

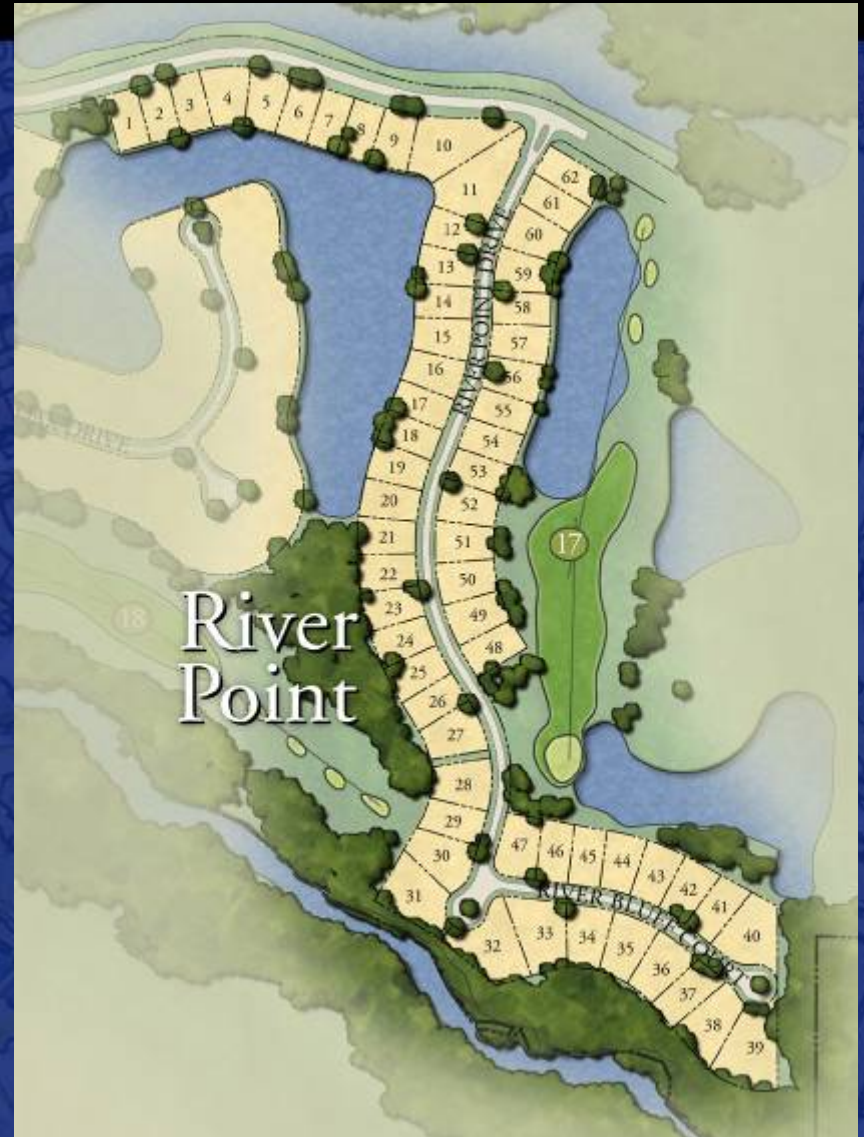
Master Developer Approach to Transit Oriented Development



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The term “Master Developer” gained prominence in the 1960s and 70s in a suburban context with master planned communities and resort developments.





More recently, the master developer model has become more common with large urban infill sites, such as Stapleton in Denver, Mission Bay in San Francisco, or Hoyt Street Yards in Portland, Oregon.



TOD Master Developer

As applied to transit oriented development, the master developer model is an approach where one development team undertakes development at multiple, incontiguous sites spread out among several transit stations.

215th

199th

183rd

165th

Ali Baba

119th

82nd



Traditional Joint Development

Selecting a *Project*

R.F.P.

