

# Sacramento Regional Transit District

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## *Joint Development – The Transit Agency Perspective*

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Director of Planning*



# How Does RT Do It?

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- ◆ Basics of the RT System
- ◆ Why Joint Development?
- ◆ Major Players/Interests
- ◆ How RT Works with these interests
- ◆ Lease vs. Sell
- ◆ Follow-through – RT's program

# The Regional Transit District

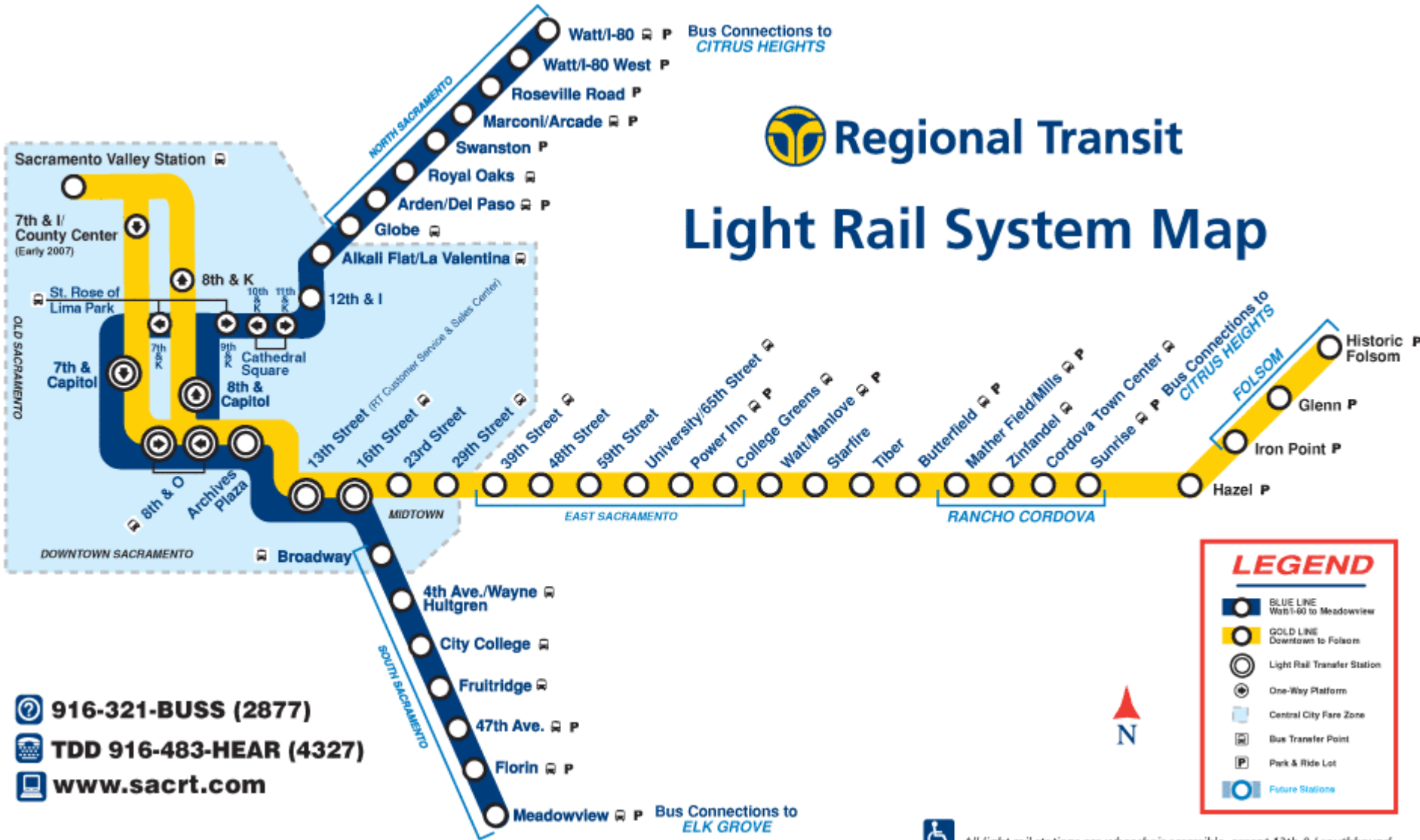
<b>Metro Population</b>	1.3 million
<b>Service Area</b>	418 Sq. Miles
<b>Employees</b>	1,181 as of June 2006
<b>Passenger Miles</b>	124.6 million
<b>Total Ridership</b>	30.4 million
<b>Bus Trips</b>	19.4 million (2005)
<b>Rail Trips</b>	14 million
<b>Operating Costs</b>	\$118.1 million





