

Transit Oriented Development

Policy Brief



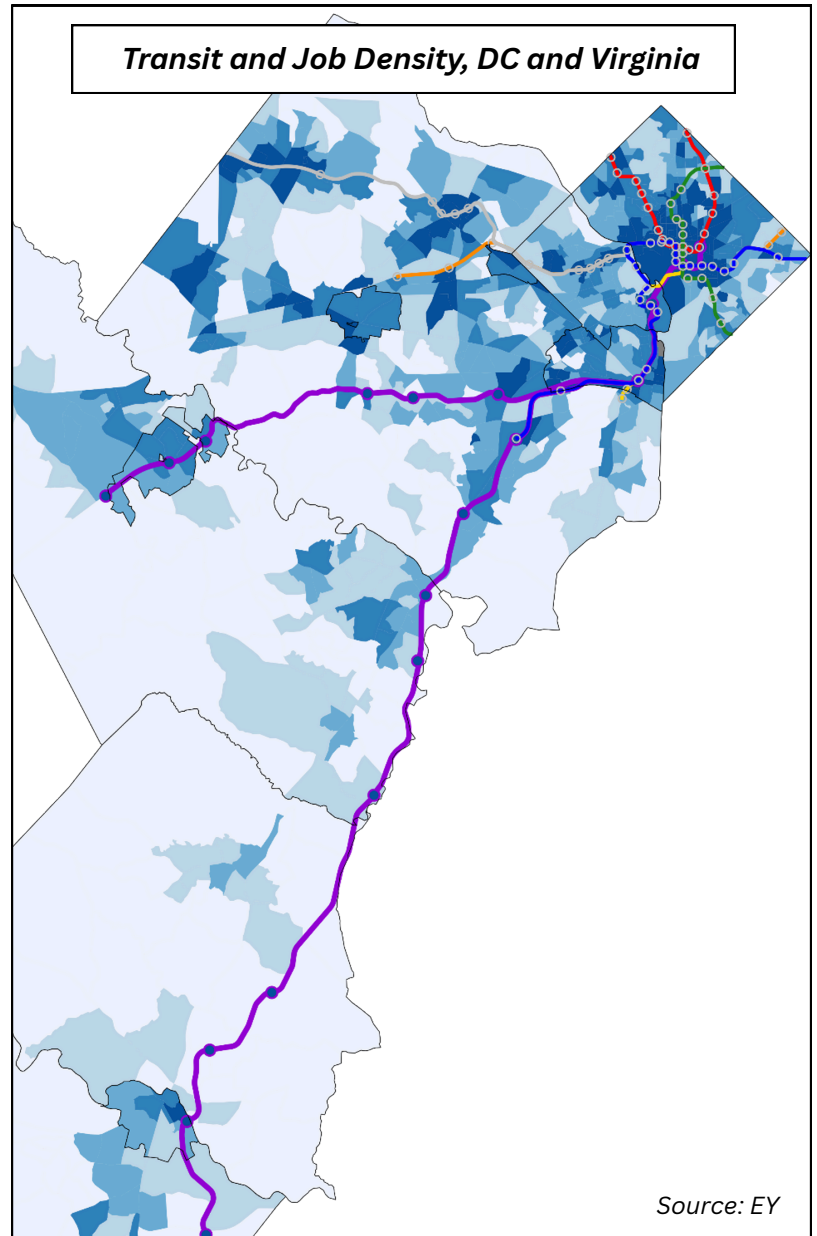
January 2026

What is Transit Oriented Development (TOD)?

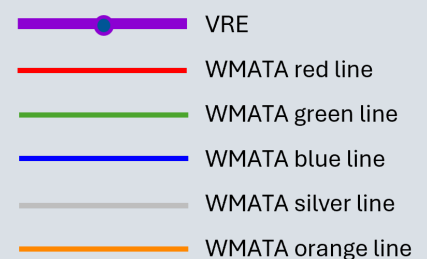
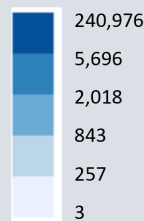
Dense, mixed-use development within walking distance of transit stations with high quality service – promoting efficient land use, improving access to opportunity, increasing transit ridership, generating greater economic activity, and delivering maximal use of existing transportation infrastructure.

The Greater Washington Partnership supports TOD as a key strategy to promote regional economic growth from Baltimore through Washington, DC, to Richmond. Regional transportation operators have already identified dozens of sites well primed for TOD, with features such as high transit frequency, large parcels of underutilized land, high transit demand, proximity or connectivity to job centers, and a strong real estate market.

Mixed-use development at these sites would improve mobility, increase infrastructure efficiency, and unlock economic growth.



