

# Transit-Oriented Development: Strategies to Promote Vibrant Communities

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# Executive Summary

**M**aryland could strengthen its efforts to control sprawl and provide a high quality of life for the state's residents by encouraging more transit-oriented development near rail stations.

Transit-oriented development (TOD)—characterized by residential units alongside or above stores, restaurants, and offices and a design that allows residents to choose between walking, driving, or riding transit—offers an attractive alternative to sprawling residential suburbs and mega-malls that are accessible only by car.

TOD is valuable to individuals, developers, and local governments. For example, a study that reviewed the value of buildings solely by their proximity to rail stations found that office buildings in Dallas located close to rail stations increased in taxable value by 25 percent from 1997 to 2001, compared to a 12 percent increase for comparable properties farther away.

Focusing shops, offices, parks and homes within walking distance of rail stations provides significant returns, including urban revitalization, improved quality

of life, and an increased tax base. Cities across the country have tapped into the potential of their rail systems by promoting transit-oriented development.

- Arlington, Virginia, seized the opportunity presented by construction of two Metro rail lines in 1980 to revitalize commercial areas and neighborhoods. By locating rail stations in existing neighborhoods, zoning the surrounding area for high-intensity use, and creating a separate identity for each station, Arlington has increased its population by 26 percent countywide and collects one-third of its property tax revenue from the 7 percent of its land that is near rail stations.
- Coordination by the transit agency and state, county, and local governments in Portland, Oregon, to promote TOD has led to \$3 billion in development next to both urban and suburban rail stations. Property tax exemptions and low requirements for providing parking have also helped to encourage TOD.

- Rail-oriented development in the Dallas region has been spurred by tax increment financing and impact fee waivers offered by the city of Plano and by an effort by Dallas Area Rapid Transit to simplify coordination between the transit agency, local governments, and developers.

Maryland has many opportunities for constructing TOD in both urban and suburban settings.

- Prince George’s County has room to accommodate new residents and businesses: over 3,000 acres of land within a half mile of Metro stations is currently undeveloped or underdeveloped.
- The Baltimore region has 46 rail stations, twenty of which currently offer parking. That space could be developed to some more intensive use with parking incorporated into the project.
- Adding rail lines or extending existing systems would add rail stations around which to focus development. In Baltimore, the proposed system expansion would create over 60 more stations. The Inner Purple Line near Washington, D.C. would add at least seven stations, and the Corridor Cities Transitway could add more.

Taking advantage of the potential of transit-oriented development in Maryland will require focused effort by local governments, the state, and transit agencies.

Local governments should begin by creating a TOD coordinator position, someone who will help direct the efforts of the multiple agencies that are involved in TOD projects and aid developers with the many hurdles present in a mixed residential and retail infill development. In addition, local governments should:

- Include TOD visions and zoning in all long-term growth plans and establish programs to coordinate development and support TOD-serving improvements.
- Reach out to communities to help them recognize the many forms that TOD can take to fit community characteristics and incorporate neighborhood feedback about capturing the greatest benefit from TOD.
- Request, and take advantage of, expertise and resources available from the Maryland Department of Transportation (MDOT), which has a broad range of tools to support growth in transit station areas and to help communities achieve appropriate and beneficial development. MDOT’s tools range from supporting streetscape improvements on state highways to planning TOD and implementation strategies.

Transit agencies should:

- Facilitate acquisition of sufficient developable land around rail stops by leasing transit agency-owned land, by helping developers consolidate small parcels or by creating a partnership of all the property owners who would be involved in a development.
- Minimize the impact of the parking constructed to serve a rail station. When parking structures are needed to replace surface spaces lost to redevelopment, transit agencies should ensure that parking facilities are integrated into the overall TOD plan, support pedestrian access, and enhance the project’s value, and should keep parking construction costs low by requiring the minimum number of spaces and promoting shared use of parking space by commuters, residents, and shoppers.

- Consider the TOD potential of station locations when planning the route of future rail lines.

The state should:

- Build on MDOT's demonstrated capabilities in promoting local TOD-supportive initiatives by expanding resources available to promote TOD at existing stations and help communities build successful projects.
- Strongly support the Priority Places Strategy, which designates sites

within priority funding areas to receive focused state attention and resources to spur development. In selecting Priority Places from candidate locations, the Maryland Department of Planning should give priority to applications that have TOD elements.

- Commit to locating all state offices, whether in leased or purchased buildings, at transit-accessible sites as existing leases expire.

# Introduction

**M**aryland residents suffer from the effects of sprawl. Spread-out developments with homes far removed from commercial areas mean that residents must drive to complete even the simplest errands—to go to work, to pick up a child from school, or to buy a gallon of milk—losing time in traffic that would otherwise be spent with family or in some leisure activity. The shift to widely dispersed, automobile-dependent development has resulted in worsening air pollution, the loss of treasured open space, and the decline in once-vibrant urban neighborhoods.

Thus it is not surprising that transit-oriented development and projects with similar traits are increasingly valued by the public. Transit-oriented development constructed near rail stations can include residential, office, and retail space and has a design that offers multiple travel options, including walking, driving, and transit. Many older towns and neighborhoods that grew up around trolley lines, such as Bethesda and Chevy Chase, are essentially transit-oriented development. Closest to the rail station are small

shops—a grocery store, a dry cleaner, a bookstore or flower shop—and restaurants. In the next block, or even above the retail stores, are apartments and condominiums. Beyond that are townhouses or free-standing homes on small lots. In the broader neighborhood beyond are larger homes with bigger yards.

Living within walking distance of a train station provides innumerable small benefits. Workers can read or relax during their commute via train. Picking up the dry cleaning entails nothing more than ducking into a shop on the way home. Buying the one forgotten, but essential, item for dinner requires walking to the store on the corner and permits chatting with the neighbors on the way. The evening's entertainment can be at a cultural event just blocks from home.

The popularity of transit-accessible neighborhoods with shops and services within easy walking distance of homes is demonstrated through lower vacancy rates and increased home sale prices. A widely respected forecast of real estate investment predicts that “markets served with mass-transportation alternatives and

attractive close-in neighborhoods” will be increasingly desirable “as people strive to make their lives more convenient.”<sup>1</sup>

Transit-oriented development benefits towns and cities, also. As the population has shifted to outlying developments, the tax base in older towns and cities has declined, making it harder for those places to support schools, maintain parks and libraries, and provide basic city services. Attractive urban places draw retailers and residents, increasing economic activity and boosting property values.

Maryland already has rail transit—the Metro in areas surrounding Washington, D.C., the light rail and subway in Baltimore, and commuter rail between the two cities—but too many train stations are surrounded by parking lots and empty

space rather than serving as centers of neighborhood activity. Local and county governments can seize the opportunity presented by these stations. Growth plans that envision development near rail stations, zoning to facilitate that vision, and assistance for developers in creating a community with housing, offices, and shops are among the relatively small steps that can lead to more than just parking lots near rail stations.

Residents’ desire to have the option of not driving and to spend more time with family ensures the success of well-designed TOD projects. Because of TOD’s inherent attractiveness, a relatively small investment by Maryland’s towns and counties in promoting TOD can earn significant returns.



