

January 29, 2025

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis MD 21401

RE: Letter of Support – Senate Bill 190 – Land Use – Transit-Oriented Development - Alterations

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) supports Senate Bill 190 as a means to aid implementation of successful transit-oriented development (TOD) in the state. Senate Bill 190 has a particular focus on supporting “joint development,” where the Department is advancing projects on MDOT-owned transit property in concert with a third-party development partner.¹

The state is facing slow economic growth, costly housing prices that influence people to leave Maryland, limitations on our ability to meet the State’s climate goals,² and a need to rebuild transit ridership and make better use of transit assets. Implementing TODs can help to address these critical state issues. Just in developing state-owned sites along the MARC Penn Line, the state could generate almost 3,000 additional housing units and \$800 million in new state and local tax revenue.

SB 190 seeks to improve conditions for successful TOD by addressing zoning, implementation, and financing associated with these kinds of projects:

- **Zoning Reform.** The legislation eliminates minimum parking requirements and establishes mixed-use development by right near rail transit stations. Further, it exempts state land in use for a transportation purpose adjacent to transit stations from local zoning, provided the Department developed a master development plan for the land. These measures leverage the state’s existing multi-billion-dollar investment in transit to grow ridership, create development that supports housing, inclusive economic growth, talent attraction and retention, climate mitigation, and preservation of natural habitats. MDOT has, and will continue to, work closely with local jurisdictions to retain local involvement and collaboration in the development of plans for transit sites.

¹ Joint Development is a tool commonly used by many successful TOD programs, including those operated by the Washington Metropolitan Transit Authority (WMATA) and New Jersey Transit.

² This includes a general goal of reducing vehicle miles travelled by 20%, by 2050. To do this, creating development near to and served by transit will be critical.

- **Implementation.** The legislation clarifies that TODs are exempt from state procurement law, resolving an ambiguity that has resulted in delays and legal challenges for critical TOD projects.
- **Funding and Financing.** This legislation would allow local jurisdictions to pool together special taxing districts to support the funding and financing of corridor-level TOD initiatives. Doing so would create more attractive investment opportunities and leverage multiple investments along core state corridors, like the MARC Penn Line or Baltimore Metro. The legislation also amends the TOD Capital Grant and Revolving Loan Fund to support early-stage planning efforts and financing of TOD projects. These efforts should create more funding options for jurisdictions and the state to advance TOD.

The provisions in SB 190 make it easier to build and fund TOD, improve conditions for successful TOD, and strengthen the TOD Capital Grant and Revolving Loan Fund. These efforts support the Moore-Miller Administration's goals to energize the state's economy and address the structural challenges that our state faces. Making it easier to build in sustainable, transit-oriented communities supports our goals of investing in our existing infrastructure and driving long-term economic value.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 190 a favorable report.

Respectfully submitted,

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