Job density (per sq.mi)



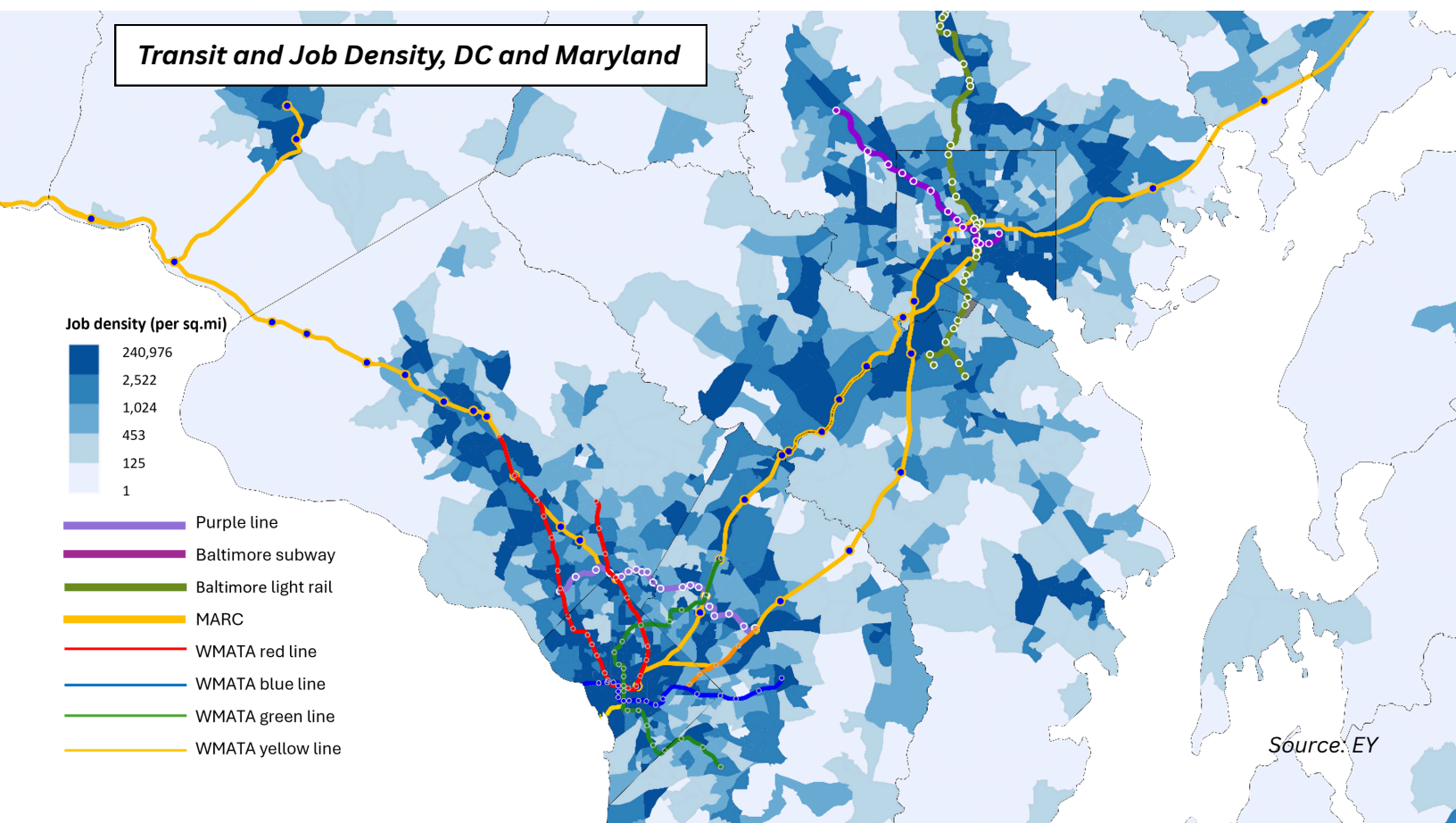
Greater Washington Partnership's Vision

A connected region where:

- More housing, jobs, and services are clustered near transit stations serviced by frequent and reliable transit.
- Growth is intentional, efficient, and sustainable – ensuring that new development makes the best use of available land, resources, and infrastructure.
- Local governments, employers, and developers work together to maximize utilization of transit assets and dense housing development near rapid transit.
- All residents have the ability and opportunity to live in, access, and benefit from transit-oriented communities.

The region has long been a national leader in TOD, particularly around its Metrorail stations, but many opportunities remain.

