



JOINT DEVELOPMENT

Partnering to Build Complete
Communities Near Transit

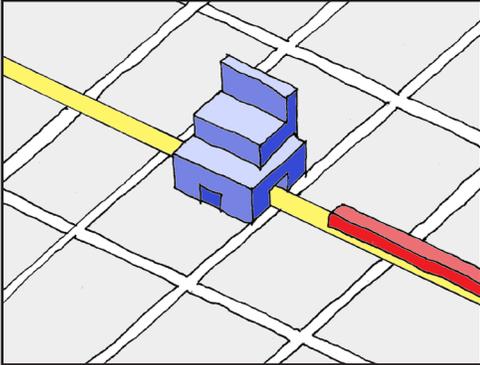
September 2017



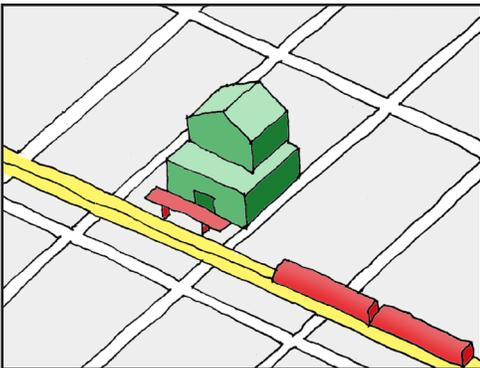
U.S. Department of Transportation
Federal Transit Administration

Joint Development

Examples of joint development include:



Building an office tower in the air rights above a commuter rail station



Constructing a mixed-use development connected to a light rail station



Converting a surface parking lot near a bus facility to affordable housing

Transit systems create value in surrounding real estate. Transit agencies can capitalize on this increased value by partnering to develop the land they own near their stations. In doing so, agencies can create revenue streams to support transit improvements.

Joint development is a collaboration between a transit agency and one or more partners to build **transit-oriented development (TOD)** - dense, walkable, mixed-use development near transit - and at the same time improve the transit system.

Transit agencies provide funds or property and benefit by sharing the costs of the transit improvements and the revenues from the real estate development. As more people live, work and shop in the developments, transit agencies benefit from increased ridership and farebox revenues, too.

Joint development can be incorporated into an existing transit facility or coordinated with a planned transit expansion project.

The goals of joint development are:

- to generate revenue for the transit agencies and value for the real estate development partners
- to enhance the transit system in the context of the multimodal transportation network
- to build vibrant, mixed-use, economically-successful transit-oriented communities

Joint development is a strategic partnership between the public and private sectors to maximize the utility and value of the transit system and surrounding real estate, and benefits of both to the community.

FTA-Assisted Joint Development

Recognizing the power of joint development to generate revenue for transit agencies, enhance transit systems and service, and improve land use around transit stations, the Federal Transit Administration (FTA) promotes joint development by allowing FTA funds or FTA-assisted property to be contributed to eligible joint development activities.

FTA-assisted joint development is any joint development project that uses FTA funding or property acquired with FTA funding. In general, all FTA-assisted property or funding from all FTA capital grants programs can be used for eligible joint development activities. FTA and other capital grants programs that can support joint development include:

- Urbanized Area Formula Grants
- Fixed Guideway Capital Investment Grants
- Enhanced Mobility of Seniors and Individuals with Disabilities
- Formula Grants for Rural Areas
- State of Good Repair Grants
- Buses and Bus Facilities Grants
- Federal Highway Administration (FHWA) Flex Funds
 - FHWA Surface Transportation Program (STP)
 - FHWA Congestion Mitigation and Air Quality Improvement Program (CMAQ)

Subject to the eligibility criteria and federal requirements outlined in [FTA Circular 7050.1A](#), a wide range of joint development activities are eligible for FTA funding and reimbursement, including, but not limited to: site acquisition and preparation, relocation of utilities, construction of building foundations, bicycle and pedestrian improvements, open space, safety and security equipment, community service facilities and transit parking, and procurement of professional services, such as design, engineering and environmental analysis.

