.8</b>
<b>Total – Projects and Programs</b>	<b>\$57.0</b>	<b>\$34.7</b>	<b>\$240.3</b>

D&E: development and evaluation

PAYGO: pay-as-you-go

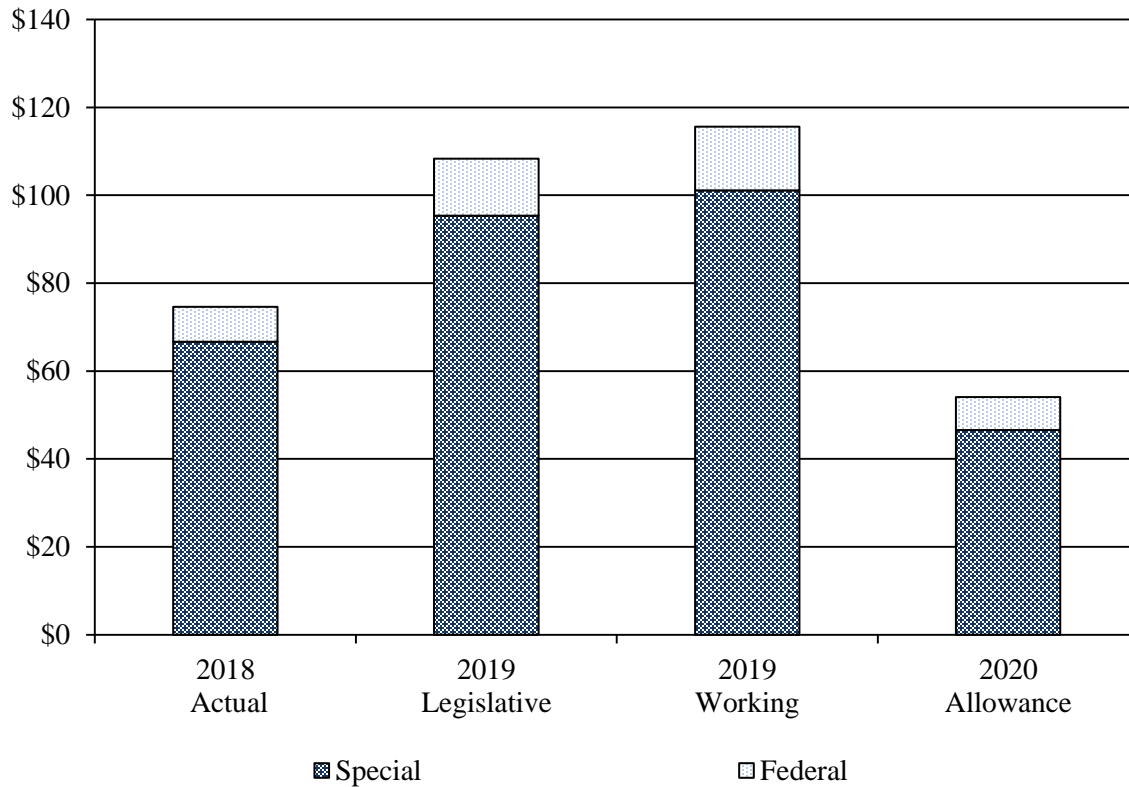
Note: Numbers may not sum to total due to rounding.

Source: Maryland Department of Transportation, Fiscal 2019-2024 *Consolidated Transportation Program*

**Fiscal 2018 to 2020 Cash Flow Analysis**

**Exhibit 7** shows the changes in TSO capital appropriations for fiscal 2018 through the fiscal 2020 allowance and includes both the fiscal 2019 legislative and working appropriations. The fiscal 2019 working appropriation of \$115.6 million is \$7.3 million higher than the legislative appropriation. The fiscal 2020 allowance represents a \$61.5 million decrease in funding from the current year working appropriation.

**Exhibit 7**  
**Cash Flow Changes**  
**Fiscal 2018-2020**  
**(\$ in Millions)**



Source: Governor’s Fiscal 2020 Budget Books

**Cash Flow Analysis – Fiscal 2019 Changes**

**Exhibit 8** shows the changes between the fiscal 2019 legislative and working appropriations, including other funds that do not flow through the TSO budget.

