

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 350
Finance

(Senator Currie)

Maryland Transit Administration - Transit-Oriented Development - Expansion of
Geographic Area

This bill alters the definition of transit-oriented development (TOD) to include specified properties located within one mile, instead of one-half mile, of the passenger boarding and alighting location of a planned or existing transit station.

Fiscal Summary

State Effect: While the bill does not directly affect State finances, it may have a significant indirect effect on State finances and operations.

Local Effect: While the bill does not directly affect local finances, it may have a significant indirect effect on local finances and operations.

Small Business Effect: Potential meaningful.

Analysis

Current Law: It is the policy of the State that the development of improved and expanded railroad facilities, railroad services, transit facilities, and transit services operating as a unified and coordinated regional transportation system, and the realization of TOD throughout the State, represent transportation purposes that are essential for the satisfactory movement of people and goods, the alleviation of present and future traffic congestion, the economic welfare and vitality, and the development of the metropolitan area of Baltimore and other political subdivisions of the State.

“Transit-oriented development” is a mix of private or public parking facilities, commercial and residential structures, and uses, improvements, and facilities customarily appurtenant to such facilities and uses, that is:

- part of a deliberate development plan or strategy involving (1) property that is adjacent to the passenger boarding and alighting location of a planned or existing transit station; or (2) property, any part of which is located within one-half mile of the passenger boarding and alighting location of a planned or existing transit station;
- planned to maximize the use of transit, walking, and bicycling by residents and employees; and
- designated as a TOD by (1) the Secretary of Transportation in consultation with the secretaries of Business and Economic Development, General Services, Housing and Community Development, the Environment, and Planning; and (2) the local government or multicounty agency with land use and planning responsibility for the relevant area.

Background: TOD is a development style that leverages transit stations as the foundation for vibrant communities with a dense mix of commercial, residential, and retail development. By clustering development around transit sites, TOD seeks to maximize the State’s investment in transit by promoting increased ridership and enhanced opportunities for pedestrian and bicycle mobility. The benefits of TOD may include easing congestion on our roadways, curbing greenhouse gas emissions, reducing pollution, and providing a viable alternative to sprawl.

In September 2009, Governor O’Malley released an Executive Order (01.01.2009.12) on locating State facilities to stimulate TOD. Specifically, the Executive Order states that it is the policy of the State to locate State office or laboratory space within a half-mile radius of transit stations at a TOD whenever appropriate and feasible without diminishing the accessibility of services to the citizens of the State.

The Maryland Department of Transportation (MDOT) is partnering with local agencies to identify and implement land use regulations that support transit and pedestrian-friendly development in proximity to major transit facilities. MDOT has also been conducting analysis and planning to identify station area needs and opportunities. MDOT also undertakes mixed-use, transit-focused, and pedestrian-friendly developments with private partners and leverages available federal funds to facilitate TOD development.

To identify station areas with the greatest TOD potential, MDOT evaluates existing land uses and physical characteristics, the perspective of surrounding communities, regulations, market strength, and other issues. Maryland's TOD strategy is built around several goals:

- ensuring that adjacent station areas are economically ready for development;
- building State agencies' and local jurisdictions' understanding of TOD and their ability to carry out TOD projects;
- strengthening public support for TOD throughout the Baltimore and Washington metropolitan areas; and
- enhancing the potential for federal funding to expand transit in the Baltimore area by showing that development patterns can support transit.

MDOT has over 70 sites that are potential TOD projects. TOD opportunities exist along the Baltimore Metrorail System, the Baltimore Central Light Rail Line, and the Maryland Rail Commuter Lines throughout the Baltimore and Washington regions. In Maryland, several sites are being considered or are under development in accordance with TOD principles, including the Laurel MARC station, the Odenton MARC station, the Owings Mills metro station, the Reisterstown Plaza metro station, the Savage MARC station, and the State Center in Baltimore.

State Fiscal Effect: While the bill is not expected to have a significant, direct impact on State finances, a significant indirect impact is possible. Expanding TOD eligibility may result in additional TOD applications that place more demand on MDOT's Office of Real Estate and on Transportation Trust Fund resources. However, broadening the definition of TOD could also result in reduced State expenditures. The Department of General Services advises it would be able to consider a greater number of agency site locations, potentially reducing State occupancy costs.

Local Fiscal Effect: While the bill is not expected to have a significant, direct impact on local finances, a significant indirect impact is possible. Chapter 182 of 2009 authorized certain local jurisdictions to finance the costs of infrastructure improvements located in or supporting a TOD and the Maryland Economic Development Corporation (MEDCO) to enter into specified TOD financing agreements with certain local jurisdictions. Therefore, to the extent broadening the definition of TOD prompts local governments to exercise this new financing authority, local tax revenues may increase and annual debt service expenditures on MEDCO-issued bonds may increase.

Small Business Effect: Small businesses benefit to the extent they are located one-half to one mile away from a planned or existing transit station, and are able to take advantage of various programs and funding priorities afforded to properties within a TOD.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Anne Arundel, Baltimore, Garrett, and Montgomery counties; City of Rockville; Department of Business and Economic Development; Maryland Department of Planning; Department of General Services; Maryland Department of Transportation; Department of Legislative Services

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