The broad eligibility allows for the construction of dynamic, mixed-use spaces with housing, retail or community services, all closely connected to existing or planned transit facilities.



Plaza Saltillo MetroRail and TOD, proposed. Austin, TX



Plaza Saltillo MetroRail and TOD, site plan. Austin, TX



Plaza Saltillo MetroRail and TOD, proposed. Austin, TX

FTA-Assisted Joint Development Projects

Capitol Hill TOD

Location:
Seattle, WA

Sponsor:
Sound Transit

Right: Capitol Hill TOD, proposed.
Seattle, WA



Capitol Hill Light Rail Station.
Seattle, WA



Capitol Hill Light Rail Station, during
construction. Seattle, WA

Sound Transit built the Capitol Hill Station in 2016 as part of the University Link light rail transit extension project. Sound Transit originally acquired three parcels for station entrances, ventilation shafts, and construction staging with FTA assistance. While planning the project, Sound Transit saw an opportunity to also construct a mix of apartments and retail above the transit facilities to maximize the value of the land. The agency partnered with a real estate development company to deliver the mixed-used development project.

Highlights:

- The project will include 315 apartments, 30,000 square feet of commercial and retail space, including a community center, and a plaza and pedestrian street.
- This development will generate increased ridership; Sound Transit will use the increased revenues from fares to finance transit operating costs or other capital projects.
- The developer will spend roughly \$135 million in private funds to build the non-transit development.
- The transit agency will lease the land to the developer for 99 years and receive at least \$19 million and up to \$40 million over the life of the project.



Allianz Field and TOD

Location:
Saint Paul, MN

Sponsor:
Metro Transit

Left: Allianz Field and Snelling-Midway TOD, proposed. Saint Paul, MN

Metro Transit acquired this 9.9-acre parcel near the intersection of University and Snelling avenues in St. Paul, MN in the 1970s with FTA assistance. The land was most recently used for construction staging for the Green Line light rail transit and the A Line bus rapid transit projects, which have stations nearby and opened in 2014 and 2016, respectively. These transit projects helped create a unique opportunity for TOD on this and surrounding properties. In 2016, the City of St. Paul entered a master agreement with a joint venture, including a professional soccer team, to build a soccer stadium with easy access to both transit lines. The long-term goal is to create a complete community surrounding the stadium including residential, office, retail, and public open spaces.

Highlights:

- The 20,000-seat stadium will be the home of a professional soccer team built with roughly \$200 million in private funds and the anchor of a mixed-use TOD estimated at \$300 million.
- The City of St. Paul estimates that approximately 7,000 people will use transit to access the stadium on game days. The adjacent TOD will further increase transit ridership.
- The agency will lease the land to the City of St. Paul for 52 years and the city will own the stadium.
- Metro Transit expects to receive at least \$29 million over the life of the project.



Snelling-Midway Site, existing conditions. Saint Paul, MN



Snelling-Midway Site, historic use. Saint Paul, MN

Innovation Pipeline

Location:
Tyler, TX

Sponsor:
City of Tyler

Right: Innovation Pipeline Building, Tyler, TX



Innovation Pipeline Site, across from Transit Depot, Tyler, TX



Innovation Pipeline Building, original condition, Tyler, TX

In 2005, the City of Tyler acquired a building near its downtown transit station with FTA assistance. In 2016, the building was no longer needed for transit and in need of renovation. To spur jobs and entrepreneurial activities, the city's Innovation Pipeline Program agreed to renovate the building and lease it from the Transit Department. In addition to a new waiting area for transit patrons, the building is now home to a 3,000-square foot "Innovator's Lab" (also known as a "Makerspace"), for public and non-profit use. The public space provides access to electronics and equipment that can foster ingenuity and entrepreneurship.

Highlights:

- The Innovator's Lab will help promote small business development and job creation.
- The project provides a waiting area for transit patrons and increases the visibility of the city's transit services.
- The city's Innovation Pipeline Program and private donors invested \$400,000 to support the building's renovation.
- The Transit Department is leasing the building to the city, and the Innovation Pipeline Program is paying for operations and maintenance costs.