# Benefits of Transit-Oriented Development

**T**ransit-oriented development has far-reaching benefits. Cities and counties benefit from higher property values, communities gain new life, individuals spend less money on transportation, and everyone benefits from reduced air pollution. Development that enables people to arrive at work or at home on foot or by train as easily as by car offers the greatest benefits but even focused commercial development around rail stations provides more returns than sprawling residential tracts.

## Higher Property Values and Tax Revenues

Property within walking distance of rail stations generally is more desirable than similar property farther away. This suggests that it is particularly important to make the fullest use of transit-

accessible land by pursuing compact development with a strong commercial component.

## Increased Residential and Commercial Values

Residents value having the option of riding transit and are willing to pay more for housing that offers them that choice. Store owners find that locating their store near transit increases the ease with which customers can stop by. And employers notice that employees have better morale if they do not have to drive on congested roads to get to work. For these reasons and others, residential and commercial property close to rail tends to be more valuable than comparable parcels and buildings not reachable by rail. (In some cases, though, rail transit may have no impact or a negative impact on property values if nuisance factors such as noise or unsightly elevated railways outweigh the transportation benefits.)

Increased residential property values have been measured through higher sale prices and higher rents.

- Portland's light rail system increased the value of homes by approximately 10.6 percent when homes were within a 1,500-foot walk of the rail station.<sup>2</sup>
- A study of residential property values near Chicago area rail stops found that homes 500 feet from a station sold for 26 percent more than homes 5,000 feet from a station.<sup>3</sup>
- Rental units within one quarter mile of the Pleasant Hill rail station in the San Francisco Bay area rented for 10-15 percent more than units farther away.<sup>4</sup>

Transit can increase the value of commercial property also.

- After plans for construction of the Lafayette BART rail station in San Francisco were confirmed, the value of commercial land surrounding the station area increased by 13 percent annually from 1963-1968. In contrast, values in areas beyond the station's reach increased by only 3.6 percent annually.<sup>5</sup>
- More recently, in Dallas, office buildings located close to rail stations increased in taxable value by 24.7 percent from 1997 to 2001, compared to an 11.5 percent increase for comparable property farther away.<sup>6</sup>

Proximity to rail can increase occupancy rates.

- Occupancy rose eight percent at high-end office space near Dallas' light rail system versus just one percent for space more than a quarter mile from a rail station.<sup>7</sup>

- A study of joint developments—projects undertaken by a transit agency and a private developer—in Atlanta and Washington, D.C. showed that they had both higher rents and lower vacancy rates.<sup>8</sup>

## Increased Revenues

Developing land near rail stations into neighborhoods where homes, shops, and offices are within walking distance of transit allows a community to capture even more of the value of transit-accessible areas. The county of Arlington, VA, has pursued this approach, concentrating the development of retail and office space near its Metro stops. As a result, nearly one-third of the county's property tax revenue comes from just 7.6 percent of its land area.<sup>9</sup>

Development at rail stations can provide additional income to support transit services. If the project is built on transit agency-owned land, the developer will have to purchase or rent the land. A good TOD project should increase transit ridership, resulting in higher farebox income. This additional revenue can fund more frequent service, transit facility maintenance, system expansion, or lower fares. Several developments have been built on property owned by MARTA, Atlanta's transit authority. MARTA estimates that it will earn a 22 percent rate of return on its \$100 million investment at Lindbergh station through ground leases and increased ridership.<sup>10</sup>

## Reduced Driving and Air Pollution

Transit-oriented development also provides less-tangible benefits. By placing more jobs and homes within reach of rail

service, TOD reduces the need for individuals to drive. Further, residents of neighborhoods that are designed to make walking and bicycling possible and driving optional will drive less.<sup>11</sup>

TOD can reduce driving through two methods. Some residents live within walking distance of the station. They can walk to the train to commute to work or to go shopping.

Second, and perhaps more significant, is the effect of commercial development around a rail stop, even if few or no homes are nearby. A substantial share of car trips are not just for commuting but for completing errands on the way to or from work.<sup>12</sup> Many people are reluctant to take transit to work because they lose the ability to make other stops. If more services are available at or near train stops, riding transit becomes more convenient. People may drive to the train station in the morning and complete errands on foot before driving home at the end of the day, reducing their total amount of driving. A survey of people’s travel choices in Portland, Oregon, demonstrates the impact of building homes, stores, and offices within walking distance of transit stations. People in neighborhoods with this mix of uses near transit drove 26 percent less compared to those near transit locations without this varied development.<sup>13</sup> (See Table 1.)



*TOD projects offer multiple travel options, such as in this Plano, Texas, development with its broad sidewalk and street serving homes and stores located next to a rail station.*

Though government may need to increase spending on transit and pedestrian amenities to meet increased demand for these services once a TOD project is constructed, this is more cost-effective than building roads: it costs less per capita to build transit than to construct roads to move people equally well.<sup>15</sup>

For individuals, driving fewer miles can translate to less spending on gas and repairs and possibly to owning fewer cars. Someone spending less on transportation is then able to spend more in restaurants, at neighborhood shops, or on housing. This can have implications for the long-term financial resources of families, because money spent on housing pro-

**Table 1. Building a Mix of Homes, Stores, and Offices Near Transit Reduces Driving<sup>14</sup>**

Area Characteristics	Mode Share					VMT per Capita	Autos per Household
	Auto	Walk	Transit	Bike	Other		
Good Transit & Mixed Use	58%	27%	12%	2%	2%	9.80	0.93
Good Transit Only	74%	15%	1%	1%	1%	13.28	1.50
Rest of Multnomah County	82%	10%	4%	2%	4%	17.34	1.74
Rest of Region	87%	6%	1%	1%	5%	21.79	1.93

vides greater equity than money spent on a vehicle. Spending \$10,000 on a home yields a return of \$4,730 over 10 years, whereas the same amount spent on a car produces just \$910.<sup>16</sup> Thus paying for housing rather than a vehicle adds more to residents' long-term financial outlook.

Employers and private businesses also benefit from transit-oriented development. By locating near a transit stop surrounded by housing and other amenities, businesses make it possible for their employees to walk or ride transit to work. Employees who can ride transit to work may have shorter or easier commutes and thus have higher morale at work.<sup>17</sup>

Reduced driving has the important and widespread public benefit of cutting air pollution from vehicles, an especially important consideration in places like Maryland that struggle with severe health-threatening air pollution. One study estimates that widespread construction of TOD can cut annual vehicle miles traveled by 13 percent.<sup>18</sup> Even small decreases in driving, made possible by increased residential density and better pedestrian access to transit stations, can

improve air quality. A short drive to a rail stop can still produce significant pollution because catalytic converters that trap air pollution from cars do not work well when the vehicle is cold.<sup>19</sup> Thus, a development pattern that allows a few more people to walk to the train station can produce emissions reductions.



