



March 11, 2010

**Testimony on HB 1161  
Tax Increment Financing and Special Taxing Districts -  
State Hospital Redevelopment  
Ways and Means**

**Position: Unfavorable**

1000 Friends of Maryland opposes HB 1161, which would expand Maryland's carefully crafted program to invest in transit oriented development (TOD) to an entirely unrelated function. This would undermine a critical development tool and sets a dangerous precedent for further attacks on this program.

TOD is compact development consisting of a mix of uses, especially housing, jobs, stores, restaurants, and entertainment, within easy walking distance of a transit station. Successful TOD creates walkable, sustainable communities where people of all ages and incomes can carry out daily life with choices for transportation, increased physical activity, reduced air pollution, reduced energy consumption and reduced roadway congestion.

The State of Maryland has officially recognized the value of TOD by enacting legislation in 2008 that makes it an official transportation purpose eligible for expenditures from the Transportation Trust Fund and legislation in 2009 that authorizes the use of tax-increment financing within official TOD sites. Together the two pieces of legislation make targeted, strategic use of tools and funds to encourage more vibrant, walkable developments around transit.

This legislation would undermine that strategic investment by expanding the financing tool to include a project that has no relationship to a transit purpose. This not only directly undermines the targeting of scarce resources but sets a dangerous precedent for further abuses to this artfully crafted program.

Planning and growth in Maryland must be based on strong standards with accountability to reach those standards. Expanding Maryland's carefully crafted Transit Oriented Development financing structure to an unrelated use would undermine those standards and undercut the effectiveness of this development tool. 1000 Friends thanks the committee for its consideration of this important matter and respectfully requests an unfavorable report.

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