

# Scaleybank TOD / Joint Development Project

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**Transit Oriented  
Development Specialist**

**FTA Regional  
Conference**

**May 28, 2008**

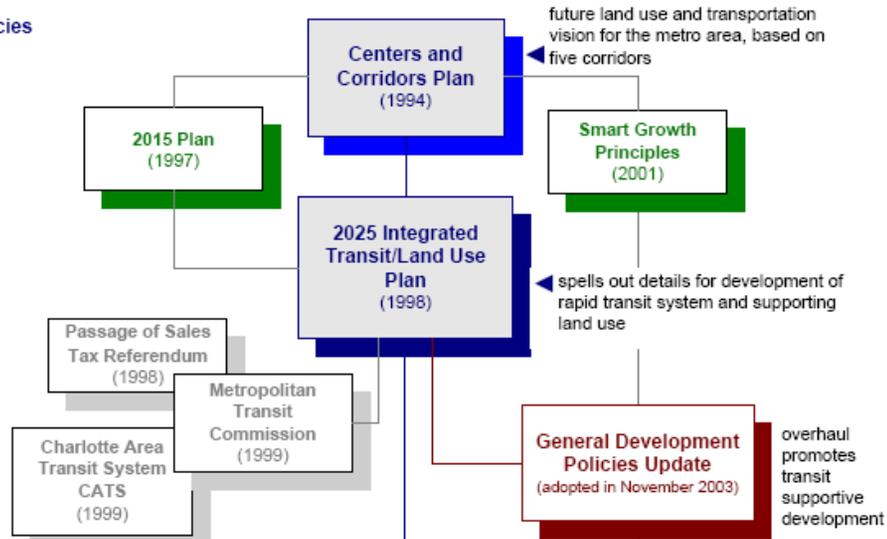


# Presentation Overview

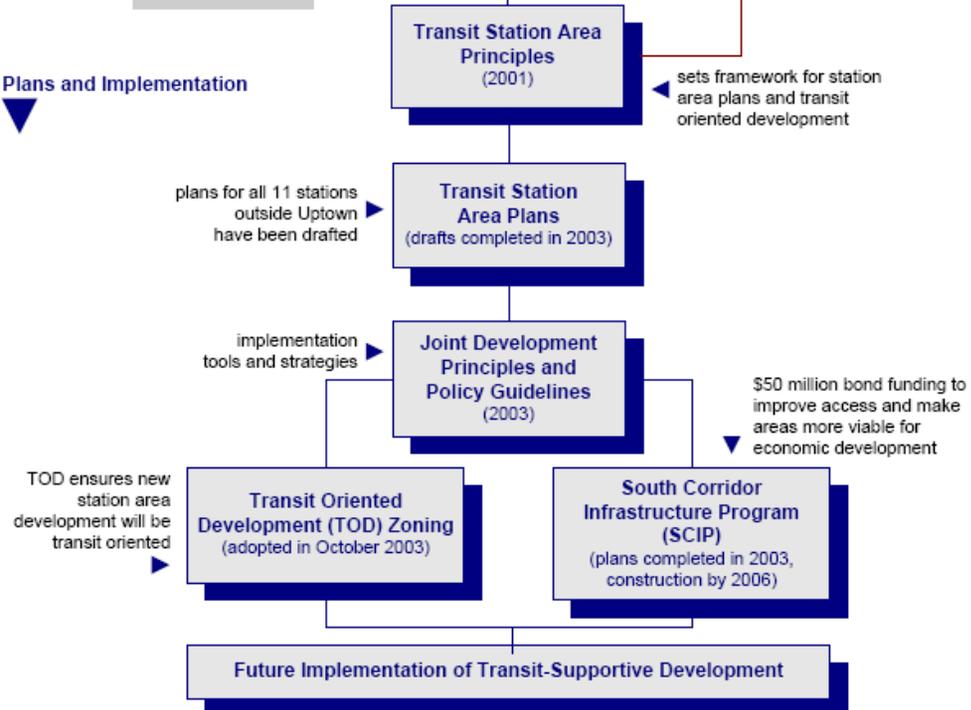
- ✓ TOD Policy & Regulatory Landscape
- ✓ South Corridor – Site Info.
- ✓ Solicitation Process
- ✓ Developer Proposals & Evaluation
- ✓ Joint Development Submissions
- ✓ Agreements (Deed, Easement)
- ✓ Lessons Learned