*Walkability is a key characteristic of TOD projects.*

**Table 2. Predicted Economic Benefits of Central Station Rehabilitation<sup>21</sup>**

City Size	Increased Employment	Increased Household Income	Increased Property Value (in millions)	Increased Property Tax (in thousands)
< 50,000	45-325	\$80-\$435	\$5-\$60	\$250-\$300
50,000-100,000	115-825	\$85-\$460	\$10-\$65	\$500-\$3,250
100,000-250,000	170-975	\$140-\$575	\$15-\$90	\$750-\$4,500
250,000-500,000	190-1,025	\$155-\$870	\$15-\$150	\$750-\$7,500
500,000-2,000,000	260-1,435	\$175-\$1,055	\$25-\$205	\$1,250-\$10,250

## Renewal of Older Neighborhoods

Transit-oriented development can also help revitalize older neighborhoods by drawing new residents and investment.

The quality-of-life benefits of TOD can attract new residents who might not otherwise consider living in an urban location. People who are tired of fighting traffic congestion to reach a suburban home and instead want to walk or ride the train to work find TOD appealing. Younger workers who seek an urban setting may be drawn to neighborhoods with

an active street life and local evening events.

Even seemingly modest improvements such as rehabilitating a central rail station can help rejuvenate a neighborhood. In one study, rehabilitation included improved public access, greater connectivity between modes of travel, and more visible transit options, changes that might be expected to occur with TOD also. Such improvements were predicted to boost employment in the community, raise household income, and increase property values and tax revenue.<sup>20</sup> (See Table 2.)

# Successful Programs to Promote Transit-Oriented Development

A number of cities have pursued TOD at rail stations and have experienced substantial benefits from their efforts. The following discussion reviews development projects and highlights some of the policies that facilitated TOD.

## Arlington, VA

Arlington, Virginia has made a concerted effort to focus growth in the corridors along the two Metro lines that have connected it to Washington, D.C. since 1980. The result is vibrant, thriving, popular projects near each Metro stop that generate substantial property tax revenue for the county.

When the Washington Metropolitan Area Transit Authority (WMATA) began planning to extend two subway lines to Arlington, the area was comprised of unattractive and declining commercial strips.<sup>22</sup> Arlington sought to use the new lines to revitalize commercial areas and neighborhoods.

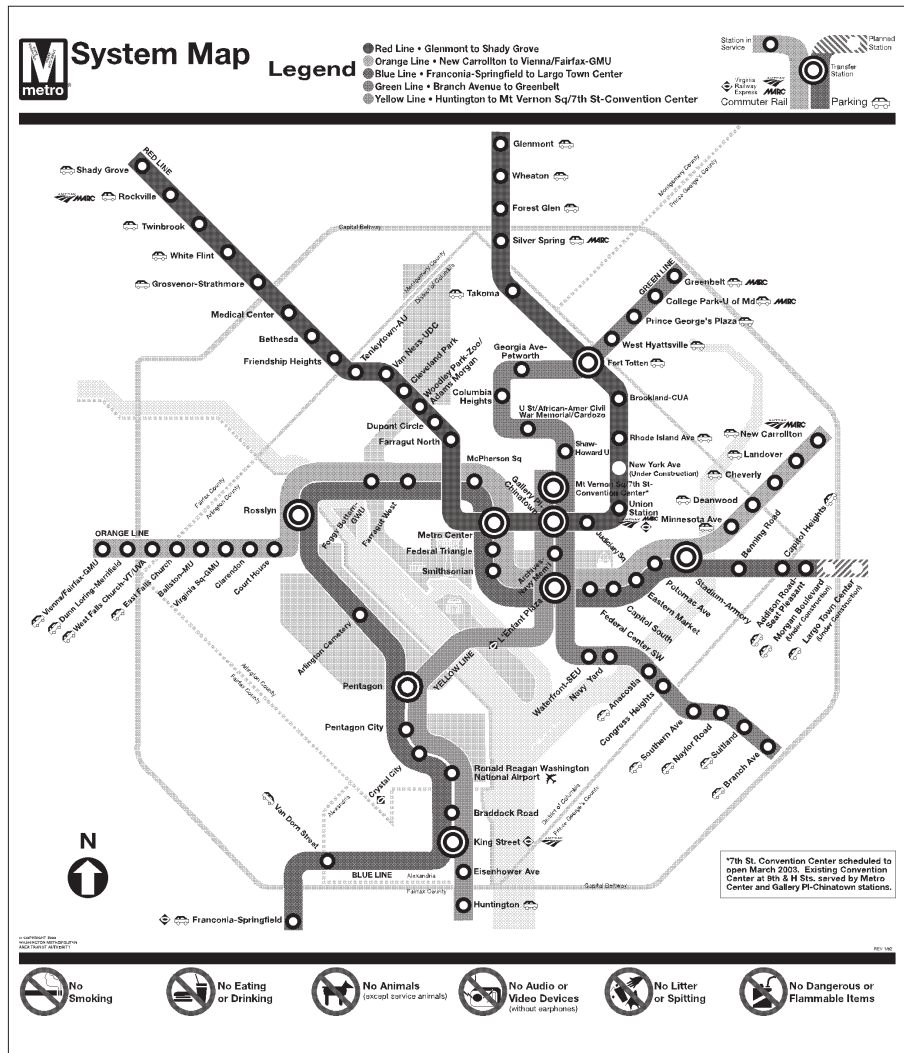
The county has largely achieved its goals through good planning and inte-

gration of new developments into existing neighborhoods. Crucial was a pre-construction decision to shift the Orange line to the Rosslyn-Ballston corridor, rather than aligning it with I-66.<sup>23</sup> This placed five rail stations close to existing neighborhoods.

The areas within one quarter mile of rail stations were zoned for greater development, which has helped draw developers by offering potentially greater returns.<sup>24</sup> The county created a sector plan for each station area, identifying one as a cultural area with a library and theater and giving another a government focus centered around a courthouse with office buildings. Sector plans have helped create the kind of urban village that Arlington sought from transit-oriented development. Though parking minimums are relatively low because of the availability of rail transit, developers generally have built more than required.

Neighborhoods beyond the station area were zoned to remain residential and have retained their single family homes. The county tries to protect the neighborhoods' residential feel by promoting walking and limiting through traffic.<sup>25</sup> All projects are





Map courtesy of Washington Metropolitan Area Transit Authority

designed to be pedestrian- and cyclist-friendly to facilitate use of the subway.<sup>26</sup>

Today the development corridors along the two lines contain 31.4 million square feet of office space, which is more than 90 percent of all commercial office space in Arlington, and nearly 5 million square feet of street-level retail space.<sup>27</sup> The areas are not exclusively for commercial and retail activity, however. Over 30,000 residential units have been constructed near the Metro stations.<sup>28</sup>

This TOD has helped Arlington to thrive, growing and remaining an attrac-

tive place to live. Its population grew by 26 percent from 1980 to 2000.<sup>29</sup> Easy access to transit has kept vehicle trips down, especially in the Rosslyn-Ballston corridor where 73 percent of Metro riders walk to the station.<sup>30</sup> Metro ridership has grown by 50 percent.<sup>31</sup> Many residents do not even own cars: 20 percent of renters and 10 percent of homeowners do not own a vehicle, enabling them to spend more on housing or other services.<sup>32</sup>

In the Rosslyn-Ballston corridor alone, property near the five Metro stops is valued at \$9 billion. Though this property

equals only 7.6 percent of the land in Arlington, it yields nearly one-third of the county's real estate tax revenue.<sup>33</sup> This large tax base enables the county to have the lowest real estate tax rate in northern Virginia.<sup>34</sup>

## Portland, OR

Whereas Arlington illustrates the value of redeveloping an urbanized area, Portland's success in promoting TOD provides an example of the development potential of rail transit when extensive open space is available.