- **Washington, DC:** WMATA is the leader in TOD in the DC region, and has completed 24 joint development projects on WMATA owned property near Metrorail stations since 1975, which have delivered 3,351 residential units, 2.7M sq. ft. of office space, and 783K sq. ft. of retail, generating \$93.2M in tax revenue annually.^{iv} This development has spurred additional transformational projects across the region.
- **Virginia:** Forward-thinking land-use policy and investment in Arlington's Rosslyn to Ballston Metrorail corridor delivered a net increase of over 17.1M sq. ft. of office space, 2.4M sq. ft. of retail space, and 25.1K residential units from 1970 to 2016.^v
- **Maryland:** Multiple Metrorail stations anchor vibrant transit-oriented communities, from the dense, urban centers of Silver Spring and Bethesda to King Farm at the Shady Grove Metro Station, which blends apartments, condos, townhomes, and single-family detached homes with ample open space – demonstrating the versatility of TOD.



The Economic Potential of TOD in the Region

In the Washington metro area alone, 41 transit stations are actively undergoing development or have been identified for future TOD which could add over 29 million sq. ft. of development and generate \$300M in annual state and local tax revenue.^{vi}

In Maryland along the MARC Penn Line, a recent study showed that TOD could deliver more than 2,600 new housing units, create 400 permanent jobs, and produce millions in new tax revenue for states and counties.^{vii}

Deep Dive: State Center, Baltimore City

A TOD project in development around State Center station in Baltimore City – combining office, retail, and multifamily housing – would provide a significant boost to the local and regional economy.

The planning and construction of the multi-use development valued at \$2.5B would support the equivalent of 17,900 full-time equivalent jobs* and \$1.3B in earnings – contributing \$2.3 billion to regional GDP. These benefits would overwhelmingly flow directly back into Baltimore’s economy, with 78% of the total employment and 80% of the total earnings benefitting city residents.

Once constructed, State Center's businesses and residents would continue to provide valuable economic benefits each year, supporting 15,900 total jobs and \$1.4 billion in earnings.^{viii}

*The 17,900 jobs would likely spread over more than one year. For example, if the construction and planning take two years, the full-time equivalent jobs would be 8,950 per year.

TOD in the Region



\$10,500

Annual savings in car ownership costs from riding transitⁱⁱⁱ



1,505,205

Jobs Accessible via transitⁱⁱ



244

rapid transit and commuter rail stations in the region



1.09 million

daily regional transit trips in 2025ⁱ

Why It Matters: The Economic Case for Transit-Oriented Development

1. *TOD makes places more competitive for investment and talent – expanding labor markets and boosting productivity.*

Transit-connected districts are more attractive to employers and workers, and these higher-density mixed-use developments correlate with:

- Access to a broader talent pipeline,^{ix}
- Higher venture capital activity and startup rates, and^{x, xi}
- Increased density, boosting foot traffic to local retailers and small businesses.

Regional context: In 2017, Amazon launched a nationwide search for its second headquarters location, ultimately selecting Arlington’s National Landing in part due to its robust transit system, housing options, and attractive urban amenities.

2. *TOD is more cost-effective, lowering public infrastructure and service costs while also reducing traffic congestion.*

Unlike conventional development patterns, TOD concentrates growth leading to:

- Lower public expenditures with less road mileage to maintain,
- Less per capita spending on utilities and service delivery, and
- Reduced parking demand, lowering development costs.

Regional context: Since 1996, Arlington added more than 50K new residents and millions of square feet of new development – all while traffic declined – because most growth happened near transit in the form of dense, mixed-use development, enabling easy access to jobs and amenities.^{xii}

3. *Dense development near transit delivers much needed housing supply, often close to job centers.*

Transportation is most households’ second-largest expense after housing. TOD reduces this burden and boosts disposable income from lower transportation costs, leading to:

- Greater efficiency and affordability by reducing car dependence,^{xiii}
- More homes in high-access locations, and
- Development of diverse housing types, many with affordability requirements.

Regional context: The region faces an estimated 390,000-unit gap in housing supply, driving up housing costs and pushing workers of all income ranges further away from opportunity.

Regional Challenges and Policy Solutions

Our region has been a leader in transit-oriented development and smart growth policies for decades. Yet, implementation of TOD has been uneven across the region, often constrained by regulatory, financial, and political barriers. The Partnership invites regional leaders to consider how existing successful policies from across the region can be leveraged and scaled, ensuring future efforts build on a proven set of tools. To that end, we have identified the following policy priorities to advance strategic transit-oriented development throughout the region:

Fragmented Governance

Challenge: Our region – spanning from Baltimore through DC to Richmond – includes multiple counties, cities, two states, and the District, all with different priorities and procedures. Inconsistent rules and duplicative reviews complicate project financing, planning, and development.

Solution: Align state, local, and private planning through strategic coordination to reduce fragmentation, pool resources, and encourage cross-jurisdictional collaboration and knowledge sharing.

