

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 426

(Delegate Oaks, *et al.*)

Environmental Matters

Finance

Transportation - Baltimore Corridor Transit Study - Red Line Area

This bill prohibits the Maryland Transit Administration (MTA) from acquiring real property for construction of the Red Line transit project in Baltimore in fiscal 2008 through 2013 if the acquisition results in involuntary residential displacement. The bill establishes the intent of the General Assembly that MTA develop and implement workforce development strategies that maximize the participation of Red Line area residents in jobs created by the Red Line. The bill also expresses the intent of the General Assembly that the Maryland Congressional Delegation seek to increase the level of federal funding for and formula participation in New Starts transit projects to a level consistent with other surface transportation investments and reduce bias in the federal New Starts funding formula against the northeastern and industrial regions of the United States.

Fiscal Summary

State Effect: The bill does not impact State operations or finances. However, if proposed right-of-way acquisitions unexpectedly result in involuntary residential displacement, Transportation Trust Fund (TTF) and federal fund expenditures decrease in FY 2012 and 2013.

Local Effect: The bill does not directly affect local operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: MTA is authorized to develop and coordinate policies and plans for the preservation, improvement, or provision of railroad facilities and railroad services; conduct project planning and preliminary engineering related to railroad facilities; and monitor railroad passenger and freight services to assure maximum benefits to Maryland communities and business.

Background: The Red Line is a proposed 14-mile, east-west transit line that would run from Woodlawn through downtown Baltimore to the Johns Hopkins Bayview Medical Center Campus. It would link to the north-south light rail, metro, and Maryland Area Regional Commuter trains. The Red Line is estimated to cost \$1.6 billion, and construction is scheduled to begin in 2012. More than 42,000 people per day are expected to use this transit line, resulting in approximately 67,000 fewer daily automobile vehicle miles traveled. An Alternatives Analysis/Draft Environmental Impact Study (AA/DEIS) of the Red Line was finalized in September 2008, and over 600 comments were submitted during the recently concluded review period.

The Federal Transit Administration's (FTA) New Starts competitive grant program is the federal government's primary financial resource for supporting locally planned, implemented, and operated transit capital investments, including light rail, commuter rail, and bus rapid transit systems. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) authorized \$6.6 billion in New Starts funding through fiscal 2009. SAFETEA-LU identified several specific criteria FTA must consider before providing New Starts funding, including mobility improvements, environmental benefits, operating efficiencies, cost effectiveness, economic development effects, and demonstrated local support for the project.

State Fiscal Effect: The Maryland Department of Transportation's fiscal 2009-2014 Consolidated Transportation Program (CTP) indicates Red Line project planning will continue through fiscal 2010, and engineering will start in fiscal 2011. CTP includes a total of \$44.0 million – \$22 million in both fiscal 2012 and fiscal 2013 – for right-of-way acquisitions along the Red Line. However, CTP notes that funding for the Red Line is contingent upon securing a New Starts full funding grant agreement with FTA for fiscal 2011 through 2014.

The September 2008 AA/DEIS concludes that no residential displacement will occur as a result of any of the Red Line alternatives. However, up to 15 business/institution displacements may occur, depending on the options selected. If proposed right-of-way acquisitions unexpectedly result in involuntary residential displacement, TTF and federal fund expenditures will decrease in fiscal 2012 and 2013.

Additional Information

Prior Introductions: None.

Cross File: SB 614 (Senator Gladden) - Finance.

Information Source(s): U.S. Department of Transportation, Maryland Department of Transportation, Department of Legislative Services

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