## Framework Elements For Transit Oriented Development in Charlotte

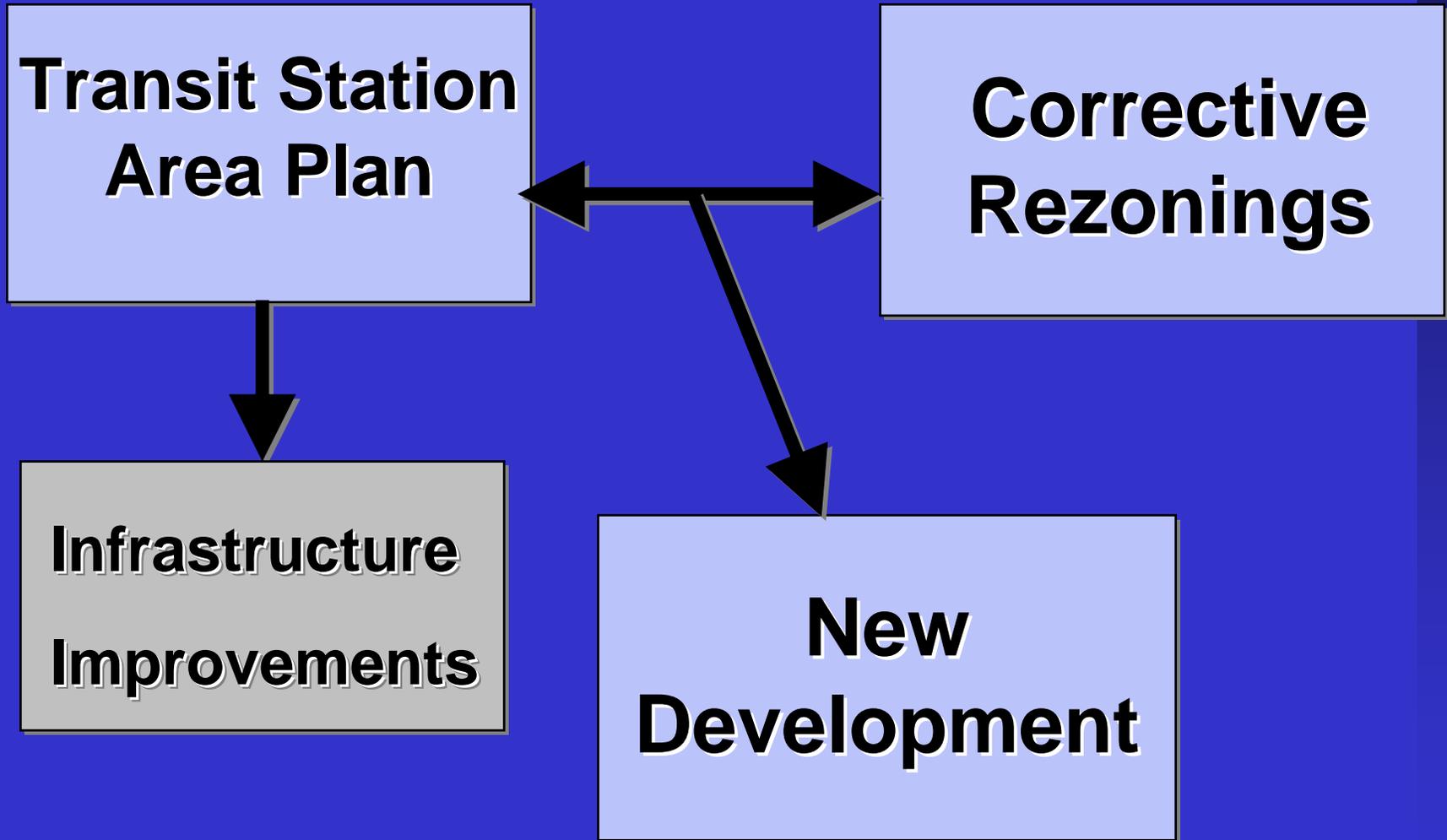
### Broad Policies



### Plans and Implementation



# Plan Implementation Process



# Transit Station Area Zoning

## Three (3) base Transit Oriented Development Zoning Districts

- Residentially Oriented (TOD-R)
- Employment Oriented (TOD-E)
- Mixed-use Oriented (TOD-M)

## Sample Characteristics:

- Minimum densities of 20 DUA (1/4 mile) to 15 DUA (1/2 mile)
- Minimum FAR of .75 (1/4 mile) and FAR of .50 (1/2 mile)
- Maximum of 1.6 parking spaces per DU (residential)