Single Offering

Public Land

Local Developers

Master Developer Approach to TOD


Selecting a *Partner*

R.F.Q.

Bundled Offering

Public & Private Land

National, Regional & Local Developers

Master Developer  Builder or Contractor

The Master Developer Role

“The master developer controls the site, designs a master plan that guides development, obtains financing and approvals, and oversees phased implementation of the plan by specialized builders with experience in each product type.”

Key Responsibilities

Pre-Development:

- Site Planning
- Land Assembly
- Development Program
- Design & Engineering
- Entitlements
- Financing

Construction:

- Select Contractors
- Construction Management

Post-Development:

- Marketing, Sales, Leasing
- Maintenance & Operations

Two-Step Selection Process

Request for Expressions of Interest (RFEI)

- Introduce the concept;
- Generate enthusiasm and interest;
- Solicit feedback on master developer role and scope.

Request for Qualifications (RFQ)

- Actual selection vehicle;
- Focus on experience, capabilities, resources;
- Lists TOD sites & development/finance goals.

Advantages of Master Dev.

#1. Provides for a holistic, system-wide approach rather than ad-hoc approach that treats each station or development site in isolation. By developing multiple sites, the master developer can phase development so product types and price points don't compete with each other and saturate the market.

Advantages of Master Dev.

#2. Can accelerate and expand TOD efforts by partnering with a development firm that can undertake multiple projects concurrently, thereby increasing the size and capacity of the agency's joint development team.

Advantages of Master Dev.

#3. Increases the economies of scale by bundling several sites together to attract regional and national development firms with significant financial resources and experience with complex public/private projects.

Potential Challenges

#1. The complexity and unfamiliarity of the master developer model will challenge joint development staff, contracting procedures, elected officials, and the public. The role and responsibilities of the master developer must be clearly defined and understood before proceeding.

Potential Challenges

#2. There is the potential for political backlash from local development firms if a large national or regional firm is selected as the master developer. It is imperative that any outside firm commit to partnering or subcontracting with local developers and contractors.

Potential Challenges

#3. The master developer could “cherry pick” the most lucrative sites while transit stations in economically challenged neighborhoods languish. The development agreement must include a timeline for initiating development and penalties for failure to perform.

Potential Challenges

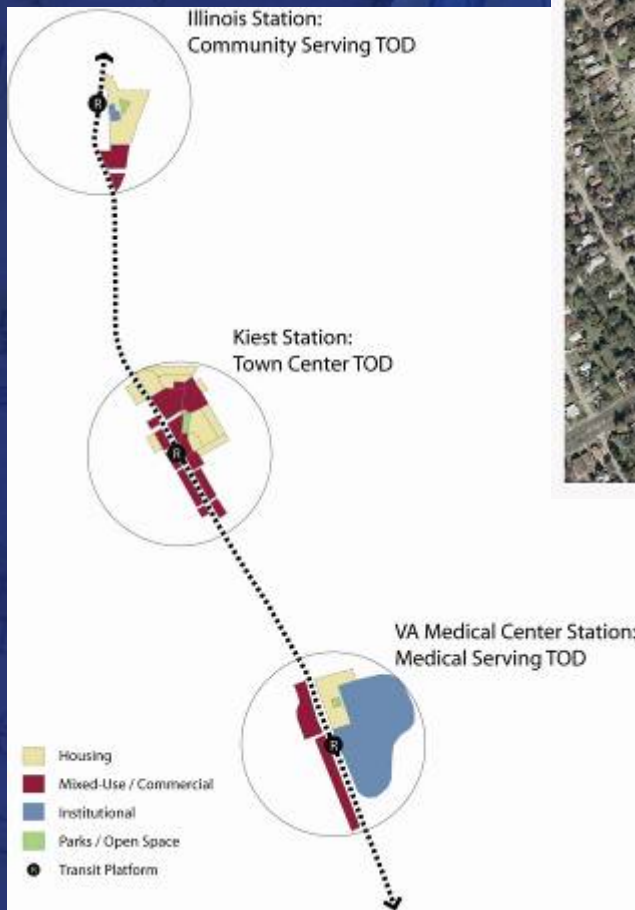
#4. By selecting a development firm and not a specific project it is difficult to know whether the final development program and design are the highest and best transit use for the site. The transit agency cannot benchmark the project against other proposals.