Regional Transit

# Light Rail System Map



**916-321-BUSS (2877)**  
**TDD 916-483-HEAR (4327)**  
**www.sacrt.com**

**LEGEND**

- BLUE LINE  
Watt/I-80 to Meadowview
- GOLD LINE  
Downtown to Folsom
- Light Rail Transfer Station
- One-Way Platform
- Central City Fare Zone
- Bus Transfer Point
- Park & Ride Lot
- Future Stations



All light rail stations are wheelchair accessible, except 12th & I southbound



# Major Public Players/Interests

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- ◆ City of Sacramento
  - Zoning
  - Design standards
- ◆ Sacramento Council of Governments (SACOG)
  - Metropolitan Planning
  - Place3s land use software
- ◆ Other Municipal Governments
  - Elk Grove (E-Tran service)
  - Sacramento County (Both RT and own service)
  - Rancho Cordova (RT Service)
- ◆ State agencies – Housing, Transportation, etc.
- ◆ Civic Groups and Community Organizations



# Major Private Interests

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## ◆ Developers

- May own or control property
- Respond to current market (limiting your options)
- May be specialized by type of development

## ◆ Banks/Finance

- Conservative
- May view mixed-use as too risky

## ◆ Community Development Entities

- May be strong allies or opponents to specific project

# The Policy Framework for JD

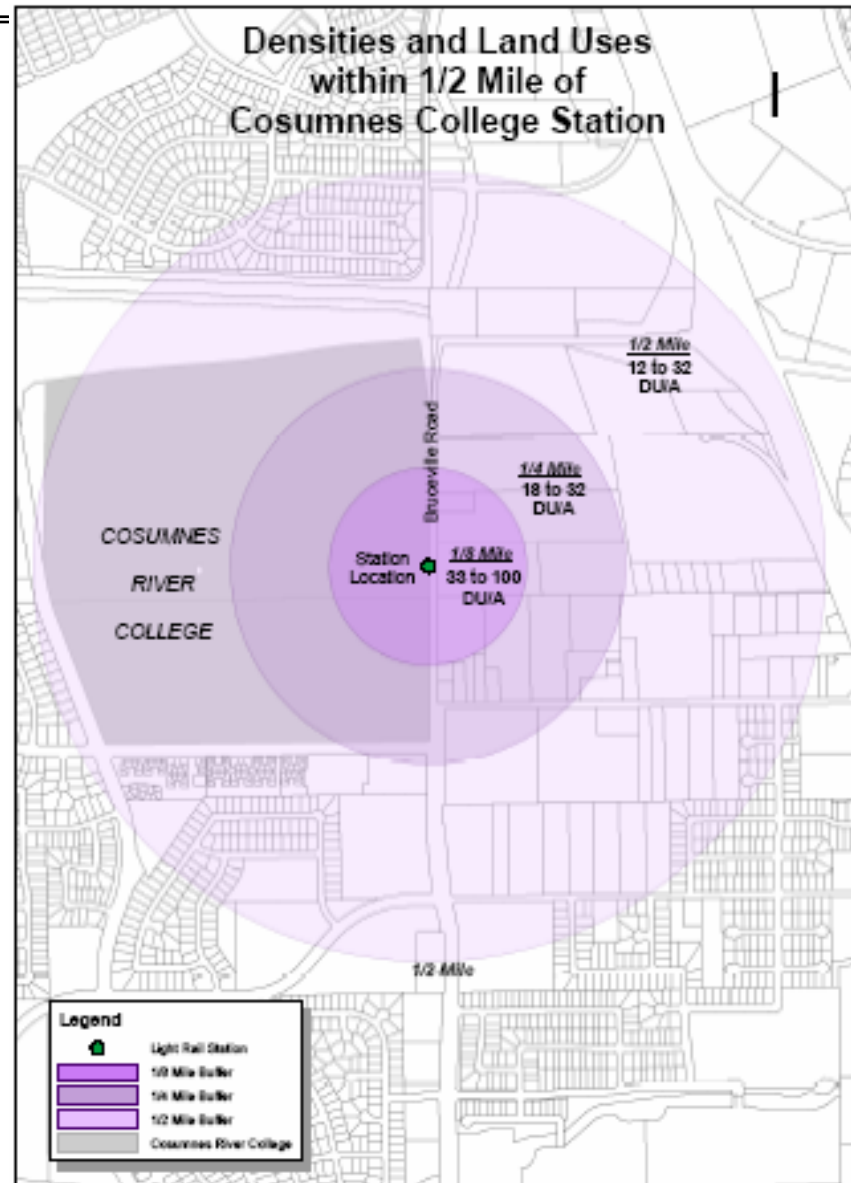
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- ◆ Federal Grant Programs
  - New Starts land use criteria
  - Joint Development guidance 2007
  - Context-sensitive solutions and Smart Growth
- ◆ Regional Policies
  - Blueprint – MPO land use/transportation plan
  - Smart Growth principles
- ◆ Air Quality
  - Reducing automotive trips, trip lengths
  - Requires land use planning and increased transit use
- ◆ RT's Transit for Livable Communities (TLC) program



