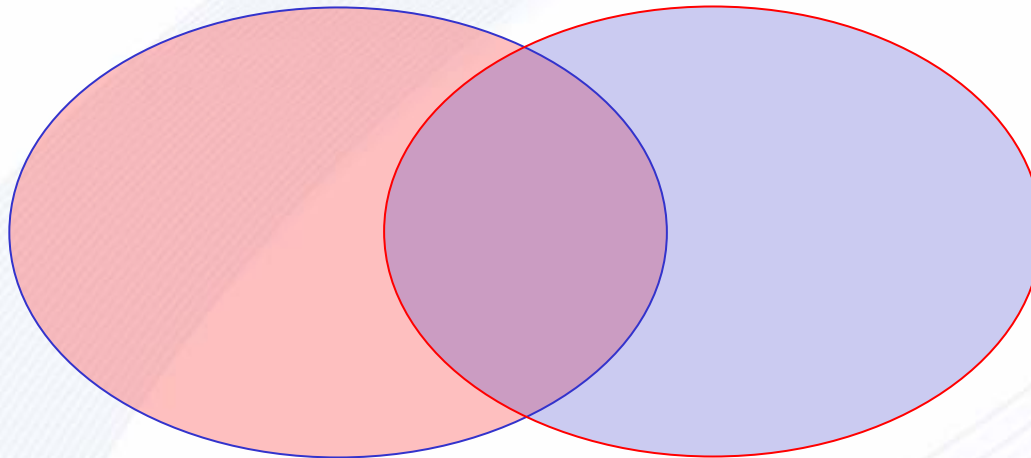




Transit Joint Development



Jayne L. Blakesley
Attorney-Advisor
Federal Transit Administration
jayne.blakesley@dot.gov
(202) 366-0304



Outline

- Joint Development Benefits
- Eligibility for Federal Funding
 - Eligibility Criteria
 - Eligible Activities
 - Ineligible Activities
- Project Approval Process
- Real Property Issues
- Examples
 - Holyoke Multimodal Transportation Center
 - Renaissance Square



Joint Development Benefits ("Win-Win")

- **Private Developers**

- The accessibility advantages of being near a transit station result in higher rents and/or greater occupancy.

- **Public**

- The transit agency benefits from private development through cash payments, gains in ridership, and increased tax revenue.

- **Both**

- Shared access, utilities, walkways, open space, security, maintenance, etc.



Joint Development Benefits (Cost- & Revenue-sharing)

- **Revenue-sharing**

- secures a stream of revenue
- Examples:
 - land leases,
 - air rights development,
 - station interface or connection-fee programs,
 - concession leases, and
 - benefit assessment districts.

- **Cost-sharing**

- relieves the cost burden of constructing, maintaining, or rehabilitating transit facilities
- Examples:
 - sharing construction expenses,
 - incentive-based programs that provide benefits (e.g., density bonuses) in return for off-loading construction costs, and
 - joint use of equipment like air-conditioning systems



The Eligibility of Joint Development Projects under Federal Transit Law

- 49 U.S.C. 5302(a)(1)(G)
 - Permits the Federal Transit Administration to fund a public transportation improvement that enhances economic development or incorporates private investment.
 - This includes the construction, renovation, and improvement of intercity bus and intercity rail stations and terminals, including the construction, renovation, and improvement of commercial, revenue-producing intercity bus stations or terminals.



The Eligibility of Joint Development Projects under Federal Transit Law

- Joint Development Guidance (72 FR 5788)
 - Implements SAFETEA-LU amendment to the definition of “capital project.”
 - Gives FTA grantees maximum flexibility within the law to work with the private sector and others for purposes of joint development
 - Generally defers to the decisions of the project sponsor, negotiating and contracting at arm’s length with third parties, to utilize federal transit funds and program income for joint development purposes
 - Promotes transit-oriented development, subject to the broad parameters set forth therein.



Eligibility Criteria

- Economic Link
 - Enhances economic development or
 - Incorporates private investment
- Public Transportation Benefit
 - Enhances the effectiveness of a public transportation project, and relates physically or functionally; or
 - Establishes new or enhanced coordination between public transportation and other transportation
- Revenue for Public Transportation
 - Provides a fair share of revenue for public transportation that will be used for public transportation
- Reasonable Share of Costs (if applicable)
 - Occupants to pay a reasonable share of the costs of the facility through rental payments and other means



Eligible Activities

- By statute, the following activities are expressly eligible:
 - Pedestrian and bicycle access to a public transportation facility;
 - Construction, renovation, and improvement of intercity bus and intercity rail stations and terminals;
 - Renovation and improvement of historic transportation facilities; and
 - Certain activities supporting commercial and residential development.



