



FEDERAL TRANSIT ADMINISTRATION

# Joint Development & Real Estate May 13, 2015

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2015 Southeastern Regional Transit Conference  
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# FTA Circular 7050.1

- Effective October 1, 2014
- Defines “joint development”
- Explains how a JD project can qualify for FTA assistance
- Outlines common crosscutting requirements
- Describes FTA’s review process

# Joint Development Definition

- A public transportation project that integrally relates to, and often co-locates with commercial, residential, mixed-use, or other non-transit development.
- There's more ... see Circular

# FTA-Assisted Joint Development

- FTA-assisted joint development refers to joint development activities that use FTA financial assistance or FTA-assisted real property...
- FTA supports joint development in two ways:
  - Grant funding through its planning and capital assistance programs; and
  - By allowing real property that was previously acquired with FTA assistance to be used for joint development.

# FTA Joint Development Policy

- FTA's policy is to maximize the utility of FTA assisted projects and to encourage the generation of program income through joint development.
- One of the primary benefits of joint development is revenue generation for the transit system.
  - Other benefits include shared costs, efficient land use, reduced distance between transportation and other activities, economic development, increased transit ridership, and improved transit connectivity.

# Eligibility

- Per 49 U.S.C. 5302(3)(G), a new JD project must do the following to be eligible for FTA funding or use of FTA-assisted project property:
- (a) Create an economic benefit by enhancing economic development or incorporating private investment;



# Eligibility cont.

- (b) Provide a public transportation benefit by either:
  - (a) enhancing the effectiveness of a public transportation project and relating physically or functionally to the public transportation project, or
  - (b) establishing new or enhanced coordination between public transportation and other transportation:



## Eligibility cont.

- (c) Provide a fair share of the produced revenue for public transportation; and
- (d) Provide that a person occupying space in a facility constructed with FTA funds must pay a fair share of the costs of the facility through rental payments or other means





# Eligibility explained...

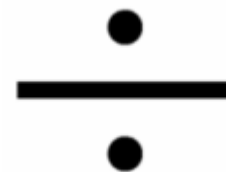
- Economic benefit
  - Enhance economic development, or ...
    - Joint development must add value to economic activity occurring in close proximity to a public transportation facility
  - ...incorporates private investment
    - Need not be monetary.
    - Investment can include, e.g., real property, commercial or residential development, or some other benefit.
    - Must be meaningful.

# Eligibility explained...

- Public transportation benefit
  - Either
    - Enhances effectiveness of a public transportation project, and ...
      - Increased ridership, shortened travel times, wayfinding, deferred or reduced operating or capital costs, improved access to public transportation
    - ... is related physically or functionally to that public transportation project;
  - OR
    - Creates new or enhanced coordination between public transportation and other transportation



# Eligibility explained...



- Fair share of revenue
  - the division of revenue generated from a joint development project that the project sponsor will receive.
    - Project Sponsor's GM/CEO must certify that terms and conditions are commercially reasonable and fair
    - FTA must review and approve
    - Such revenue must be used for public transportation services
  - See Circular pg VI-4

# Eligibility explained...



- Fair share of costs
  - Paid by a person occupying space in a JD
  - Rent or other means
    - Operating and maintenance agreements
  - Recipients have flexibility
  - Value of agreement must equal the costs of operating and maintaining the leased space

# Crosscutting requirements...

- Federal requirements apply to grant-funded projects
  - Environmental (NEPA, section 4(f), envtl. justice)
  - Labor (Davis-Bacon, section 13(c), PLAs)
  - Buy America
  - Historic preservation (NHPA, section 4(f))
  - Procurement (Buy America, competition)
  - Et cetera

# Review Process

- Only eligible FTA recipients may submit (sponsor) a joint development project proposal to FTA.
- Submit to Regional Office
- Preliminary or a formal FTA review.
  - A preliminary review is strongly recommended.

# Review Process Cont...

- Formal Review
- Formal joint development project proposal must include the following:
  - (1) a Joint Development Project Request form,
  - (2) a Certification of Compliance, and
  - (3) the proposed Joint Development Agreement, along with any appropriate supplemental documentation.

# How to Proceed?

- Preliminary Review
  1. Prepare package with your project's scope of work, description of the property, current stage, and timeframe
  2. Send package to your FTA Program Manager for preliminary review



# Formal Review

- Prepare package
  1. Cover letter requesting formal FTA Review and Concurrence
  2. Draft Agreement with selected developer
  3. Joint Development Checklist
  4. Appraisals and Review Appraisals

Note per FTA Circular 5010.ID JD FTA approval must be obtained prior to execution of any agreements.

# Real Property

- Per FTA Circular 5010.ID

Real property must be acquired, managed, and used in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) (PL 91–646) and 49 CFR part 24, the implementing regulation.