**Exhibit 8**  
**Cash Flow Changes**  
**Fiscal 2019 Legislative to Working Appropriations**  
**(\$ in Thousands)**

<b>Major Projects</b>		<b>-\$187</b>
Bikeways Network Program	-\$494	
Transportation Emission Reduction Program	307	
<b>System Preservation and Minor Projects</b>		<b>\$11,600</b>
<b>Development and Evaluation Program</b>		<b>-\$640</b>
Baltimore-Washington Superconducting Maglev D&E	-\$640	
<b>Total Change</b>		<b>\$10,773</b>

D&E: development and evaluation

Note: Numbers may not sum to total due to rounding.

Source: Maryland Department of Transportation, Fiscal 2019-2024 *Consolidated Transportation Program*

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Some of the larger changes in system preservation and minor project funding between the legislative and working appropriations comprise:

- \$3.0 million for the MDOT Office of Planning and Capital Programming consultant contract;
- \$1.6 million for department IT improvement projects;
- \$1.2 million for the Port of Baltimore Incentive Pilot Program;
- \$1.0 million for the Harford County Airport Field Expansion (new); and
- -\$3.4 million from the Odenton Transit Oriented Development Grant.

**Cash Flow Analysis – Fiscal 2019 to 2020 Changes**

**Exhibit 9** shows the changes between the fiscal 2019 working appropriation and the fiscal 2019 allowance, including other funds that do not flow through the TSO budget.

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**Exhibit 9**  
**Cash Flow Changes**  
**Fiscal 2019 Working Appropriation to Fiscal 2020 Allowance**  
**(\$ in Thousands)**

<b>Major Projects</b>		<b>\$474</b>
Bikeways Network Program	\$580	
Transportation Emission Reduction Program	-106	
<b>System Preservation and Minor Projects</b>		<b>-\$56,500</b>
<b>Development and Evaluation Program</b>		<b>-\$5,227</b>
Baltimore-Washington Superconducting Maglev D&E	-\$5,227	
<b>Capital Salaries and Wages</b>		<b>\$100</b>
<b>Total Change</b>		<b>-\$61,153</b>

D&E: development and evaluation

Source: Maryland Department of Transportation, Fiscal 2019-2024 *Consolidated Transportation Program*

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Some of the larger changes in system preservation and minor project funding between the working appropriation and the allowance comprise:

- \$4.8 million for the Department Asset Management Program;
- \$4.5 million for DoIT oversight costs on MDOT projects;
- -\$1.1 million for the Capital Management and Programming System; and
- -\$1.2 million for the MDOT headquarters building.

## **Significant Changes from the Fiscal 2018 to 2023 CTP**

**Exhibit 10** shows the significant changes from the fiscal 2018 to 2023 CTP for TSO.

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### **Exhibit 10 Projects Removed from the Development and Evaluation Program**

<b><u>Project</u></b>	<b><u>Justification</u></b>
Amtrak’s Susquehanna River Bridge	Study is complete.
Amtrak’s Baltimore and Potomac Tunnel	Study is complete.

Source: Maryland Department of Transportation, Fiscal 2019-2024 *Consolidated Transportation Program*

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## ***Issues***

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### **1. Maryland Participating in Regional Effort to Cap and Reduce Greenhouse Gas Pollution from Transportation Sources**

In December 2018, the Transportation and Climate Initiative (TCI) of the Northeast and Mid-Atlantic States announced a plan to design a regional low-carbon transportation policy that would cap and reduce carbon emissions from the transportation sector through a cap-and-invest program or other pricing mechanism. The goal is for this policy to be developed within a year and member jurisdictions would then each decide whether or not to adopt and implement the policy. Member jurisdictions comprise Connecticut, Delaware, Maryland, Massachusetts, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, and the District of Columbia.

According to the TCI announcement, decisions that will be made during development of the policy include:

- the level at which to cap emissions;
- monitoring and reporting guidelines needed to ensure that transportation-related emissions decline over time;
- identification of the entities to be regulated and the fuels to be included;
- mechanisms for cost containment and compliance flexibility;
- identification of shared priorities for investment of proceeds;
- establishment of clear processes and timelines for implementation; and
- assessment of ways to foster broader transportation equity across communities.