Eligible Activities

- Real estate acquisition
- Demolition
- Site preparation
- Building foundations
- Utilities
- Walkways
- Open space
- Safety & Security equipment & facilities
- Facilities that incorporate community services
- Intermodal transfer facility
- Construction, renovation, and improvement of intercity bus and intercity rail stations and terminals
- Transportation-related furniture, fixtures & equipment
- Parking
- Project development activities
- Professional services



Ineligible Activities

- 49 U.S.C. 5302(a)(1)(G)(ii) excludes
 - Construction of a commercial revenue-producing facility (other than an intercity bus station or terminal); or
 - A part of a public facility not related to public transportation



Project Approval Process

- Grant Application
- Joint Development Checklist
- Certificate of Compliance (or Alternative Certification)



The Eligibility of Joint Development Projects under Federal Transit Law

Joint Development Checklist	
I. PROJECT DESCRIPTION	
Project Sponsor:	Date Submitted:
FTA Project Number (if known):	
Project Title:	
Project Location (Include City and Street Address):	
Name of Project Contact:	Phone:
E-mail Address (if available):	
Type of Project: <input type="checkbox"/> Commercial development <input type="checkbox"/> Residential development <input type="checkbox"/> Pedestrian or bicycle access to public transportation facility <input type="checkbox"/> Construction, renovation, or improvement of intercity bus or intercity rail station or terminal <input type="checkbox"/> Renovation or improvement of historic transportation facility <input type="checkbox"/> Other	
Description of Project:	
II. MATERIALS SUBMITTED	
<input type="checkbox"/> Joint Development Checklist	
<input type="checkbox"/> Joint Development Agreement	
<input type="checkbox"/> Certification of Compliance <u>gg</u>	
<input type="checkbox"/> Alternative Certification (with written explanation)	
III. APPLICATION OF STATUTORY CRITERIA	
Requirement	Description
Economic Link (check (1) or (2)): <input type="checkbox"/> (1) Enhances economic development <u>gg</u> <input type="checkbox"/> (2) Incorporates private investment	
Public Transportation Benefit (check (3) & (4), or (5)): <input type="checkbox"/> (3) Enhances the effectiveness of a public transportation project <u>gg</u> <input type="checkbox"/> (4) Relates physically or functionally <u>gg</u> <input type="checkbox"/> (5) Establishes New or Enhanced Coordination Between Public Transportation and other Transportation	
Revenue for Public Transportation (check (6)): <input type="checkbox"/> (6) Provides a Fair Share of Revenue for Public Transportation that will Be Used for Public Transportation	
Reasonable Share of Costs (check (7) if applicable): <input type="checkbox"/> (7) Occupants to pay a reasonable share of the costs of the facility through rental payments and other means	



Real Property Issues

- Real property acquired by a grantee or subgrantee pursuant to 49 U.S.C. 5302(a)(1)(G) shall be governed by 49 U.S.C. 5334(h), as amended, and subject to the obligations and conditions set forth in 49 CFR 18.31 as amended, which require the grantee or subgrantee to request disposition instructions from FTA whenever real property is no longer needed for the originally authorized purpose.



Real Property Issues

- 49 CFR 18.31
 - *Use*. Real property will be used for the originally authorized purpose as long as needed for that purpose, and the grantee or subgrantee shall not dispose of or encumber its title or other interests.
 - *Disposition*. When real property is no longer needed for the originally authorized purpose, the grantee or subgrantee will request disposition instructions from FTA. FTA's instructions will provide for one of the following alternatives:
 - Retention of title after compensating FTA;
 - Sell the property and compensate FTA; or
 - Transfer title to FTA or to a third-party designated/approved by FTA.



Real Property Issues

- 49 U.S.C. 5334(h)
 - Under certain conditions, FTA may authorize its grantee to transfer the asset to a local governmental authority to be used for a public purpose with no further obligation to FTA.
 - The net income from asset sales, uses, or leases (including lease renewals) under this subsection shall be used by the recipient to reduce the gross project cost of other capital projects.
 - This authority is in addition to existing authorities controlling allocation or use of recipient income otherwise permissible in law or regulation.