A number of policies adopted by the transit agency (TriMet) and local governments have helped promote TOD. Some of those policies and programs are:

- Start planning early for TOD. Planning for TOD begins early and includes all relevant agencies. Long before construction commenced on the Westside light rail line, the state Department of Transportation, Metro (the multi-county regional government), TriMet, Washington County, and the cities of Portland, Beaverton, and Hillsboro spent \$2 million to begin planning for development near future rail stops. The Westside line's route was determined in part by the availability of open land near stations. By agreement, the region created special zoning districts around light rail stations to allow greater development and limit car-oriented use. The plans were developed with extensive input from the public, elected officials, landowners, and local government staff to ensure broad support.<sup>35</sup> Though TriMet led the effort to create specific station area plans, ultimately cities and counties have had to adopt

them and apply their planning skill and political ability to ensure the plans are followed.

- Tax increment districts. Tax increment financing has allowed the city of Portland to designate tax revenues collected from property value increases in a certain area to pay for revitalization in that area. In Portland's Gateway District, tax increment financing is expected to provide \$164 million for public improvements.<sup>36</sup>
- Property tax exemptions. Both Portland and the suburb of Gresham waive property taxes for 10 years on improvements (not land) that meet density, design, and transit-accessibility requirements. Developers must demonstrate that the property tax exemption is necessary to make the project viable.<sup>37</sup>
- Impact fee discounts. Gresham imposes traffic impact fees to pay for road upgrades to serve new projects. Developments in pedestrian and transit districts receive a discount on this fee.<sup>38</sup>
- Limited parking requirements. Portland has adopted a Central City Transportation Management Plan to ensure livability and mobility while enabling growth in its downtown. The plan limits the amount of parking that can be constructed downtown. Office buildings cannot include more than 0.7 parking spaces per 1,000 square feet of occupied building and new residential buildings do not have to include any parking at all. Another important aspect of the plan is encouraging the construction of 15,000 new residential units downtown, allowing growth without adding significantly to congestion.<sup>39</sup>



- Joint development. TriMet offers agency-owned land for development on the condition that projects meet transit-supportive requirements.<sup>40</sup>
- Flexible development. TriMet adjusts station and parking plans to create better TOD. At the Beaverton Creek MAX station, TriMet altered plans for a park and ride lot to allow development closer to the station and permitted some short-term parking to serve shops in the development.<sup>41</sup>

The best example of the strength of this approach is at the suburban 190-acre Orenco Station on the Westside light rail line. The development, which was recognized by the National Association of Homebuilders as the best master planned community in the country, includes offices and retail with housing on the floors



*Portland's Orenco Station development is as accessible by car as by train.*

above in the town center area.<sup>42</sup> Slightly further from the station, housing options are more varied and range from single-family homes to townhouses to lofts. In total, Orenco Station contains over 1,800 residential units, which have been sell-



*Advance planning and creative design allowed the developer to include shops and apartments above Mockingbird Station in Dallas, Texas.*

ing for 20-30 percent more than other nearby homes. Commercial space has been similarly sought-after: rents are higher than average and vacancy rates are low. Another success of Orenco Station has been to increase transit use by residents, over 70 percent of whom reported using transit more than before they moved to Orenco Station.<sup>43</sup>

Total investment within walking distance of Portland's light rail lines has been more than \$3 billion and Portland's early planning for development near rail meant that over \$500 million in development occurred along the Westside line before it even began operating.<sup>44</sup>

## Dallas and Plano, TX

Dallas has had a light rail system since only 1996 but nonetheless has experienced significant development around stations. More than \$1 billion worth of development has occurred around the new transit system.<sup>45</sup> The value of properties near rail has risen dramatically. From 1997 to 2001, property adjacent to light rail stations gained more value than comparable property not accessible by light rail.<sup>46</sup>

Dallas Area Rapid Transit (DART), the transit authority, promotes development around transit stations to increase transit ridership and public acceptance of transit and to integrate transit into the community. DART has adopted numerous policies to support its goals. The agency incorporates TOD into early planning stages for new rail lines. Developers have appreciated this early attention to development because it gives them a chance to influence the location and design of the station to best complement TOD.<sup>47</sup>

DART coordinates with the municipalities in its service area to ensure land use and transportation goals are complementary and to smooth zoning and

development proposals.<sup>48</sup> This coordination is made easier by DART's decision to have one point of contact within the agency for all TOD-related activity.

DART has recently expanded its TOD efforts and is now leasing transit-agency property to developers. Parking lots at stations provide room for development. DART does not require developers to replace all displaced surface parking because some parking lots under consideration have excess capacity and parking demand will be reduced by allowing shared parking between retail, residential, and transit users.<sup>49</sup>

One of the best examples of TOD in the city of Dallas is Mockingbird Station, which has turned a warehouse and its surroundings into a vibrant gathering area. An irregular shape bordered on two sides by a busy road and the Central Expressway, the site originally held a 1940s brick warehouse owned by Western Electric. The building has been renovated and the site now contains a movie theater, clothing stores such as Urban Outfitters and the Gap, restaurants and a coffee shop, and other retail. There are also over 200 apartments that are fully occupied, 250,000 square feet of office space, and nearly 1,500 parking spaces.<sup>50</sup> The light rail station is a transfer point between two lines and is just a 10-12 minute ride on light rail from downtown. Mockingbird Station is also accessible by car from the nearby freeway and surface streets. Most of the parking is underground, however, to ensure that cars do not dominate the site. One weakness of the development is that though the site itself is pedestrian friendly, it is poorly connected to surrounding areas.

Though public subsidies were available to help with financing and street improvements, the developer opted to construct the project with private funds only. The site's proximity to the freeway helped the developer obtain financing for the project.

Investors who might have been hesitant to back a transit-oriented development were willing to provide support because the site was also accessible by car. However, enough people arrive at the site by train that the primary developer is seeking to lower the amount of parking in the next development stage.<sup>51</sup>

The odd shape of the Mockingbird Station location made it crucial that plans for the rail station and the surrounding buildings be developed at the same time. Had the light rail stop been built without consideration for other uses at the location, the strange shape of the site likely would have precluded any significant TOD.<sup>52</sup>

Other TOD projects in the DART system include South Side on Lamar and Galatyn Park in Dallas and the Eastside Village projects in Plano. South Side on Lamar includes 450 loft units, a restaurant and club, and the headquarters for the Dallas police department. The project is valued at \$150 million. Galatyn Park is a 12.5 acre site with housing, retail, offices, a Renaissance Hotel and a performance hall.<sup>53</sup> Some of the site's success results from the station location, which DART adjusted during the planning process when a major landowner asked that the station be moved to facilitate development.<sup>54</sup>

The Eastside Village projects in Plano reflect extensive work by both DART and the city of Plano. In the early 1990s, Plano, a city of 250,000 located 20 miles north of Dallas, crafted a vision for its downtown that included residential and commercial use, infill growth, and a more urban feel. The city changed its zoning requirements to make this possible—permitting live-work units, allowing buildings to cover the entire lot, and letting restaurants offer sidewalk seating—and undertook streetscape improvements.