**While development of the policy proposal will be a regional effort that will undoubtedly entail compromise, MDOT should brief the committees on how it envisions a program of this type would operate with respect to the level at which emissions should be capped, the entities that would be regulated, the revenues that would be raised in Maryland, and the uses for these revenues.**

## ***Operating Budget Recommended Actions***

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1. Add the following language to the special fund appropriation:

, provided that \$1,000,000 of this appropriation made for the purpose of administration may not be expended until the Maryland Department of Transportation has submitted all of the reports related to the 2018 Baltimore Metro shutdown requested in the 2018 Joint Chairmen’s Report, and the Department of Legislative Services has reviewed all of those reports. Further provided that those reports shall be submitted no later than September 1, 2019. Funds restricted pending the receipt of these reports may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if all of the reports are not submitted.

**Explanation:** The 2018 Joint Chairmen’s Report (JCR) included a request for a summary of the findings and recommendations of four reviews to be conducted related to the 2018 shutdown of the Baltimore Metro. These reports were due September 1, 2018, but were not submitted as requested. This language restricts funds until all reports have been received and reviewed by the Department of Legislative Services.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
2018 JCR report requests	Maryland Department of Transportation	September 1, 2019

2. Add the following language to the special fund appropriation:

, provided that no more than \$5,667,276 of this appropriation may be expended for operating grants-in-aid, except for:

- (1) any additional special funds necessary to match unanticipated federal fund attainments;  
or
- (2) any proposed increase either to provide funds for a new grantee or to expand funds for an existing grantee.

Further provided that no expenditures in excess of \$5,667,276 may occur unless the department provides notification to the budget committees to justify the need for additional expenditures due to either item (1) or (2) above, and the committees provide review and comment or 45 days elapse from the date such notification is provided to the committees.

**Explanation:** This annual language caps the level of special funds provided for operating grants-in-aid. The cap may be increased to match unanticipated federal dollars or to provide new or expanded grant funding upon notification to the budget committees.

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<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Explanation of need for additional special funds for operating grants-in-aid	Maryland Department of Transportation	45 days prior to expenditure

## ***PAYGO Budget Recommended Actions***

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1. Add the following language to the special fund appropriation:

, provided that no funds may be expended by the Secretary’s Office for any system preservation or minor project with a total project cost in excess of \$500,000 that is not currently included in the fiscal 2019-2024 Consolidated Transportation Program, except as outlined below:

- (1) the Secretary shall notify the budget committees of any proposed system preservation or minor project with a total project cost in excess of \$500,000, including the need and justification for the project and its total cost; and
- (2) the budget committees shall have 45 days to review and comment on the proposed system preservation or minor project.

**Explanation:** This language provides legislative oversight of grants exceeding \$500,000 that are not listed in the current Consolidated Transportation Program.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Notification of the intent to fund a capital grant exceeding \$500,000 that is not listed in the current Consolidated Transportation Program	Maryland Department of Transportation	45 days prior to expenditure

## Updates

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### 1. Transit-oriented Development – Project Updates

#### Background

The Office of Real Estate and Economic Development in TSO is responsible for disposing of excess land owned by MDOT as well as promoting development around transit stations. Transit-oriented development (TOD) projects are intended to create high density, livable, and walkable neighborhoods around transit stations. Chapters 122 and 123 of 2008 codified the department’s TOD activities and allowed the Secretary to designate a TOD with other State agencies and local governments or multi-county agencies with land-use and planning responsibility for the relevant area. The fiscal 2019-2024 CTP includes \$200,000 in fiscal 2019 and \$200,000 in fiscal 2020 for TOD implementation projects and \$1.6 million in fiscal 2019 and \$900,000 in fiscal 2020 for the Odenton TOD project (discussed in the following section).

#### Project Overview

The Department of Legislative Services and MDOT developed an administrative process to provide for the reporting and oversight of TOD projects. Pursuant to the agreed upon process, MDOT submits an annual report providing an update on active TOD projects. The 2018 MDOT report highlighted a number of TOD projects, as summarized below.

#### Projects at MDOT-owned Stations

- ***Savage Maryland Area Regional Commuter Station:*** MDOT sold a 9.2-acre portion of a 12.7-acre MDOT surface parking lot for mixed-use development. MDOT received \$3.3 million for the land, and the developer has constructed a 696-space Maryland Area Regional Commuter (MARC) commuter parking garage on the MDOT-retained property. Private development will include 416 residential units, 17,000 square feet (sq. ft.) of retail space, 100,000 sq. ft. of office space, structured parking garages, and a 150-room hotel. In August 2017, residents began moving into the apartments constructed as part of this project.
- ***Expected Actions in Fiscal 2019:*** Continuation of construction of the private component of the project.
- ***Owings Mills Baltimore Metro Station:*** In July 2005, the Board of Public Works (BPW) approved a development agreement that provided for the construction of a mixed-use development in several phases on 43 acres of MDOT-owned land adjacent to the metro station that had been in use as surface parking. Under the agreement, the developer pays ground rent payments to MDOT, and the developer was also required to construct two parking garages, both of which have been completed and are in operation. MDOT contributed \$15.1 million, and Baltimore County committed \$13.1 million for the project. MDOT does not anticipate any

