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Lane Transit District  
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Public notice was given to *The Register-Guard*  
for publication on Thursday, January 15, 2004.

**LANE TRANSIT DISTRICT  
BOARD OF DIRECTORS  
JOINT DEVELOPMENT COMMITTEE**

**January 16, 2004  
3:00 p.m.**

**LTD CONFERENCE ROOM  
3500 E. 17<sup>th</sup> Avenue, Eugene  
(in Glenwood)**

*Public testimony will not be heard at this meeting*

**AGENDA**

- I. CALL TO ORDER
- II. ROLL CALL  
Kleger (Chair) \_\_\_\_\_ Gaydos \_\_\_\_\_ Hocken \_\_\_\_\_

III. CONSIDERATION OF DRAFT JOINT DEVELOPMENT POLICY

Included with this agenda packet is a draft joint development policy for the Committee's consideration.

- IV. NEXT STEPS
- V. ADJOURNMENT

Deleted: INTRODUCTION OF HUMAN RESOURCES & RISK MANAGEMENT DIRECTOR MARY NEIDIG†

***DRAFT: 1-16-04***  
**Lane Transit District**  
**Policy on Joint Development**

This policy is intended to direct efforts to develop and promote joint development on or adjacent to LTD transit stations. Joint development, as defined for the purposes of this policy, is private development that is on land owned by LTD or on land that is controlled to some extent by LTD. This policy does not address the development of transit supportive land uses in the vicinity of transit stations that are encouraged or required through land use controls and policies such as nodal development. That type of transit supportive development is addressed by the community's metropolitan and transportation plans and policies.

**Joint Development Goals**

Joint development at LTD transit stations should be considered if it can meet one or more of the following goals.

1. To provide goods and services at transit stations that provide benefit to transit users in order to increase the attractiveness of the service and, therefore, increase ridership.
2. To create development on or adjacent to transit stations that adds activity to the area and provides for a heightened sense of safety and security.
3. To offset the District's station development costs and/or generate ongoing revenue for District operations.
4. To be a catalyst for additional economic development in the area surrounding the station.

**Federal Regulations**

Most of LTD's transit stations are built with the use of federal funds under the control of the Federal Transit Administration (FTA). Thus, FTA rules governing the use of the funds must be considered when building joint development opportunities into a transit station. The following statement is from the FTA Best Practices Procurement Manual. The complete section is appended to this policy.

*FTA is encouraging transit systems to undertake transit-oriented joint development projects (TODs) with either new grants or with property acquired under previous grants. The property can be associated with rail, bus or other transit facilities. The purpose of a joint development project is to:*

- *secure a revenue stream for the transit system; and,*
- *help shape the community that is being served by the transit system.*

*Where the grantee retains effective continuing control for mass transit purposes, all proceeds of sale, lease or other encumbrance of the property will be treated as program income for use by the transit system to meet capital and operating needs. The very nature of a joint development project requires long-term relationships between the various contracting parties due to issues related to land use, zoning, financial investment, long-term leases, multiple contracting parties, construction, and management. The Federal Register notice of March 14, 1997, clarified and addressed apparent inconsistencies in the use of revenues. This Notice states:*

- 1. Joint development projects are considered mass transportation projects eligible for funding under FTA capital programs.*
- 2. All projects must generate a one-time payment or revenue stream for transit use, the present value of which equals or exceeds the fair market value of the property.*
- 3. When the grantee retains continuing control and use of the joint development for mass transportation purposes, all proceeds will be considered program income.*

## **Types of Joint Development**

### Incidental Use of Space within an LTD Building

This option is for a small amount of leased space within a building that is primarily used by LTD. An example of this is the coffee shop in the Eugene Station Guest Services building. The space for the coffee shop is a minor portion of the total building square footage and was considered by the FTA to be “incidental” to the use of the building.

In a building that is designed for LTD guests, such as a transit station waiting area, the best type of leased space is a retail business that caters to transit riders’ needs. In an LTD building that does not have a customer focus, such as an office building or operations building, the leased space could be used for offices.