Plano also adopted specific policies to promote redevelopment in the transit-



*The light rail carries people from Dallas to Plano attractions.*

accessible downtown area. Those policies include:

- Tax increment financing. Funds for infrastructure and building improvements and land purchases within the downtown area are provided by a special development tax district. The tax increment finance (TIF) district is the result of cooperation by the four government entities that collect property tax revenue in Plano. For 15 years, tax revenue on any growth in the appraised value of properties within the district goes to the TIF rather than to the city, county, or other entities. When the TIF was created, total property values within the district were \$328 million. Now, values have risen by \$123 million, yielding \$3.6 million in revenue. The TIF ultimately is expected to generate \$20 million. Projects financed by the TIF include the renovation of a 1930s school gym into a performance space.<sup>55</sup>
- Historic preservation tax abatement. Restored and maintained historic properties can receive a 38 to 100 percent tax reduction from all four governments that collect property tax revenue downtown.





*Planners in Plano located multi-use buildings rather than parking lots next to the rail station.*

- Development fee waivers. Plano has designated an empowerment zone for downtown and the surrounding neighborhoods in which development fees for sewer and water service and building permit fees are waived for many new construction, remodeling, and rehabilitation projects. For some multi-family housing units, the park fee is also waived. Thus far, the city has waived nearly \$225,000 worth of fees for \$28 million of construction.<sup>56</sup>
- Lowered parking requirements. Plano permits building owners to add up to 4,000 square feet of space without increasing the amount of parking provided. New buildings in the downtown area must offer parking but at a lower ratio than buildings elsewhere in the city. Public parking, provided in small lots throughout the downtown area, and shared parking—made possible because shoppers during the day can park in spaces used by residents at night—reduce the need for every building to include parking.<sup>57</sup>

When DART planned to extend the light rail to Plano, the city sought to maxi-

mize the rail line’s impact on development. Plano worked closely with DART to select an appropriate station location near city-owned property and to acquire land for a large project next to the rail station. The city had funds for infrastructure improvements but no money for land assembly, so it agreed to build the infrastructure projects at the station platform in exchange for DART’s purchasing the remainder of the land necessary to support a development.<sup>58</sup> The city closed the street between its property and the rail station to allow the project to be fully connected to rail.

With the rail station in place and having assembled land, Plano sought a developer for the property. It selected a developer and granted a 70-year ground lease, with rent tied to the developer’s net operating income from the project. The resulting development occupies 6.7 acres on two blocks and includes 460 apartments and 40,000 square feet of retail space. The properties were valued at approximately \$2 million in 1998 and today have a tax valuation of over \$20 million.<sup>59</sup>

In addition to promoting growth downtown, Plano’s redevelopment efforts have resulted in higher transit ridership. Initial projections for Plano’s downtown station anticipated 100 trips per day but actual use has been closer to 1,000 trips per day.<sup>60</sup>

Plano will soon launch a pilot “Smart Commute” loan program offering location-efficient mortgages to encourage people to buy transit-accessible homes. People who live near transit spend less on commuting and therefore may be able to afford a larger home loan. The city is testing the program in conjunction with Fannie Mae (a national lender), local lenders, and transit agencies.<sup>61</sup>

## Atlanta, GA

Atlanta city government and the Metropolitan Atlanta Rapid Transit Authority (MARTA) have made significant efforts to promote transit-oriented development along MARTA's 60 miles of rail line, particularly at urban locations.<sup>62</sup> Developers have responded: in 2000, construction and renovation efforts within one-quarter mile of rail stations were worth \$885 million.<sup>63</sup> Employers, too, have taken notice and a major regional employer has moved back into the city.

MARTA and Atlanta have both helped to promote TOD. Atlanta zoned the areas near downtown stations such as Lindbergh Center for a mix of commercial and residential use. Developers have been drawn to TOD opportunities by these zoning changes that allow more development and reduced parking requirements, both factors that increase the profitability of a project.<sup>64</sup>

MARTA, which owns land around many stations, has made large sites available for projects that provide revenues, boost transit use, and help revitalize a neighborhood with a mix of pedestrian-friendly residential and commercial construction. The developer leases or buys property from MARTA, providing revenue for the transit agency. In pursuit of its neighborhood revitalization goals, MARTA coordinates with the Atlanta Regional Commission, a planning body, to sponsor studies to learn what the community surrounding a rail station would like their neighborhood to look like. With that information available to guide developers, MARTA requests project plans.<sup>65</sup>

The success of some early TOD projects has helped draw developers' interest toward other rail stations. Property values are generally higher near transit as people have come to realize that living or working near transit eliminates some of the need to drive Atlanta's congested

roads. Developer enthusiasm is great enough that MARTA now receives calls from developers wanting to know about future development plans for particular station areas.<sup>66</sup>

Development has occurred at many stations in the downtown area along the North line. Former industrial sites such as an old steel mill and land used for parking have been converted into attractive new offices and housing.

Lindbergh Center is just one example of TOD in Atlanta. Previously an industrial site, the 47-acre property was owned by MARTA, which obtained a federal grant to help fund redevelopment. The Lindbergh station development, only partially complete, eventually will include 2.7 million square feet of office space, 300,000 square feet of ground-level retail, apartments, condominiums, and a hotel. The project also has, however, over 10,000 parking spaces, reducing the development's potential for increasing transit ridership or alleviating traffic in the neighborhood.<sup>67</sup>

The Lindbergh Center project and others along the North line helped draw a major employer back into the city. For decades, the city has struggled to retain jobs. Especially in the 1980s, employers relocated to less expensive suburban sites near a beltway highway. The result is that 70 percent of the region's office space is now located in the suburbs.<sup>68</sup>

Bell South, a regional phone company and the area's second largest employer, decided in 1999 to consolidate its offices from multiple suburban locations and return to downtown Atlanta.<sup>69</sup> Wanting to improve the quality of life and productivity of its employees by reducing their time stuck in congested traffic, Bell South moved 10,500 employees to three downtown locations near rail stations.<sup>70</sup> Bell South's decision to concentrate its employees downtown is a significant sign of progress for Atlanta.

At North Station, MARTA worked with BellSouth to build its new headquarters. BellSouth's 2 million square foot building was constructed over the rail station. Because the building was planned before the station was constructed, MARTA was able to integrate the building's foundation into the station and create a direct link between the station and the offices. The site also offers a retail mall.<sup>71</sup> BellSouth's third downtown office is located at Lenox, slightly farther north of downtown.