additional State funding. The county completed the construction of a new community college facility and county library in calendar 2013. In calendar 2013, the developer also completed construction of Phase 1 residential and retail buildings. The first office building shell is complete and streetscape and space leasing efforts are ongoing.

- ***Expected Actions in Fiscal 2019:*** Ongoing construction for the private component of the project.
  
- ***Odenton MARC Station:*** A mixed-use project on approximately 33 acres of MDOT parking lots and adjacent county-owned land is envisioned. The west lot, an 11.8-acre parcel, will be the first phase of the project. A development team for the project was selected in September 2007 by MDOT and Anne Arundel County and given an exclusive negotiating privilege to pursue a Master Development Agreement (MDA) for a mixed-use TOD. The developer has developed *pro forma* proposals for both conventional financing and financing through the new federal program for TOD, known as the Railroad Rehabilitation and Improvement Financing Program (RRIF). In January 2017, the developer and the Maryland Economic Development Corporation submitted a preliminary RRIF application to the U.S. Department of Transportation; however, subsequent to submitting the application, the requirements for the new program were refined, and no TOD projects have been approved nationally. The county council has approved \$16.4 million in Tax Increment Financing (TIF) to be used only for public facilities. To date, the developer has been unable to formulate a budget for an economically feasible project. The developer is seeking additional partners.
  - ***Expected Actions in Fiscal 2019:*** MDOT intends to pursue all possibilities for development. This includes continuing to pursue a viable TOD and/or continued utilization of portions of the site for existing/expanded commuter surface parking.
  
- ***Laurel Park MARC Station:*** The Laurel Park Station property consists of 63.84 acres located adjacent to U.S. Route 1, immediately north of Laurel, Maryland. The development potential of the property is enhanced by direct access to the MARC rail stop for the Camden Line, entrances off of U.S. Route 1, and its location in the middle of the Baltimore/Washington corridor. The property was rezoned in 2004 as a Howard County high-density TOD district. The project will include up to 1,000 multifamily residential units, 127,000 sq. ft. of retail, and 650,000 sq. ft. of office space. In early 2017, MTA and CSX executed a Memorandum of Understanding providing for three morning stops and three evening stops. The county and the developer are in discussions regarding TIF financing. A TIF approval would potentially include station upgrades/improvements, public infrastructure, and parking facility improvements for the new MARC station. The project will have six parking garages with only two 350-space garages included in the TIF proposal.
  - ***Expected Actions in Fiscal 2019:*** The developer is working with the county to modify the project’s phasing and costs for inclusion in the TIF application. Additionally, the developer will be submitting an application for an access permit to commence with phases 1 and 2.

- ***Reisterstown Plaza Metro:*** The TOD site consisted of 35.0 acres of MDOT-owned surface parking lots and open space. MDOT negotiated an agreement with the federal General Services Administration (GSA) to dispose of an 11.3-acre portion of the site for the construction of a new Social Security Administration (SSA) office building. BPW approved the disposition of the land at its August 26, 2009 meeting. GSA entered into an agreement with a private developer who owns the property, constructed a 538,000 sq. ft. rentable building and a 1,076-space parking garage on the property, and leased it back to the federal government for the use of SSA. Construction was completed in early 2014. MDOT is conducting pre-development work on and has prepared a draft Request for Expressions of Interest (RFEI) for the development of its remaining 25+ acres. It began the State Clearinghouse process in July 2018.
  - ***Expected Actions in Fiscal 2019:*** Issuance of the RFEI in coordination with the local jurisdiction and continued pre-development activities.
  