### Leased Space within an LTD Building

This option is designed for situations where a significant portion of an LTD building is to be leased for a private use. In this option LTD retains ownership of the building and the building is part of the transit station. An example of this is the building at the Springfield Transit Station. In that situation, approximately 75 percent of the building square footage is to be leased, while the remainder of the building is used directly by LTD.

### Development Adjacent to LTD Stations

Under this option, LTD would acquire additional land in order to develop transit-supportive land uses in areas immediately adjacent to LTD transit stations. The resulting development could stay under LTD ownership or the land could be sold to a developer, either before or after construction of buildings, with development controls that ensure that the development meets the joint development goals. The development could be retail, residential, office, or some combination of those three uses. LTD does not have examples of this type of development, though it has been done by other transit districts, including Tri-Met in Portland.

## Joint Development Decision Factors

The following factors should be considered when making a decision whether or not to pursue joint development.

**Demand for Leased Space:** The market for leased space in the area of the transit facility should be considered. This analysis would likely involve the services of a commercial real estate specialist. Joint development should not be pursued unless there is a good possibility that the space can be leased.

**Return on Investment:** Joint development should provide an offset to the cost of constructing a facility and/or a monthly revenue stream for the District. It may not be necessary for the joint development to “pay for itself” if it can be demonstrated that it would increase ridership or provide additional benefits to riders (such as rest rooms).

**Community Goals:** Consideration should be given to the community’s desire for private development in the area of the transit facility. If that condition exists, opportunities for shared responsibilities and costs should be investigated with the local jurisdiction.

**Availability of Land:** This factor considers whether there is likely to be land on the facility site or near the station that could be used for joint development. Available land would enhance the feasibility of joint development.

**Availability of Nearby Services:** An assessment should be made of available services in the vicinity of the transit station. If a good mix of services that are useful to riders is already available or likely to be developed in the area around the LTD facility, there is less reason for LTD to pursue joint development.

## Joint Development Decision Process

Joint development opportunities should be considered every time LTD develops or redevelops a major transit facility. A final decision on whether or not to pursue joint development as part of a new or redevelopment project will be made by the LTD Board of Directors. The Board will be provided with an analysis of the situation that addresses each of the factors listed in this policy.

## Management of Joint Development

In situations where there is a significantly large leased space and/or multiple tenants, solicitation of tenants and the ongoing management of the joint development facility should be contracted to a commercial broker. The leasing of small spaces within LTD facilities, such as the coffee shop at the Eugene Station, can be managed directly by LTD staff.



Lane Transit District  
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January 12, 2004

TO: CLASSIFIED ADVERTISING - SECTION 146, NOTICES  
THE REGISTER-GUARD (FAX NO. 687-6668)

ONE PAGE - Placed by FAX

FROM: Susan Hekimoglu, Administrative Services Coordinator  
(541) 682-6108

RE: CLASSIFIEDS PUBLICATION - Notice of Public Hearing  
LTD PO# A-02033

**TO BE PUBLISHED ON January 15, 2004:**

NOTICE OF BOARD COMMITTEE MEETINGS

*The Service Committee of the LTD Board of Directors will meet on January 16, 2004, at 12:00 p.m., in the LTD Board Room located at 3500 East 17<sup>th</sup> Avenue (in Glenwood), Eugene. The Committee will review service design concepts, service policy, and a draft service reduction list and will discuss the annual route review outreach process.*

*The Joint Development Committee of the LTD Board of Directors will meet on January 16, 2004, at 3:00 p.m., in the LTD Conference Room located at 3500 East 17<sup>th</sup> Avenue (in Glenwood), Eugene. The Committee will consider a draft joint development policy and discuss the next steps necessary in joint development.*

*The facility used for these meetings is wheelchair accessible. On request, printed materials can be made available on audio tape or in large print. American Sign Language (ASL) interpretation is available with 48 hours' advance notice. For more information, please call (541) 682-6100 (voice) or 1-800-735-2900 (text telephone through Oregon Relay).*

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*(Please send tear sheet to above address.)*

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