- Maximum of 1.0 parking space per 300 sq. ft. (office)
- Maximum of 1.0 parking space per 250 sq. ft. (retail)
- Minimum setback is 16 feet or as specified in Station Area Plan
- Transit Supportive Overlay District adopted as well

# Guiding Policies

## Housing Policy for Transit Station Areas

**Principle Objective: Support the development of housing ...affordable to a broad cross-section of the workforce...provide a variety of housing choices near transit stations.**

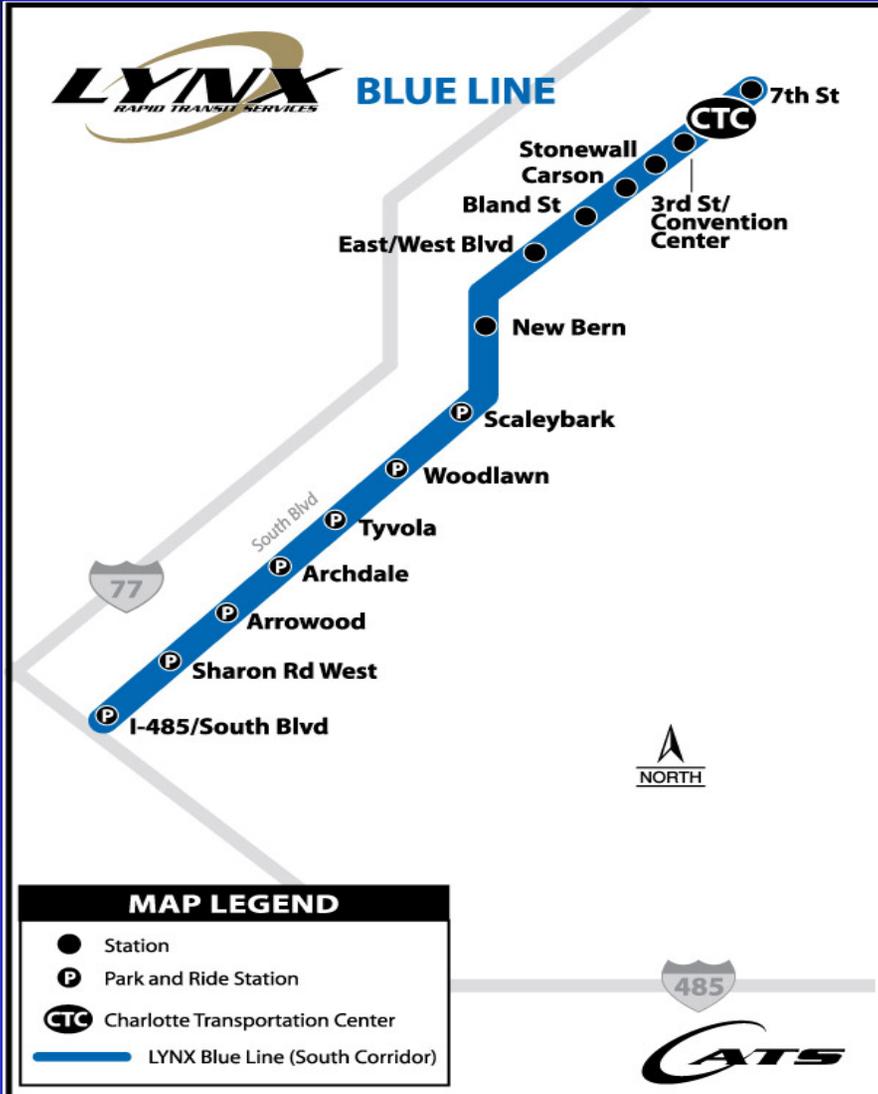
### Policy Highlights:

- ✓ Inclusion of affordable housing w/in transit station areas, especially when the City is participating in the project
- ✓ Policy calls for 5%-25% of units of any multi-family development targeted for households earning 60% of AMI or less
- ✓ At least 30% of those for households earning 30% or AMI or less
- ✓ Shall be similar in appearance to market rate housing and scattered throughout the development

# FFGA Signing and TOD Forum May, 2005



# LYNX Blue Line Project Boundaries



## Station Areas

- 7th St. Station (Uptown)
- 3rd St. Station (Uptown)
- Stonewall St. Station (Uptown)
- Carson Station
- Bland St. Station
- East/West Station
- New Bern Station
- Scaleybark Station
- Woodlawn Station
- Tyvola Station
- Archdale Station
- Arrowood Station
- Sharon Rd. West Station
- 1-485/South Blvd. Station

Highlighted stations are currently experiencing development

# Scaleybark Station Area – Before Condition



**South  
Boulevard**

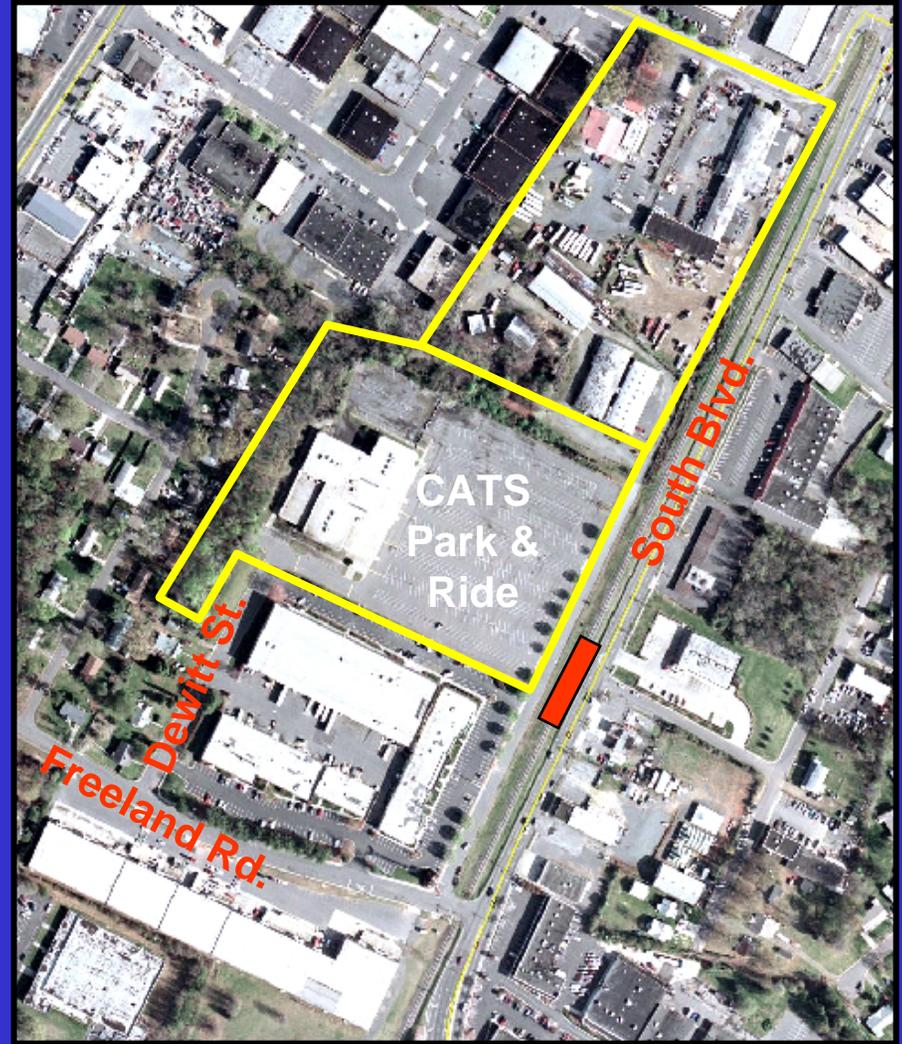
# Scaleybank Station Area



**South Boulevard - Urban Boulevard**

# TOD Site

16 acres = CATS PNR Site + Smart Growth Site



# What Is the Project Vision and What Are The Expectations?

- Maximize Fair Market Value (FMV) of Land?
- Achieve Mixed Use Development?
- Regulatory Requirements:
  - FTA Requirements Re: Joint Development
  - State Requirements Re: FMV and/or Other Issues
  - Local Requirements Re: FMV and/or Other Issues
- Public Policy Goals:
  - Open Space
  - Affordable Housing
  - Remove Blight or Non Transit Supportive Uses
  - Public Infrastructure
  - Replacement Parking Ratio
  - Other Goals?

**Can These Be Prioritized???????**

# RFQ

## Submittal:

- Summary letter describing project vision, types of land uses, management, financing
- Team description, including list of relevant completed projects
- Financial strength, letters of credit, annual reports, etc.
- Three (3) references

## Evaluation Criteria:

- Respondent's written statement of interest and project approach
- Experience and competence
- Financial capability and commitment of development team

# Criteria for Evaluation - RFP

## Development Plan

Overall plan design, consistency w/TOD zoning and Transit Station Area Principles

Functional & Aesthetic integration of Transit Facilities (Rapid Transit Station; Parking; Bus Bays, etc); Ridership Potential