Transit-oriented development in Atlanta has not produced perfect results. In many cases, there is little pedestrian link between new projects and surrounding neighborhoods. Despite the availability of transit, parking requirements for new buildings have not been reduced as much as would be desirable (lenders have been reluctant to support projects with less parking than would be necessary in suburbs), which raises the cost of new buildings.<sup>72</sup> And Atlanta received limited public benefits and amenities such as affordable housing and public space from developers because zoning densities were guaranteed to be very high. The city could have established slightly lower initial zoning densities and allowed developers to build more units provided they created more affordable housing or public amenities.<sup>73</sup>

## Jersey City, NJ

Though Jersey City was a thriving commercial and residential center in the early 1900s, it lost population in mid-century as people moved to suburbs. Today Jersey City's population is increasing and former industrial sites are being rebuilt, thanks in part to the new Hudson-Bergen Light Rail (HBLR) and the development it has fostered by making previously unattractive areas more desirable.<sup>74</sup>

The success of the HBLR line in encouraging Jersey City's rebirth is partially the result of the city's strong planning for how to capture the greatest value from the line. In 1985, the city recommended a new rail line to meet the area's long-term transportation demand.<sup>75</sup> After extensive planning, work on the rail line began in 1996. The city created redevelopment plans for more than 60 neighborhoods and placed transit overlay zones around stations to encourage development.<sup>76</sup>

Planning had two benefits. First, master plan requirements that were clearly communicated to prospective developers allowed rapid approval once formal project proposals were submitted. Second, this long planning period allowed developers to anticipate the opening of the line and to construct projects along the route of the light rail train. Redevelopment activity increased as the exact route of the light rail line became clear and developers knew how close to a train stop their project would be.<sup>77</sup>

To further promote walkable developments and transit use, the city reduced its parking requirements to just one space per 1,000 square feet of office space, or approximately enough parking for 20 percent of workers.<sup>78</sup> Reduced parking requirements enable developers to build more office space that they can rent out, making the project more profitable.

The HBLR opened in April 2000 with north-south service from Exchange Place to southern Jersey City and Bayonne. Jersey City has had rail service to New York City since the early 20<sup>th</sup> century but not until the opening of the HBLR did it have rail transit linking neighborhoods within Jersey City and surrounding towns.

Initial TOD in Jersey City was concentrated at Exchange Place and Newport, both served by the Port Authority Trans-Hudson (PATH) line to New York City. Exchange Place has been the site of

## New Jersey Transit Village Initiative

New Jersey created its Transit Village Initiative in 1999 to promote transit-oriented development and increase private-sector support for redevelopment.<sup>81</sup> Through planning and at relatively low cost, the program has helped lay the groundwork for privately-financed TOD in communities throughout New Jersey.

Fourteen towns have been designated as transit villages after meeting certain criteria. Candidate towns must:<sup>82</sup>

- Commit to adding people, jobs, and housing.
- Have a transit facility.
- Have land available for development, whether in the form of open space or underused existing buildings.
- Adopt a land-use plan for “achieving compact, transit-supporting, mixed-use development within walking distance of transit” (defined as within a quarter mile of transit) and already have substantial residential development in place.

Because the designation process is competitive, towns that are most likely to be selected are those that already use their transit station as a community gathering place; promote transit and seek to reduce car use; provide parking near transit stations but also reduce parking construction requirements near transit; and work to ensure that new projects blend in with existing buildings.<sup>83</sup>

The benefits available to transit villages include opportunities to receive funding from the state, ready assistance from 11 state agencies that play a role in development decisions, and identification to developers as places that have an established growth plan.<sup>84</sup> Developers know that transit villages want to grow and have already spent time creating a growth plan. In New Jersey, where developable land on the urban fringe is increasingly limited and many communities are resistant to any additional growth, developers have been pleased to find towns that want growth and that have adopted supportive policies. Newly designated transit villages have experienced a large increase in developer interest.<sup>85</sup>

The state’s financial investment has been fairly limited. In the current budget, the state expects to provide \$1 million worth of grants to transit villages. Other funding also has been made available, such as the \$250,000 that was given to six towns and \$600,000 given to one town when their transit village designation was announced, but these special grants are not a regular funding source.<sup>86</sup> Within a few years, it should be possible to assess the impact of the Transit Village Initiative.

extensive commercial projects, with large tenants such as Merrill Lynch and Goldman Sachs building major offices there. Development at Newport has included a greater mix of commercial and residential facilities. By the late 1990s and with the route of the planned HBLR line set, development spread to areas soon to be accessible by mass transit.<sup>79</sup>

Jersey City now is a thriving place. New housing options have helped to draw residents to this city that once was undesirable. Jersey City's population rose by 240,000 from 1980 to 2000 and is expected to rise by another 11 percent by 2020. In contrast, the population of the state's other large cities declined in the past two decades.<sup>80</sup>



# TOD Potential in Maryland

Maryland has barely begun to tap its potential for development around transit stations.

## Existing TOD

Many neighborhoods in downtown Baltimore have all the characteristics of TOD—residences next door to shops and restaurants, offices just around the corner, all within walking distance of the light rail or subway—because they grew up around the trolley system that served the city in earlier decades.

MTA has pursued joint development projects near some transit stations that has led to better use of transit-accessible land. Adjacent to the Reisterstown Road Plaza mall the MTA has built a police substation using funding from the city of Baltimore and a federal Livable Communities grant.<sup>87</sup> A joint development project above the Charles Street Metro station includes 250,000 square feet of office space, 25,000 square feet of retail space, and a plaza.<sup>88</sup>

TOD has been more extensive in the Washington, D.C. area. Downtown Silver

Spring and Bethesda have experienced substantial rejuvenation. In Silver Spring, WMATA made the most of its parking lot and the space above the transit station to embark on a joint development that, when complete, will include office and retail space, housing, and a hotel.<sup>89</sup> The station eventually will be surrounded by other offices, restaurants, shops, and public space. These developments have produced economic benefits for



*Downtown Baltimore light rail stations are surrounded by a variety of stores and offices.*

**Table 3. Distribution of Existing Rail Stations in Maryland**

County	Baltimore Light Rail	DC Metro	Metro	MARC	TOTAL
Baltimore City	14	14	-	3	31
Montgomery	-	-	12	11	23
Prince George's	-	-	13	8	21
Baltimore County	11	3	-	2	16
Anne Arundel	7	-	-	2	9
Harford	-	-	-	4	4
Anne Arundel/Howard	-	-	-	3	3
Frederick	-	-	-	3	3
Washington	-	-	-	1	1
Howard	-	-	-	1	1

Note: Total number of stations is actually lower due to double-counting of stations serving two lines.