Real Property Issues

- 49 CFR 18.25
 - Grantees are encouraged to earn income to defray program costs.
 - Program income includes income from the use or rental of real or personal property acquired with grant funds.
 - FTA grantees may retain program income for allowable capital or operating expenses.



Examples

- Holyoke Multimodal Transportation Center
- Renaissance Square



Holyoke Multimodal Transportation Center



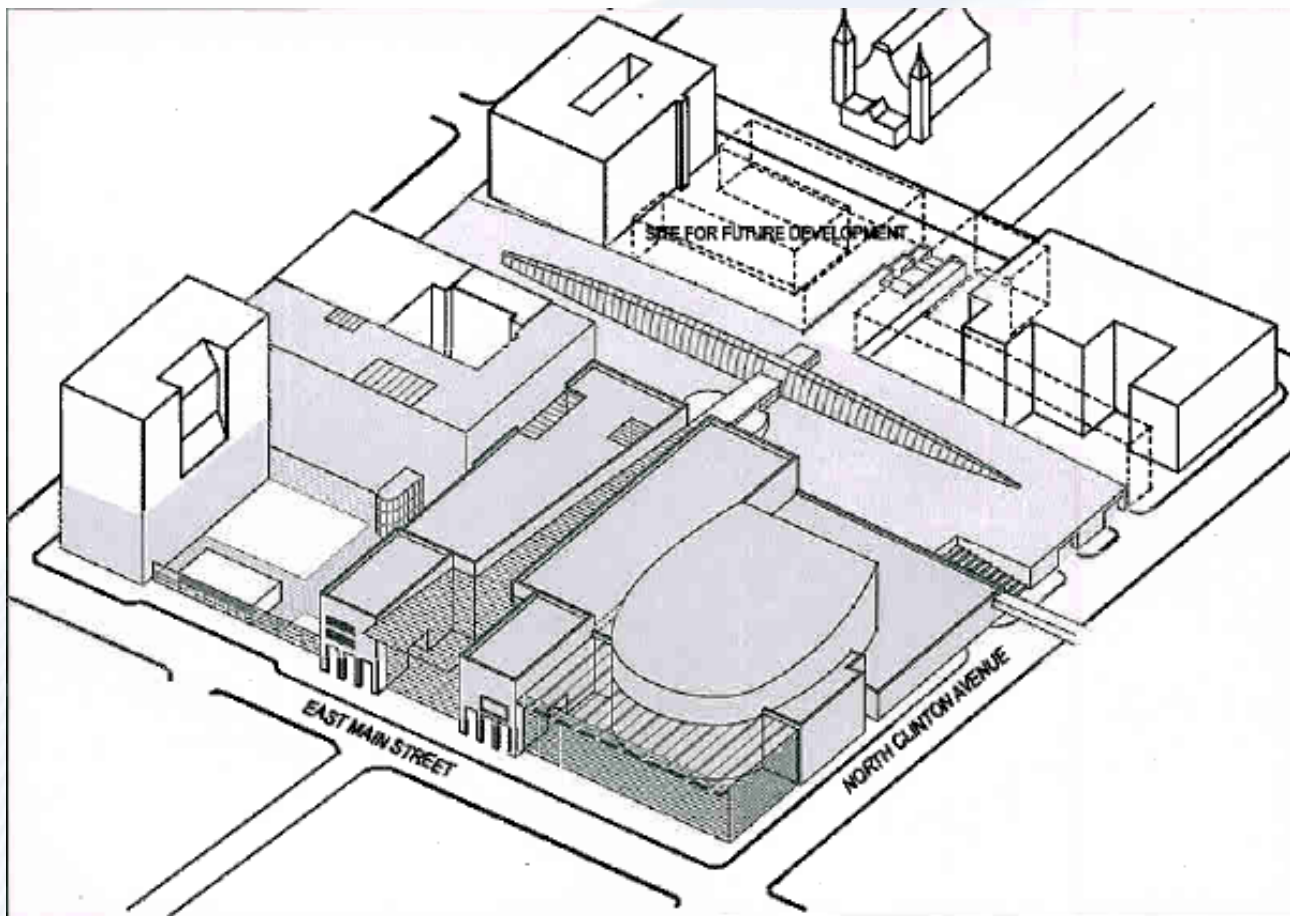


Holyoke Multimodal Transportation Center





Renaissance Square





Renaissance Square





Renaissance Square





Renaissance Square





Renaissance Square