More broad community interests (quality of life; employment opportunities; improved economic development of station area; access to public amenities, etc).

Market studies or analysis and likely responsiveness

## Operational Plan

Development Team – organization, experience, approach

Schedule of Performance – including financing, construction start & end, etc.

Management Plans – post construction, etc.

SBE Participation

# Criteria for Evaluation - RFP

## Economic Plan

Financial Status – audited financials, letters of support from financial institutions

Project Specific:

Sources & Uses, Cashflow Schedules, Gap Analysis  
City Sustainability Index

Project Impacts – local tax base effects (taxes generated, value of public facilities, jobs created, other quantifiable impacts)

# Development Proposals

# Bank of America CDC, Boulevard Centro, Harris Murr & Vermillion

- CATS deck closer to station
- Retail established along South Boulevard
- Two open spaces
- Potential for additional density in later phases should market justify
- Integrated affordable housing



# Scaleybark Partners LLC

## GreenHawk Partners, Pappas Properties, Housing Partnership, Citiventure

- **Greater community impact**
  - Creates destination for surrounding neighborhoods
  - 24 hour environment around station
  - Open space focal to mixture of uses
- **Greater impact for transit station**
  - Greater accessibility to mixture of uses / more convenience for transit ride
- **Opportunity for additional density upon construction of CATS deck**



# Staff Evaluation – Policy

Priority	Bank of America	Scaleybark Partners	Do Nothing
Affordable Housing	Better (more units)	Good	None
Library	Acceptable location	Preferred location	None
Open Space	Acceptable location & size	Preferred location & size	None
TOD Zoning	Acceptable	Acceptable	Only has to meet TOD zoning
Transit Station Area Principles	Acceptable	Preferred – more activity, density and land uses, as it relates to the transit station	Unknown
Connectivity	Acceptable (needs refinement)	Acceptable (needs refinement)	Unknown
Ridership	Good	Better (hotel & higher density)	Okay
Qualifications /Experience	Good	Good Citiventure is M/WBE	Unknown
Completion Date	2010	2012	2012 earliest

