

Transit Oriented Development (TOD) & Joint Development (JD) for FTA Grantees

A Basic Guide

“FTA is encouraging transit systems to undertake transit-oriented Joint Development projects either under new grants or with property acquired under previous grants, whether the property is associated with a rail, bus or other facility. The purpose of this Joint Development should be both to secure a revenue stream for the transit system and to help shape the community that is being served by the transit system.”

Does Your Project Qualify?

- Is your project physically or functionally connected to transit.....is it located in, adjacent to, or above a transit facility....does it benefit or enhance transit patrons within ¼ mile of a transit facility?
- Does your project provide a reasonable financial return to transit?
- Is this project the highest and best use of your land for transit and the community?

GranteeProperty Options

- 1) Sell the property
- 2) Lease the property
- 3) Undertake a transit-oriented joint development on the property
- 4) Do a combination of the above

TOD From the Grantee's Perspective

- Participation as an equity partner in the project
- In order to qualify for funding, the transit grantee must retain sufficient continuing control over the property to ensure its continued physical or functional relationship to transit through a legally enforceable contractual arrangement

Costs Eligible for Reimbursement

Transit-oriented joint development grants are intended to cover a variety of costs typical to construction projects including, but not limited to:

Soft Costs

- Real estate acquisition, appraisals, and site preparation including demolition
- Project development costs such as design, engineering, environmental analysis, planning, arranging financing and acquiring tenants
- Professional services to help the grantee accomplish the above

Hard Costs

- Foundations, utilities, walkways, landscaping and safety/security equipment
- Community service facilities such as daycare or healthcare
- Construction of terminal and station facilities, their equipment and fixtures
- Parking facilities and structures associated with transit

Funding Your Project

The following steps are necessary to secure funding:

- **Determine you have a fundable project**
- **List project on the Transportation Improvement Plan (TIP) and the Unified Planning Work Program (UPWP)**
- **Consider all appropriate Federal, State & Local sources**
- **Make sure you can obtain the required local matching funds and obtain written local match commitments**
- **Get the FTA regional office onboard with the project**
- **Know the deadlines and other information necessary to apply for funds.....submit grant applications accordingly**
- **Keep all appropriate legislative officials informed throughout the process**

WhereDo WeGo FromHere?

The following 5 phases will help to maximize funding and profitability for your project:

Phase 1 – Evaluation & Feasibility Review – *Completed*

Phase 2 – Specific Needs Assessment & Feasibility Study – *Completed*

Phase 3 – Stakeholder Identification, Memorandum of Understanding & Financial Analysis

Phase 4 – Project Profile Materials & Joint Development Agreement

Phase 5 – Closing & Implementation

Patience and Persistence are Key

- Preliminary planning and securing adequate funding can be time-consuming and may change numerous times during the process
- It's important to realize that development involves surprises, delays and changes
- Proper documentation preparation and review will keep your project on track

BePrepared

- It is not uncommon, once the project is released to the public and benefits are seen, that new developers, landowners, businesses, potential tenants, etc. will “want in” and unforeseen road-blocks may arise
- Remember your goal.....to secure much needed funding and enhance your transit system, community, and economic growth
- Evaluate each new scenario to see what is best suited and complements your project

Keepin Mind

It is important that you:

- **Understand the developer's perspective....all developers are not alike**
- **Make sure your developer understands your perspective....explain the definition of satisfactory continuing control, revenue back to transit, highest and best use for transit, funding process, etc.**
- **Have mutual trust among all stakeholders: developers, transit, partners, etc.**
- **Keep your board, legislators and the FTA abreast of your project developments every step of the way**
- **Understand the timelines**
- **Share the risks**
- **Manage the process; hire the expertise that you need**
- **Hold periodic public outreach meetings and market your project**

Finalizing Your Project

Once funding is secured, plans are finalized and preliminary approvals are received, the following occur:

- **Execute the Joint Development Agreement**
- **Select Engineering & Design firm for final design through competitive bidding**
- **Select construction firm through competitive bidding**
- **Finalize leases**
- **Finalize all financing arrangements and cost projections**
- **Consider any appropriate specialized funding for elements that complement your project such as daycare or healthcare facilities**
- **Review your transit service to ensure it will accommodate the new development**
- **Ensure there is adequate parking to accommodate the development**

GoodFits forTOD/JD

Provide your patrons with enhanced services:

- **Add a transit kiosk and transit-related retail**
- **Integrate long-haul providers such as Greyhound or Laidlaw**
- **Incorporate daycare and healthcare facilities**
- **Include a police sub-station or other community support services**
- **Provide a comprehensive inter-modal transit center**
- **Incorporate affordable housing and commercial development**