Zoning and Land Use Regulations

Challenge: Restrictive land use regulations around rapid transit stations, like low allowable densities, minimum lot sizes, and single use zoning reduce the feasibility of higher-density mixed-use development near transit. Regulations like minimum parking requirements increase project costs and reduce land available for housing and commercial uses.

Solution: Adopt statewide by-right zoning that removes barriers to denser, mixed-use development within a reasonable walking distance of transit that enables local decision making and a range of entitlement processes.

Long and Uncertain Timelines

Challenge: Projects that require rezoning or special approvals face long, uncertain permitting processes that raise costs and developer risk. Additionally, complex environmental review required by federal law and limited local administrative capacity contributes to unreliable cost and schedule estimates.

Solution: Establish expedited TOD permitting tracks that guarantee shortened review periods and remove procedural bottlenecks to reduce developer risk and facilitate development.

Financial and Market Barriers

Challenge: Without robust mechanisms at all levels of governance to finance station-area infrastructure and development, expensive land and construction costs near transit stations make dense projects prohibitively costly to deliver. Additionally, parcels are often fragmented among private owners, necessitating parcel assembly in order to proceed with development.

Solution: Implement finance tools and incentives, such as enabling targeted value capture, tax increment financing (TIF), special assessment districts, below-market ground leases, or dedicated state TOD funds to pay for infrastructure and affordable housing. Facilitate strategic and collaborative parcel assembly and long-range planning.

Local and Political Resistance

Challenge: Local concerns about parking, traffic, school capacity, neighborhood character, and displacement are common and can block rezonings or slow projects.

Solution: Establish state-level transparent criteria that identify areas suitable for development and educate the public on benefits of executing TOD in prioritized locations.



Sources

ⁱ WMATA, MTA, GRTC, and VRE ridership data

ⁱⁱ EY analysis

ⁱⁱⁱ WMATA, *New research highlights the incredible benefits of transit to the Capital Region* (June 10, 2024). <https://wmata.com/about/news/New-research-highlights-the-incredible-benefits-of-transit-to-the-Capital-Region.cfm>

^{iv} WMATA, *Joint Development Tracker*: <https://tod.wmata.com/Tracker>

^v Jared Alves, *The Effect of Transit-Oriented Development in Arlington, Virginia on Transport Choices* (January 8, 2017). <https://jaredalves.com/2017/01/08/the-effect-of-transit-oriented-development-in-arlington-virginia-on-transport-choices/>

^{vi} WMATA, *10-Year Strategic Plan for Joint Development: 2025 Progress Report*. <https://www.wmata.com/business/real-estate/upload/2025-Joint-Development-Progress-Report.pdf>

^{vii} Maryland Department of Transportation, *MARC Penn Line Transit-Oriented Development (TOD) Strategy Final Report* (October 9, 2024). [Unlocking the TOD Potential of the MARC Penn Line Corridor. https://mdot.maryland.gov/ORED/MARC-Penn-Line-TOD-Strategy-Final-Report_10.9.2024.pdf](https://mdot.maryland.gov/ORED/MARC-Penn-Line-TOD-Strategy-Final-Report_10.9.2024.pdf)

^{viii} EY analysis

^{ix} WMATA *10-Year Strategic Plan for Joint Development: 2025 Progress Report*. <https://www.wmata.com/business/real-estate/upload/2025-Joint-Development-Progress-Report.pdf>

^x Richard Florida, *Startup City: The Urban Shift in Venture Capital and High Technology* (Creative Class Group/Martin Prosperity Institute, November 2019). [Martin Prosperity Institute STARTUP CITY: The Urban Shift in Venture Capital and High Technology. https://www.creativeclass.com/wp/wp-content/uploads/2019/11/Startup-City.pdf](https://www.creativeclass.com/wp/wp-content/uploads/2019/11/Startup-City.pdf)

^{xi} Robert B. Noland, Daniel G. Chatman, and Nicholas J. Klein, *Transit access and the agglomeration of new firms: a case study of Portland and Dallas* (Mineta National Transit Research Consortium, June 2014). <https://rosap.nrl.bts.gov/view/dot/27426>

^{xii} Canaan Merchant, *As Arlington booms, traffic drops* (Greater Greater Washington, June 30, 2014). <https://ggwash.org/view/35122/as-arlington-booms-traffic-drops>

^{xiii} ThinkTennessee, *Transit-Oriented Development: A Powerful Tool for Connecting Housing Options to Transit* (April 2025). https://www.thinktennessee.org/wp-content/uploads/2025/02/Transit-Oriented-Development-A-Powerful-Tool-for-Connecting-Housing-Options-to-Transit_ThinkTN-2025.pdf