## Staff Evaluation - Financial

Priority	Bank of America	Scaleybark Partners	Do Nothing
<b>CATS Parking</b>	<b>Deck in early 2008 (Add \$ for interim lot)</b>	<b>Surface lot (TBD)</b>	<b>Surface lot (\$1.1M costs not in revised budget)</b>
<b>Return on Land</b>	<b>\$6,042,616 in 2008</b>	<b>\$3M in 2007 \$3.4 in 2010</b>	<b>\$5.4M on City land \$1 M CATS 1 acre (leaves \$2M gap in revised budget)</b>
<b>Public Investment (Infrastructure)</b>	<b>\$1.2 M (20 yr. loan of \$4.8 @ 2%) 1% of total investment</b>	<b>Combined investment of \$4.21M 1.6% of total investment</b>	<b>\$0</b>
<b>NMTC</b>	<b>\$5.6 M</b>	<b>\$4M</b>	<b>\$0</b>
<b>Return on Investment</b>	<b>Payback in 2012 Annual City Tax = \$536,054 PV for 20 years = \$5,606,380</b>	<b>Payback \$6M in 2015 Annual City Tax = \$1,053,518 PV for 20 years = \$9,895,881</b>	<b>2014 Annual City Tax = \$309,670 PV for 20 years = \$3,015,861</b>

# Land Use Comparison

	Acres	Residential	Retail	Office	Park	CATS Parking
<b>BoA</b>	<b>17</b>	<u><b>553 units</b></u> <i>(32 units per acre)</i> <i>49 affordable in bldg of 194 units</i> <i>504 market</i> <i>(Potential for additional units in final phase)</i>	<u><b>75,500 sf</b></u> <i>43,500 grocery</i>	<b>37,000 sf</b>	<b>0.51 acres</b> <i>(2 spaces)</i>	<b>315 space deck</b>
<b>SP</b>	<b>25</b>	<u><b>900 units</b></u> <i>(36 units per acre)</i> <i>100 affordable in bldg of 120 units</i> <i>800 market rate</i> <i>(Potential for more units if Phase III)</i>	<u><b>77,000 sf</b></u> <i>36,000 grocery</i> <i>22,000 towards park</i>	<b>15,000 sf</b>	<b>0.55 acres</b>	<b>315 surface</b> <i>(spaces decked if Phase III)</i>

## Public Investment Analysis

<b>Project</b>	<b>% of Project</b>	<b>Property Tax ROI</b>
<b>Mid-Town</b>	9%	9.5 years
<b>Old Convention Center</b>	11%	12.5 years
<b>Elizabeth</b>	6%	5.2 years
<b>Westin</b>	11%	10 years
<b>Carolina Theater</b>	14%	12.3 years
<b>Bank of America</b>	1%	3.5 years
<b>Scaleybark Partners</b>	1.6%	6.4 years

## Scaleybark TOD / Joint Development

RFQ Issued

March, 2006

RFP Draft Sent to FTA

June, 2006

RFP Issued

June, 2006

Selection of Team

June, 2007

Council Approval of MOU

Council Approval – PSA

July, 2007

FTA Approval – JD Checklist  
and ACC

July, 2007

PSA Signed

August, 2007

PSA Amended – 4 times

Sept. 2007 – Feb. 2008

Closing

Feb. 2008

City of Charlotte/Charlotte Area Transit System  
South Corridor Light Rail Project  
Scaleybark Light Rail Station  
Joint Development/Transit Oriented Development Project  
7/23/07

ALTERNATIVE CERTIFICATE OF COMPLIANCE

Effective as of the date hereof, the undersigned hereby certifies and covenants to the Federal Transit Administration ("FTA") as follows:

1. Title: Subject to the obligations and conditions set forth in 49 C.F.R. 18.31, as amended and subject to the obligations and conditions set forth in the Full Funding Grant Agreement (the "FFGA"), for the South Corridor Light Rail Project (the "SCLRP"), NC-03-0048-05, as amended, title to real property known as 149-012-39 and 149-012-47, totaling approx. 8.4 acres, former Queen City, is hereby conveyed to the undersigned (the "Grantee")