- ***New Carrollton Metro/MARC/Amtrak Station:*** During fiscal 2011, the Washington Metropolitan Area Transit Authority (WMATA) and MDOT approved an agreement to jointly issue a Request for Qualifications to identify a team to plan and develop a TOD project on 23 acres of WMATA property and 16 acres of adjacent MTA-owned property at the New Carrollton Metro/MARC Station. A developer was selected in February 2011. WMATA executed a Joint Development Agreement (JDA) with the development team in December 2012 addressing the WMATA property. MDOT and the developer have suspended discussions of terms and conditions of an MDA for the State-owned land because the developer determined that Phase I of the project will be located entirely on WMATA-owned property. In September 2015, WMATA and the developer executed a JDA covering a mixed-use development with ground floor commercial space and residential space above, along with an attached parking garage. In fiscal 2018, WMATA and MDOT reached an agreement whereby MDOT will swap its State-owned land at New Carrollton in exchange for easements from WMATA at New Carrollton, College Park, and Silver Spring that are needed for the Purple Line light rail project.
  - ***Expected Actions in Fiscal 2019:*** Execution of the land for easements swap.
  
- ***Dorsey MARC Station:*** The TOD site consists of three parcels totaling almost 21 acres in the Dorsey community in Elkridge, Howard County. Two of the parcels are owned by MTA, and the third is owned by SHA. The site is zoned office/commercial. MDOT is conducting pre-development activities and is in process of finalizing an RFEI that it anticipates issuing in fiscal 2019.
  - ***Expected Actions in Fiscal 2019:*** State Clearinghouse process and issuance of the RFEI.

*J00A01 – MDOT – The Secretary’s Office*

**Appendix 1  
Current and Prior Year Budgets  
MDOT – The Secretary’s Office  
(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2018</b>					
Legislative Appropriation	\$0	\$79,662	\$8,887	\$0	\$88,549
Deficiency/Withdrawn Appropriation	0	-402	0	0	-402
Cost Containment	0	0	0	0	0
Budget Amendments	0	1,172	2,081	0	3,253
Reversions and Cancellations	0	-1,087	0	0	-1,087
<b>Actual Expenditures</b>	<b>\$0</b>	<b>\$79,344</b>	<b>\$10,968</b>	<b>\$0</b>	<b>\$90,313</b>
<b>Fiscal 2019</b>					
Legislative Appropriation	\$0	\$83,034	\$9,418	\$0	\$92,452
Budget Amendments	0	667	0	0	667
<b>Working Appropriation</b>	<b>\$0</b>	<b>\$83,702</b>	<b>\$9,418</b>	<b>\$0</b>	<b>\$93,120</b>

MDOT: Maryland Department of Transportation

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.



## **Fiscal 2018**

The fiscal 2018 budget for the Secretary’s Office closed out \$1.8 million higher than the legislative appropriation. Funds added by budget amendment (\$1,171,561 in special funds and \$2,081,381 in federal funds) more than offset the special fund withdrawn appropriation due to over budgeted health insurance subsidies (\$402,117) and the year-end special fund cancellation of \$1,086,897.

Funds were added by budget amendment for the following purposes:

- increased funding for operating grants-in-aid using prior year federal funds for metropolitan planning organizations (\$1,913,281 in federal funds and \$36,098 in special funds);
- consolidation of human resource functions from the Maryland Port Administration (MPA) into the Secretary’s Office (\$656,742 in special funds);
- additional funding for Financial Management Information System maintenance (\$478,721 in special funds); and
- increased Homeland Security grant (\$168,100 in federal funds).

The year-end special fund cancellation comprised savings from vacant positions and lower than projected postage, utilities, and vehicle maintenance spending.

## **Fiscal 2019**

The fiscal 2019 working appropriation is a net \$667,488 higher than the legislative appropriation. Special fund budget amendments:

- added funds for the 0.5% general salary increase and \$500 bonus effective April 1, 2019;
- added funds to reflect transfer from MPA of a grant for the Pride of Baltimore (\$500,000); and
- reduced funds to reflect transfer of some human resource services to MPA.