Case Study: Raleigh, NC



Triangle Transit Authority (TTA) has selected the team of Cherokee Investment Partners, LLC and PB PlaceMaking to act as master developer for 12 station sites along their 28-mile regional rail project.

Case Study: Dallas, TX



The City of Dallas is in the final stage of selecting a master developer to develop TOD projects along existing and planned rail corridors.

Case Study: Portland, OR

TriMet partnered with Bechtel to construct the 5.5 mile Airport MAX extension in 2001.

Bechtel contributed

\$28 million towards the project in return for the rights to master develop the 120-acre Cascade Station adjacent to the airport.

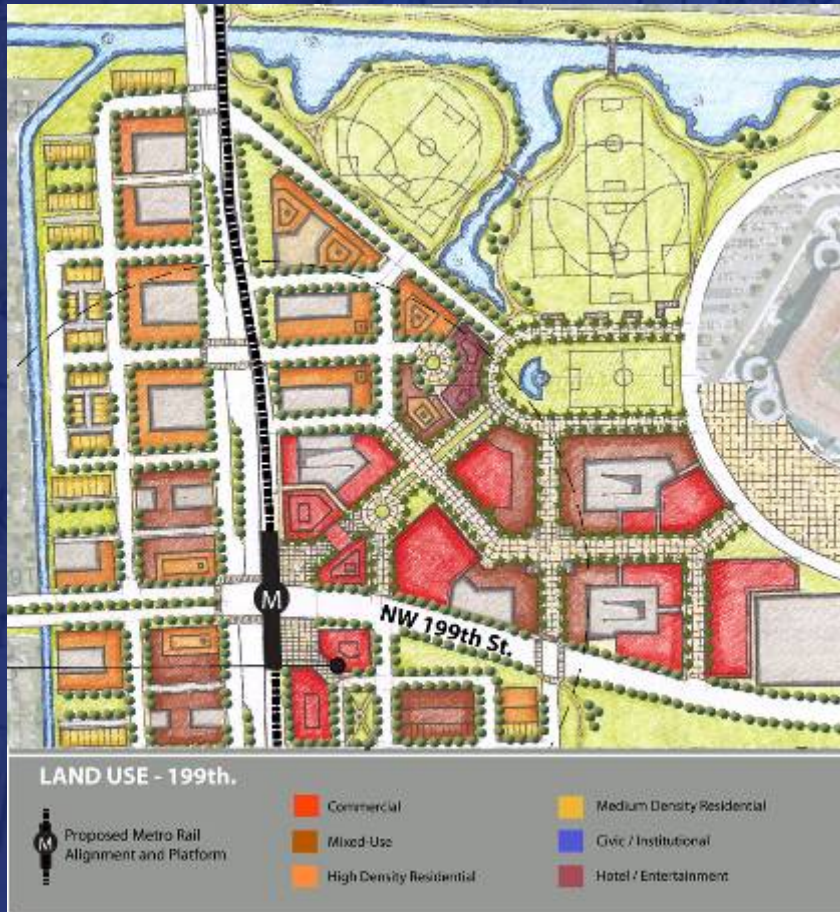


Case Study: Portland I-205

When planning the I-205 MAX project, TriMet released a “Request for Industry Comment” and made joint development part of the design/build selection criteria. Ultimately, the agency was not able to identify a master developer opportunity on the corridor.



Case Study: Miami, FL



Miami-Dade Transit will convene a developer forum and release an RFEI this winter to gauge the viability of a master developer partnership along their North Corridor extension.