WMATA and owners of property near rail stops. In Bethesda, WMATA collects \$1.6 million annually from developments above the Metrorail stop.<sup>90</sup>

### Untapped Potential at Existing Stations

Near Washington, D.C., growth could be accommodated at many of the existing Metro stops in Prince George's County. More than 3,000 acres of land in the county within one-half mile of Metro stops is either undeveloped or underdeveloped. One-third of the land in the entire Washington, D.C. area that is simplest to develop—land owned by WMATA—is in Prince George's County.<sup>91</sup> Nine of the 13 stops in the county operate below capacity and could accommodate more passengers if they were drawn to the area by TOD.<sup>92</sup>

The plan for West Hyattsville in Prince George's County illustrates Maryland's potential for TOD. The

Maryland Department of Transportation, Prince George's County, the city of Hyattsville, and others have agreed upon a plan for the 27.5 acres owned by WMATA at the West Hyattsville station and 80 additional acres surrounding it. The development will include housing for 10,000 people in a mix of housing options, 1 million square feet of office and retail space, and public and open spaces, all easily accessible to the rail station and the surrounding neighborhood.<sup>93</sup> Project-supporting infrastructure needs are estimated to total about \$16 million but that is expected to yield \$660 million in private investment.

The Baltimore region also offers great potential. There are 46 rail stations along Baltimore's light rail and subway lines. Downtown area stations are the most developed, such as at the Lexington Market stop. Others in the city have not been the focus of development and thus are surrounded by just homes or a few shops. A number of fringe stations have agency-owned surface parking lots that provide

room for development, particularly where lots are not currently used to capacity or where alternative parking can be arranged.

Stations along the three MARC commuter lines offer more opportunities.

## Future Stations

Expanding the rail system in either Baltimore or Washington would create more opportunities for TOD. Including consideration of the TOD potential of different areas when selecting track alignments will allow Maryland to capture the greatest benefit from development around new stations.

Planning for the proposed Inner Purple Line in Montgomery and Prince George's County has incorporated the development potential at different stations. Nineteen locations have been evaluated for their TOD potential. Three stations under consideration are in already substantially developed areas with some further potential for growth. Though the few stations located on college campuses or in primarily industrial areas have limited opportunities for TOD, most of the stations have substantial capacity to accommodate a mix of residential and commercial development.<sup>94</sup> In addition to identifying the

potential for TOD at Purple Line stations, planners have begun drawing up a list of steps necessary to ensure development occurs as the line is being built, not afterward.

The proposed expansion of the Baltimore rail system would add 66 miles of track and over 60 stations.<sup>95</sup> An advisory panel has made general recommendations on the locations of stations. A review of development potential at different stations could help ensure the greatest benefit from the enlarged system.

The Corridor Cities Transitway running north from the Shady Grove Metro stop could provide more TOD opportunities with 18 proposed stations.<sup>96</sup>

## Obstacles

Considering the benefits and popularity of neighborhoods with homes, stores, and offices within walking distance of transit and Maryland's potential for building more such projects, the question arises as to why more TOD has not occurred in Maryland.

Projects that involve redeveloping an area, completing construction on a site already surrounded by buildings, or integrating homes and businesses are less straightforward than are single-use projects constructed on open fields. This can deter

**Table 4. Distribution of Stations Created Through Rail Line Expansions**

County	Baltimore Region Transit Plan	Inner Purple Line	Corridor Cities Transitway
Montgomery	-	4	18
Baltimore County	20	-	-
Howard	9	-	-
Baltimore City	3	3	-
Prince George's	-	3	-
Anne Arundel	2	-	-

both developers and their financial backers. A single developer often does not have experience in retail, commercial, and residential construction and may be unsure about working in a new market area. Building in a developed neighborhood presents other challenges. It requires greater flexibility, more effort to acquire adequate land, and working with nearby residents.

These same factors may dissuade financiers and lenders. Development projects typically are financed by real estate developers and investors, whose primary criteria for supporting a project is a certain and solid return on their investment. Though TOD can yield a higher return on investment than a conventional project—due to greater development and lower parking requirements—financial supporters may be reluctant to fund TOD projects simply because they are unusual.

Zoning can be another barrier. If the area surrounding a station is zoned for low-density housing, a developer seeking to build a project containing retail, office, and residential space will have to request zoning changes. This introduces greater uncertainty to the project and slows it down.

Resistance from residents of neighborhoods surrounding the train station also can impede a new development. Neighbors may fear that adding new offices, shops, and homes will add to traffic and congestion because many people will drive to the station or they may fear that increased rail ridership may spur crime in the area. Involving neighbors in the planning process from the beginning can address concerns by modifying the project to reduce its negative impact and to shape it to create maximum community benefit.

# Conclusion and Recommendations

Maryland has great potential for transit-oriented development and should pursue the creation of projects that capitalize on the state's full potential. The best TOD projects can increase the use of transit and decrease dependence on cars, offer an attractive alternative to sprawl and reduce pressure to construct homes on open space, and improve overall quality of life for residents of the TOD project and of the state.

Capturing this potential, however, will require concentrated efforts by local governments, the state, and transit agencies. Each has a role to play in promoting TOD, in ensuring that TOD is as straightforward for a developer to pursue as a typical single-use urban fringe development and in shaping projects to achieve the greatest benefit from valuable transit stations.

## Recommendations for Local Governments

Because of their unique powers—influencing zoning, planning growth, allocating

funds—Maryland's towns and counties can play a crucial role in promoting TOD.

### Create a TOD Coordinator Position

Planning and completing a TOD project involves coordinating the work of many public agencies and requires community involvement. A TOD coordinator—someone within local government who has experience in planning, development, finance, and public participation—can help developers over the many hurdles that accompany unusual or complicated projects. The coordinator would also help solve community concerns and ensure that the completed project is integrated into surrounding neighborhoods.

Montgomery County has created regional service centers that provide this kind of assistance. Staff at the Wheaton center have promoted development in the Wheaton area through several approaches. They have worked with the public and county government to create guidelines for development in Wheaton and then informally presented that vision

to developers. Proposed projects that conform to that vision generally receive more rapid approvals because the basic elements of the plan have already been agreed upon. The staff of the regional service center shepherd the developer through the review and approval process by attending meetings between county agencies and the developer and by ensuring the project receives immediate and intense attention from all agencies involved.<sup>97</sup>

### **Incorporate TOD into All Growth and Spending Plans**

A town or county's growth plan should incorporate TOD into the area surrounding each transit station. The first steps include identifying the TOD potential at each station and creating a general vision for what development should occur at which station. Later versions can include a specific vision for what should be included near the station, establish a review process for approving a development plan, and identify priority components of the project. This will help ensure the rail station is connected to the immediate area, not isolated by parking lots or heavily-traveled roads, and that the TOD neighborhood fits in with the larger community.

Another aspect of planning for TOD is to include TOD in spending proposals. Counties can anticipate funding requirements of roads and other public infrastructure. Budgeting should include elements necessary to support TOD, such as sidewalks, public buildings, and open space. Federal funds such as from the Congestion Mitigation and Air Quality program may be available to help.

### **Zone for TOD**

County governments can adjust zoning regulations to promote good development

near rail stations. While zoning itself cannot ensure that the best use is made of land near transit, it can rule out less beneficial projects. Land near transit stations should be zoned for more development than property several miles away. Regulations should allow neighborhoods to contain a variety of retail and residential options and perhaps commercial office space. Vertical mixing—residential units built above ground-floor stores—allows the greatest integration of the different uses.

By establishing zoning standards conducive to building TOD, counties signal their willingness to support TOD and reduce potential delays for developers who would otherwise have to seek variances to land use guidelines. New Jersey's transit villages have experienced this benefit of zoning for TOD.