New Carrollton TOD

Location:
Prince George's County, MD

Sponsor:
WMATA

*Left: New Carrollton Metrorail
Station and TOD, proposed.
New Carrollton, MD*

Washington Metropolitan Area Transit Authority (WMATA) built the New Carrollton Station with FTA assistance in 1976. As an intercity rail station on Amtrak's Northeast Corridor, a commuter rail station, and the Metrorail station at the end of the Orange Line, it attracts many park-and-ride customers. Approximately 25 acres of land surrounding the station is used as surface parking. Now, after more than a decade of planning, WMATA is starting a TOD project at the site that combines transit improvements with new mixed-use development. Upon completion, the project will replace three parking lots with 1.7 million square feet of mixed-use space, including 765 housing units, more than 800,000 square feet of commercial space, 100,000 square feet of ground floor retail, and a hotel. The multi-phase project will be constructed with \$40 million in private sector investment.



*New Carrollton Metrorail Station
and TOD, proposed.
New Carrollton, MD*

Highlights:

- The project is predicted to generate 27,600 new permanent jobs and 13,200 new construction jobs.
- The developer will rebuild and improve commuter parking, bus facilities, roadway access, and pedestrian walkways. WMATA estimates the project will increase transit ridership.
- WMATA will lease the project to the developer in phases for terms of 98 years and receive payments of: land values as each phase is leased; a share of gross receipts from operations, payable annually; and a share of net proceeds of capital events (e.g., sales, refinances), as they occur.
- WMATA expects to receive more than \$43.8 million throughout the course of the project, depending on the pace and ultimate size and scope of the development built.



*New Carrollton Metrorail Station,
existing conditions.
New Carrollton, MD*

Benefits of FTA-Assisted Joint Development



Rhode Island Metrorail Station and TOD. Washington, DC

Joint development creates opportunities for:

- **Transit agencies** to generate revenue to support operations and capital investments, which also helps reduce the burden on federal, state, and local budgets
- **Transit riders** to experience the improvements to the transit system delivered at a lower cost, which can reduce the need for future fare increases
- **Residents** to receive new development that creates space for housing, jobs and shops, and community services with access to transit
- **Developers** to build on prime real estate near transit and profit off their investments
- **Partners** to provide critical public services to residents and transit riders

Since August 2014, FTA has approved 11 joint development projects in five states and the District of Columbia that involved FTA assistance. These projects all use property previously acquired with FTA assistance as opposed to new FTA funds. FTA's total original investment in those 11 projects was \$33 million and the project sponsors are using that investment as leverage to generate current and future revenue totaling approximately \$370 million, more than 11 times more than FTA's original investment. These financial metrics demonstrate joint development's ability to generate new revenue streams for transit using only existing real estate assets.

Financial Snapshot

\$33 million in FTA-assisted real estate contributed



\$370 million in new revenue for transit generated



\$1.3 billion of private investment in local economic development



Eleven joint development projects have generated or been a catalyst for economic development totaling more than \$1.3 billion in private investment to build out more than 7 million square feet of mixed-use development, including more than 5,000 housing units and 2.5 million square feet of commercial space. These real estate outcomes demonstrate joint development's ability to help construct dynamic, mixed-use, transit-oriented communities.

