

Rail~volution



Value Capture – Legal Tools and Challenges

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Introduction – Value Capture

- **Principle: increases in economic value created by a public policy should accrue to the public benefit**
- **Leverages location, location, location**
- **Linked to increases in land value induced by presence of public transit facility**

Introduction – Value Capture

- **Varied types of value capture mechanisms:**
 - Incentives
 - Special allocations
 - Fees
- **Benefit realized over time**
- **More targeted than region-wide tax initiatives**

Value Capture Species

- **Incentives:**
 - **Density bonuses**
 - **Optional method zoning**
 - **Inclusionary zoning**
 - **Air rights**

Value Capture Species

- **Zoning changes – general increase in property tax revenue as development occurs around station**
- **Special allocations:**
 - **Special assessment districts – tax or fee levied on properties within a defined area**
 - **Tax allocation/tax increment financing districts – tax increment above an established baseline used to fund public infrastructure investment within a defined area**

Value Capture Species

- **Fees:**
 - **Transit impact fees – developer pays up front**
 - **Licensing levies**
 - **Parking fees/cash-in-lieu payments**

Legal and Policy Considerations

- **State and local enabling legislation may be necessary to allow use of:**
 - **Tax-increment financing**
 - **Special allocation districts**
 - **Impact fees**
- **Entity responsible for imposing fees or administering special allocation district is frequently not the entity providing the public transportation**

Legal and Policy Considerations

- **Watch this space – potential Federal legislation:**
 - **National High Performance Passenger Rail Transportation-Oriented Development Act of 2012**
 - H.R. 4361 - introduced April 16, 2012
 - **Establishes program within USDOT – FRA and FTA**
 - **Coordinated by a Planning Developer**
 - **“Transportation-oriented development” around rail and multi-modal stations**
 - **Program to provide technical assistance for:**
 - (a) RRIF; (b) TIFIA; (c) Leveraging state and local resources
 - **Interaction with existing programs (New Starts, Livable Communities) not specified**

Denver Union Station



- Overview:**
- \$480 MM station redev
 - Multi-modal transportation hub
 - High-density residential and commercial development
 - Public space

Denver Union Station



Project Participants:

- Denver Union Station Project Authority
- City and County of Denver
- Regional Transportation District
- CO DOT
- Denver Regional Council of Governments
- Union Station Neighborhood Company – Master Developer

Denver Union Station



Funding Sources:

- RRIF and TIFIA loans – 1st project to combine both
- FTA and FHWA grants
- Stimulus funds
- State appropriations
- Private financing for real estate development components
- All tax increment revenue for 30 year period pledged to repay federal loans

Atlanta BeltLine

25-YEAR BELTLINE OVERVIEW MAP



Overview:

- \$2.8 B projected total cost
- Integrated transportation and open space corridor
 - Light rail – 22 mi. rail corridor
 - Multi-use trail – 33 mi.
- Trail links to neighborhoods
- Will increase parkland within City of Atlanta by 40%
- Tax Allocation District
- Incentives to stimulate private economic development
 - Zoning and master plan changes
 - Home purchase program
 - Beltline Affordable Housing Trust Fund
 - Economic development zones

Atlanta BeltLine

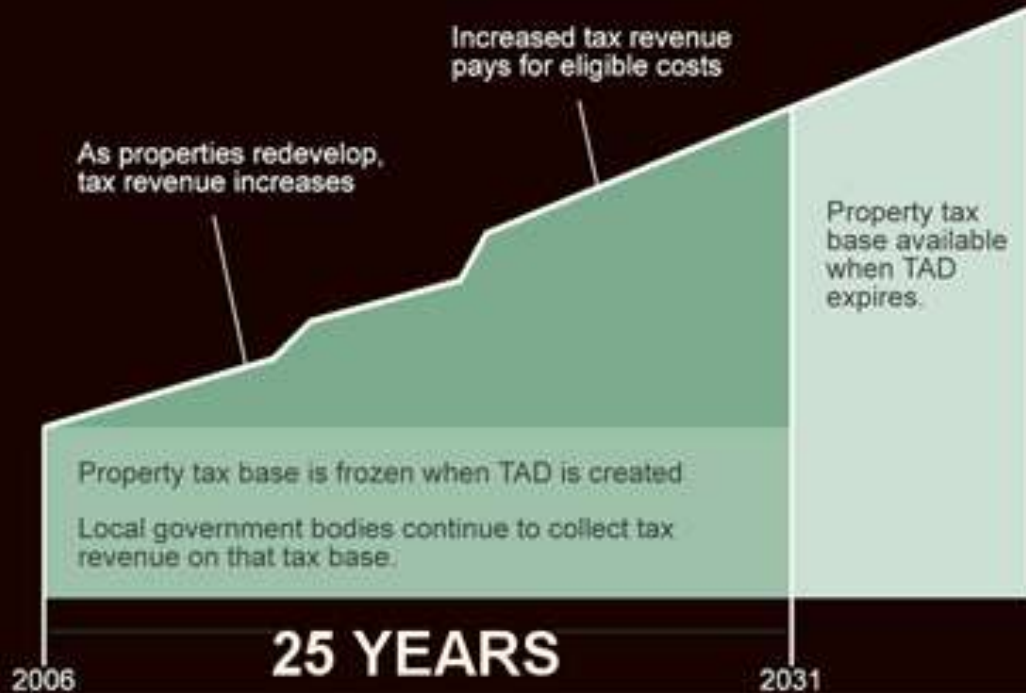


Project Participants:

- City of Atlanta
- Atlanta Development Authority
- Atlanta BeltLine, Inc.
- MARTA
- Trust for Public Land

Atlanta BeltLine

How TADs work



Funding Sources:

- Tax Allocation District
- City of Atlanta
- Capital Campaign
- Federal Grants

Atlanta BeltLine



Photo: Alan Long

Project Characteristics:

- Public development of public transportation infrastructure
- Public and nonprofit development of open space
- Stimulus to private development

Questions?

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Photo: Alan Long