# Real Estate Appraisals

- Appraisals must be accompanied with a Review Appraisal
- Appraisals must be no more than six months old
- FTA must review and concur appraisals and review appraisals over \$500,000
- FTA Review is conducted by Mamie Smith-Fisher, Realty Specialist
- Contact your Program Manager to coordinate

# Real Property Process

To ensure eligibility for Federal funding, the grantee should follow the typical process sequence when acquiring real property for a project:

National Environmental Policy Act (NEPA) Approval  
→ Title Search → Appraisal → Appraisal Review → Just Compensation Determination → FTA Concurrence (if required) → Offer to Owner → Settlement.

# Questions



# Don't Forget the Survey!

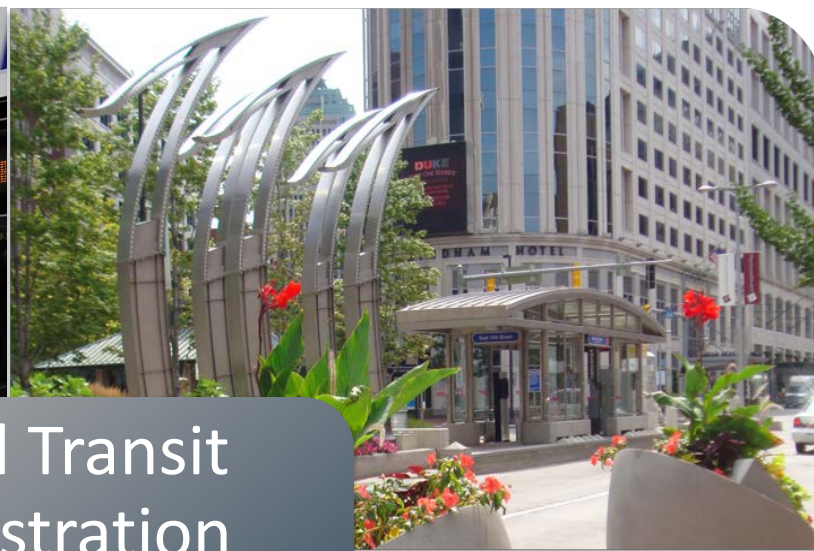
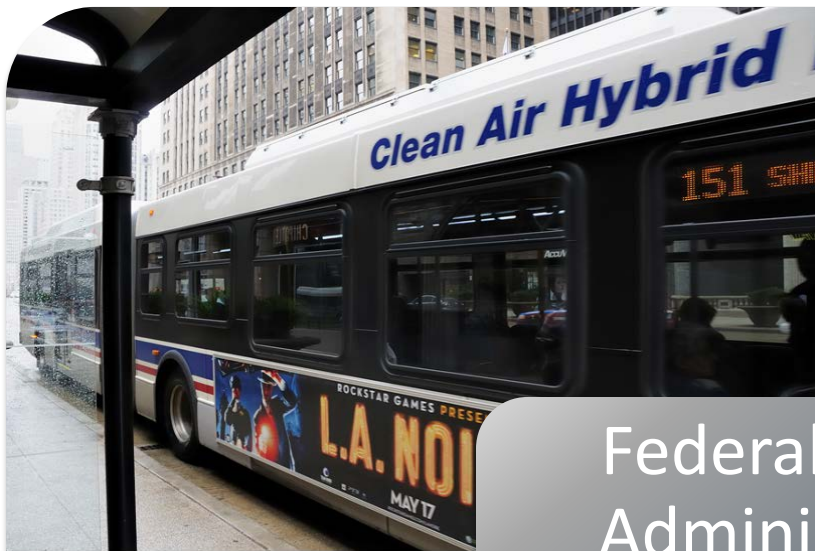
Please remember to complete the survey for this session by visiting the Guidebook App or

<http://goo.gl/forms/hhOzdnpmKK>

- Choose “Wed., 1:45 p.m. - Real Estate/Joint Development” from the dropdown list

# Special Thanks to Our Vendors & Sponsors!

The logo for HNTB, featuring the letters "HNTB" in a bold, dark blue sans-serif font. The letter "H" is stylized with an orange square on its left vertical bar.The logo for wendel, featuring a stylized graphic of three overlapping squares in blue, green, and dark blue, followed by the word "wendel" in a dark blue sans-serif font.The logo for HDR, featuring the letters "HDR" in a bold, dark grey sans-serif font.The logo for the National Rural Transit Assistance Program (RTAP). It features the words "National RTAP" in a green sans-serif font, with "RTAP" being larger and bolder. To the right is a stylized graphic of a green leaf and a blue arc. Below the text is the full name "Rural Transit Assistance Program" in a smaller green font.The logo for RouteMatch Software. It features a stylized graphic of three interlocking cubes in blue and yellow, followed by the words "RouteMatch" in a blue sans-serif font, with "Match" being larger and bolder. Below "RouteMatch" is the word "Software" in a smaller, italicized blue font.



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