# RT's Guidance

- Try to influence local decisions, particularly with regard to density of use and pedestrian scale
- Conform to local general plan
- Review and comment on development projects
- Be reasonable in expectations
- Make the best of what you have (what's already there)





# Sale or Lease?

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- ◆ Lease has the benefit of short FTA review
  - Lease provides effective continuing control
  - Lease usually provides ongoing revenue stream
  - Lease can be used to provide implicit financing for project
  - Transit has stronger hand in project outcomes
- ◆ But there are disadvantages
  - Developer may not be able to build “for sale” product
  - Outside financing harder to come by, more expensive
  - Far fewer developers are interested
  - Transit may have to wait a long time for revenue

# Sale or Lease (II)

- ◆ **Sale has longer FTA review**
  - **Evidence of effective continuing control**
    - **Amend the basic FTA certification**
  - **Demonstration of reasonable return to transit**
  - **Preparation and near-execution of JD Agreement**
- ◆ **But there are still advantages**
  - **Developer can pledge the property for financing**
  - **The reasonable return to transit is more certain**
  - **A greater range of developers may be interested in your property, making it more competitive**

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Pointer 38°33'06.50" N 121°25'34.86" W elev 39 ft

Streaming ||||| 100%

Eye alt 917 ft



# Total Acreage ~ 137.6

Station	Acreage	Station	Acreage
47 <sup>th</sup> Ave.	6-7	Swanston	21
Florin	22	Royal Oaks	4.5
Meadowview	20	Marconi	20
Watt/Manlove	7	University/65 <sup>th</sup>	2.5
Mather Fields/Mill	3	Power Inn	13.6
Sunrise	5.8	Butterfield	3.2
Hazel	7	Others	2

# The Real Estate Market

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## ◆ Commercial Real Estate

- Significant construction undertaken in 2006 and 2007
- Commercial occupancy rates good – over 93%
- Lease rates are around \$25 per sq. ft. in downtown (NNN)

## ◆ Residential

- New housing sales hit records in 2006 but falling in '07
- Prices of new and existing homes fell both end-2006 and '07
- Sub-prime lending is affecting transitional neighborhoods
- At least one keynote project in difficulties (Capitol Towers)

## ◆ Retail

- Vacancy rate down, absorption rate up, new development



# How is RT Proceeding?

- ◆ **Prepare the land**
  - Site preparation as needed
  - Entitlements (land may already be in Transit Overlay)
- ◆ **Offer via RFP**
  - Select developers on the basis of TOD standards
- ◆ **Remain open w/ regard to sale or lease**
- ◆ **Enter into Exclusive Negotiating Agreement (ENA)**
- ◆ **Facilitate access to funding sources (Housing, etc.)**
- ◆ **Seek FTA review and concurrence on JD Agreement**
- ◆ **Execute Disposition and Development Agreement (DDA)**

# Recent infill examples

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# Thank you.

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## **FOR MORE INFORMATION:**

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