Real Estate Outcomes

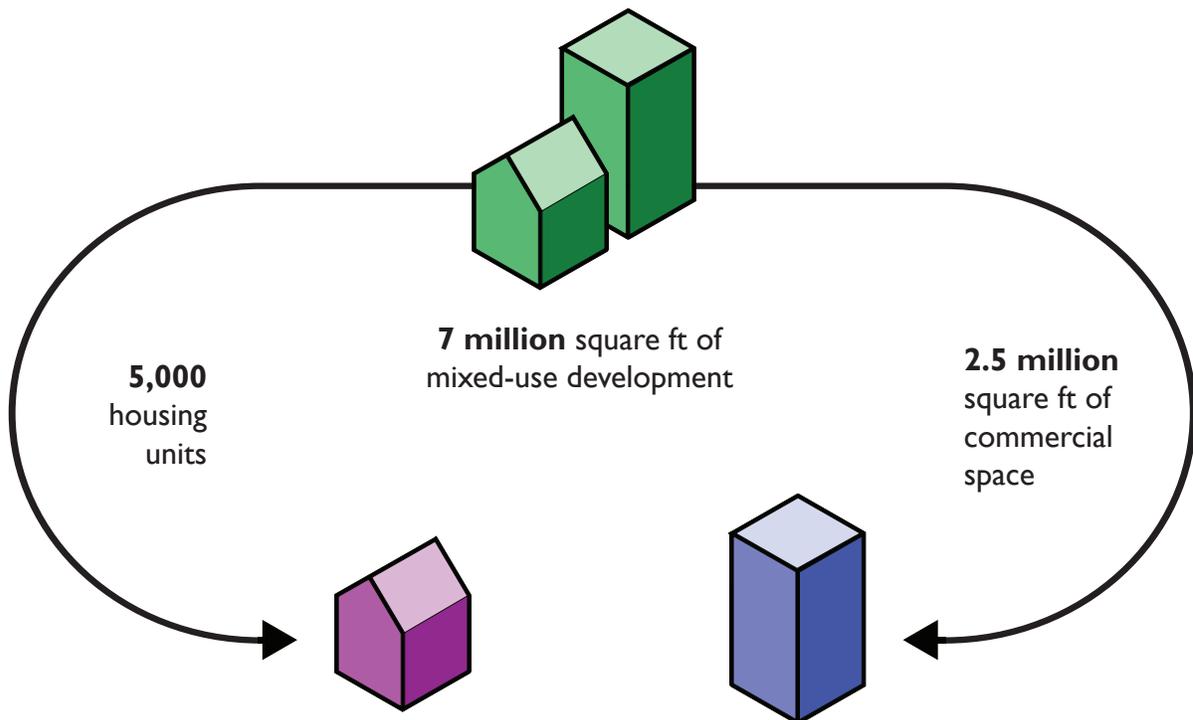


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Cover

Regional Transportation District Light Rail Transit Vehicle and Platforms with the “Glass House Condos” Transit-Oriented Development in the Background. Denver, CO. Photo by Anthony Loui

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- a. Courtesy of Capital Metro
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- a. Courtesy of Sound Transit
- b. Photo by Anthony Loui
- c. Courtesy of Capitol Hill Champion

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- a. Courtesy of Opelousas and Minnesota United Soccer Club
- b. Courtesy of S9 Architecture/Populous
- c. Courtesy of Minnesota Streetcar Museum

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- a. Courtesy of Innovation Pipeline, City of Tyler, TX
- b. Image extracted from Google Earth
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- a. Courtesy of Washington Metropolitan Area Transit Authority
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- a. Photo by Anthony Loui

Acknowledgments

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The Federal Transit Administration, Office of Budget and Policy staff team of Rabinder Bains, Shadonna Bonsu, Kimberly A. Gayle, Justin John, Anthony Loui, and Daniel Schned served as primary authors of this brochure. Robert J. Tuccillo and Ann Reese of the FTA, Office of Budget and Policy also contributed. The authors acknowledge the FTA Joint Development Working Group of Christopher Hall, Kathryn Loster, Elizabeth Patel, Dominique Paukowits, Mamie Smith, and John Witmer.

Production and Graphic Design by:

Volpe, The National Transportation Systems Center

Special thanks to:

**Sound Transit
Seattle, WA**

**Metro Transit
Saint Paul, MN**

**Innovation Pipeline
City of Tyler, TX**

**Washington Metropolitan Area Transit Authority
Washington, DC**

September 2017

For More Information:

Visit FTA's Joint Development website:
www.transit.dot.gov/JointDevelopment

When considering an FTA-assisted joint development project, sponsors should first consult with their respective FTA Regional Office to discuss the project, and the submission and review process, and to identify all the applicable Federal laws, regulations, and requirements.

To find FTA Regional Offices visit:
www.transit.dot.gov/about/regional-offices



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