### **Reduce Parking Requirements**

An especially important aspect of zoning regulations is parking. Typically, suburban zoning regulations establish a minimum number of spaces that must be provided with each 1,000 square feet of retail or office space or per bedroom in residential units; regulations do not cap the number of spaces. The situation near rail stations is very different from a car-oriented setting and parking minimums can be counterproductive. Further, a development with intermingled homes, shops, and offices can reduce parking needs by relying on shared parking, in which spaces are used by residents at night and shoppers during the day.

Mandating that developers include extensive parking in any project near a rail station creates several obstacles. First, parking is costly (surface parking can cost \$1,500-\$3,000 per space and garage parking \$12,000-\$20,000 per space) and drives up the price of the development, a problem for both the developer and for



people seeking affordable housing.<sup>98</sup> Second, it can increase vehicle traffic around the station, making it more hazardous and less appealing for people to walk to the station. Abundant parking may encourage people to drive to the station even when they could walk and thus the availability of transit will not help reduce traffic congestion or air pollution. Finally, the land nearest to a rail station is the most valuable. Filling it with a parking structure does not capture the full value of that space.

Though developers and lenders initially may be reluctant to reduce the amount of parking at a site, fearing it will deter customers, they will soon learn that with good transit options nearby there is less need for extensive parking. Developers in Jersey City have happily built projects with less parking because they realized fewer parking spaces means more marketable office space.<sup>99</sup>

### **Set Fees to Encourage TOD**

Counties should ensure that property taxes, permit fees, and other publicly imposed development-related costs do not inadvertently discourage walkable development near rail stations. Portland has developed guidelines for when to reduce or waive fees.

### **Involve MDOT**

MDOT has experience planning for TOD and coordinating discussions between multiple government agencies, planners, and developers. The department has staff and resources available to counties and local governments who want help in planning a TOD project.

### **Seek Community Involvement**

Communities may resist TOD projects, fearing that they may change the atmosphere of the neighborhood, increase

traffic congestion, or destroy open space. Involving residents and businesses in discussions of what shape and form the project will take will allow the people most affected by the project the opportunity to modify the project so that it creates the broadest benefit for their neighborhood.

## **Recommendations for Transit Agencies**

Transit agencies like WMATA, in Washington, D.C., and the Maryland Transit Administration, which operates Baltimore's light rail and subway lines, can promote TOD through a number of approaches. Each has already undertaken elements of the recommendations below but should do much more.

### **Plan for TOD**

TOD should be included in all plans for system expansion, from consideration of where a line is placed to consultations with local governments to shape land use regulations. Such advance planning will ensure that a mix of jobs, housing, and retail are available at stops throughout the transit system and will boost ridership. Some of Portland's success in attracting residential and commercial developments to its light rail stations stems from its decision to route the Westside line through areas with TOD potential.

### **Assist with Land Assembly**

Transit agencies can help provide adequate land near a transit stop for a planned TOD project. Many agencies own extensive amounts of land. If agency land is not available, the authority can help assemble multiple properties into one piece. Portland's TriMet, for example, provides staff to help developers

consolidate parcels of land.<sup>100</sup> WMATA already operates a public/private joint development program to encourage development on WMATA-owned land.<sup>101</sup> The Maryland Department of Transportation's Office of Real Estate offers some parcels of state-owned land for development but relatively few sites are near Baltimore's light rail or subway stations.

An alternative to purchasing dozens of small parcels to create space for the development is to form a partnership of all current landowners who would be affected. A partnership allows current community members and building owners to benefit from development of the station area and gives them a voice in how their community will change. It can also encourage creation of a shared vision, simplifying decision-making on development plans.

### **Adopt TOD-Consistent Policies**

Once land is available, adopting TOD-friendly policies for agency-owned property reduces barriers for good private development projects. TriMet limits auto-oriented use, requires minimum densities, and caps parking immediately adjacent to stations.<sup>102</sup> Requiring extensive commuter or retail parking at transit stations, as San Francisco does at some stops, makes projects more expensive for the developer and harder for pedestrians to navigate. WMATA's recent policy change that allows for less than full replacement of parking lost to development may prove the crucial difference that enables some projects to succeed.

### **Offer Support to Developers**

Agencies can provide assistance to private developers and investors that will make TOD projects more straightforward. Denver's transit agency has hired a TOD specialist who works with other agencies,

municipalities, and developers to encourage new projects.<sup>103</sup> Other transit agencies in Washington, D.C., Miami, San Francisco, Atlanta, Los Angeles, and Portland offer similar assistance.

Technical support from the agency can help ease private developers' entry into projects that are more complicated than 400 identical houses on an open field. Agencies can:

- Provide examples of successful TOD projects, including what obstacles arose and how they were overcome.
- Educate and reassure developers about the reduced need for parking at TOD locations through studies of parking demand at similar developments and through modeling of parking needs at the proposed project.
- Help identify financial institutions that are willing to lend to nontraditional projects and provide assistance in segmenting the project into discrete phases that are more attractive to lenders, if necessary.

## **Recommendations for the State**

### **Expand MDOT's Efforts to Plan for TOD**

The Maryland Department of Transportation should build on its demonstrated capabilities and continue to help communities wanting to make the most of their transit stops by offering planning assistance, helping with streetscape improvements, and sharing their experience with successfully building TOD. The Department should assist communities with studies and initiatives similar to its award-winning efforts in support of TOD in the



West Hyattsville station area, which have been recognized by the Urban Land Institute and the American Association of State Highway and Transportation Officials.

Providing additional planning resources will enable the State to assist more towns, explore development options in more places, and share its experience.

### **Offer Infrastructure Incentives**

As a major funder of infrastructure projects, the state can support TOD by offering more money for infrastructure that strengthens TOD communities. This could include sidewalk and other improvements for pedestrians and promoting libraries or other public facilities near TOD instead of in a different location. Targeting state spending near TOD would complement the existing Priority Funding Areas law that focuses state funding for infrastructure in areas intended for development.

One tool for doing this is the Priority Places Strategy, which selects five or six locations annually within Priority Funding Areas, to receive additional state resources and attention for three to five years to complete a development project. In selecting locations each year, the Department of Planning should favor lo-

cations that have a TOD component to their development plan.

### **Reinvigorate the Office of Smart Growth**

The Office of Smart Growth was created to protect open space, promote transit, and encourage the revitalization of already developed areas. Formerly unaffiliated with any department, it has been made a division of the Department of Planning and its budget and staffing have been sharply reduced. It should again be elevated and allocated more resources so that it can effectively coordinate efforts between state agencies to deal with growth management issues.

### **Require State Offices to Be Transit-Accessible**

The state of Maryland could help concentrate development near transit stations by requiring that new state offices in the Baltimore or Washington, D.C. area be close to transit. A similar requirement that applies to federal government buildings near Washington, D.C. has resulted in six agencies leasing space near Arlington's Ballston station.<sup>104</sup> Such a requirement adopted by governments in Maryland will help guarantee a market for office space near transit, reassuring developers and lenders that new buildings will be leased.

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