**Appendix 2  
Object/Fund Difference Report  
MDOT – The Secretary’s Office**

<u>Object/Fund</u>	<u>FY 18 Actual</u>	<u>FY 19 Working Appropriation</u>	<u>FY 20 Allowance</u>	<u>FY 19 - FY 20 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	305.00	304.50	307.00	2.50	0.8%
02 Contractual	8.75	10.00	10.00	0.00	0%
<b>Total Positions</b>	<b>313.75</b>	<b>314.50</b>	<b>317.00</b>	<b>2.50</b>	<b>0.8%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 30,770,267	\$ 31,765,051	\$ 33,024,384	\$ 1,259,333	4.0%
02 Technical and Spec. Fees	382,620	523,265	529,911	6,646	1.3%
03 Communication	4,369,133	5,684,026	4,205,233	-1,478,793	-26.0%
04 Travel	176,031	184,572	189,413	4,841	2.6%
06 Fuel and Utilities	247,017	306,655	270,154	-36,501	-11.9%
07 Motor Vehicles	37,750	64,284	47,948	-16,336	-25.4%
08 Contractual Services	36,090,350	36,025,367	39,132,686	3,107,319	8.6%
09 Supplies and Materials	176,126	233,740	233,930	190	0.1%
10 Equipment – Replacement	32,337	2,100	12,018	9,918	472.3%
11 Equipment – Additional	46,543	96,221	29,432	-66,789	-69.4%
12 Grants, Subsidies, and Contributions	14,969,078	15,268,144	20,195,784	4,927,640	32.3%
13 Fixed Charges	3,015,396	2,966,309	3,069,891	103,582	3.5%
<b>Total Objects</b>	<b>\$ 90,312,648</b>	<b>\$ 93,119,734</b>	<b>\$ 100,940,784</b>	<b>\$ 7,821,050</b>	<b>8.4%</b>
<b>Funds</b>					
03 Special Fund	\$ 79,344,485	\$ 83,701,632	\$ 86,503,776	\$ 2,802,144	3.3%
05 Federal Fund	10,968,163	9,418,102	14,437,008	5,018,906	53.3%
<b>Total Funds</b>	<b>\$ 90,312,648</b>	<b>\$ 93,119,734</b>	<b>\$ 100,940,784</b>	<b>\$ 7,821,050</b>	<b>8.4%</b>

MDOT: Maryland Department of Transportation

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

**Appendix 3  
Fiscal Summary  
MDOT – The Secretary’s Office**

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 Executive Direction	\$ 29,339,190	\$ 30,888,630	\$ 32,572,354	\$ 1,683,724	5.5%
02 Operating Grants-in-aid	14,880,922	15,156,144	20,104,284	4,948,140	32.6%
03 Facilities and Capital Equipment	72,606,382	113,336,460	48,780,412	-64,556,048	-57.0%
07 Office of Transportation Technology Services	46,092,536	47,074,960	48,264,146	1,189,186	2.5%
08 Major Information Technology Development Projects	1,982,005	2,273,540	5,337,588	3,064,048	134.8%
<b>Total Expenditures</b>	<b>\$ 164,901,035</b>	<b>\$ 208,729,734</b>	<b>\$ 155,058,784</b>	<b>-\$ 53,670,950</b>	<b>-25.7%</b>
Special Fund	\$ 146,055,339	\$ 184,826,632	\$ 133,084,776	-\$ 51,741,856	-28.0%
Federal Fund	18,845,696	23,903,102	21,974,008	-1,929,094	-8.1%
<b>Total Appropriations</b>	<b>\$ 164,901,035</b>	<b>\$ 208,729,734</b>	<b>\$ 155,058,784</b>	<b>-\$ 53,670,950</b>	<b>-25.7%</b>

MDOT: Maryland Department of Transportation

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

**Appendix 4**  
**Budget Amendments for Fiscal 2019**  
**Maryland Department of Transportation**  
**The Secretary’s Office – Operating**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$401,457	Special	Transfer human resources services to MPA (-\$98,543); transfer Pride of Baltimore grant from MPA (\$500,000).
Approved	266,031	Special	Funding for 2% general salary increase effective January 1, 2019.
Approved	223,351	Special	Funding for 0.5% general salary increase and \$500 bonus effective April 1, 2019.

MPA: Maryland Port Administration

Source: Maryland Department of Transportation

**Appendix 5**  
**Budget Amendments for Fiscal 2019**  
**Maryland Department of Transportation**  
**The Secretary’s Office – Capital**

<u>Status</u>	<u>Amendment</u>	<u>Fund</u>	<u>Justification</u>
Approved	\$15,671	Special	Funding for 2% general salary increase effective January 1, 2019.
Pending	5,754,290	Special	Adjusts the amended appropriation to agree with the final fiscal 2019 to 2024 <i>Consolidated Transportation Program</i> .
	1,485,000	Federal	
<b>Total</b>	<b>\$7,239,290</b>		
Approved	\$9,408	Special	Funding for 0.5% general salary increase and \$500 bonus effective April 1, 2019.

Source: Maryland Department of Transportation