2. Use: The Property was acquired for the construction of a 315 space transit parking facility.

3. Disposition: The transfer of the Property to the Grantee shall be subject to the requirements of 49 C.F.R. 18.31. The Grantee certifies that it proposes to transfer the Property for purposes of the FFGA will be achieved through the construction of mixed-use, transit-oriented development. The Grantee shall implement procedures for continuing construction of a permanent easement, as well as other transit parking spaces, between the Grantee and the FTA.

a) Competitive Process: The development through a competitive process (RFQ), followed by a Request for Proposals (RFP) in accordance with the FTA's Joint Development Guidance and the Grantee, through the action of its City Council, shall implement the Development Project.

b) Continuing Transit Use: The Development Project includes the design and construction of the transit parking facility required pursuant to the FFGA. This parking facility and continuing access for transit patrons will be assured through the conveyance of a permanent easement to the Grantee and conforms to the stated purposes of the SCLRP and FFGA.

4. Federal Interest and Use of Proceeds: The Grantee shall transfer the Property to the Development Project and there is no federal financial interest in the Property. Therefore, the Grantee shall implement the Development Project. Therefore, the Grantee shall comply with the requirements set forth by the FTA pursuant to Section IV.a. Development Guidance, Federal Register/Vol. 72, February 2007, incorporated in the conveyance instrument (the "Deed") for the Property specifically described in the Purchase and Sale Agreement and attached hereto for ease of reference.

The Grantee certifies to the FTA that the economic benefits, including "Proceeds" from the transfer of the Property to the Development Project, shall be reasonable. The Grantee certifies that 100% of the Proceeds will be used for improvements within its active grant, the SCLRP FFGA, as amended, as follows:

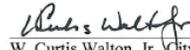
- (e) \$3,585,000 purchase price for the Property to be paid by the Grantee;
- (b) \$500,000 reimbursement to Grantee from the Development Project for the construction of a temporary transit parking facility on the Property.

The Development Project provides additional transit and land use benefits ("Additional Benefits"), including the incorporation of private investment and the effectiveness of the SCLRP. The Additional Benefits are outlined below:

- (c) The Development Project shall construct a permanent transit parking facility by November 1, 2012 and convey a permanent easement for the facility to the Grantee;
- (d) The Development Project to invest \$625,000 toward open space signage between the temporary parking facility and the SCLRP (Scaleybark);
- (e) The Development Project to develop conceptual site plan in accordance with the FTA's Joint Development Guidance;
- (f) The Development Project to pursue development of 80 affordable housing units;
- (g) The Development Project commits to a Small Business Enterprise goal consistent with the Grantee's policy.

Additionally, the Development Project is consistent with the Grantee's land use, transit supportive plans and policies, as evaluated by the FTA during its consideration of funding of the SCLRP under the New Starts Program.

THE UNDERSIGNED, AS GRANTEE UNDER THE SOUTH CORRIDOR FULL FUNDING GRANT AGREEMENT, EXECUTES THIS CERTIFICATE THIS 23rd DAY OF July, 2007.

Signature:   
W. Curtis Walton, Jr., City Manager  
City of Charlotte

ATTESTED BY:  
Signature:   
Ronald J. Tober, Chief Executive Officer  
Charlotte Area Transit System

5. Incidental Use: Not applicable, given the incorporation of the transit parking facility and the continued transit use within the Development Project.

6. Encumbrance of Project Property: A Memorandum of Understanding (non-binding) has been executed by the Grantee and the Development Project which requires the transfer of the Property. A Purchase and Sale Agreement has been prepared to consummate the transfer of the Property to the Development Project. The Grantee covenants that it has not transferred title to the Property and has not signed the Purchase and Sale Agreement as of the date hereof. Grantee acknowledges that FTA approval is required in order to sign the Purchase and Sale Agreement.

7. Notice to Joint Development Partner: The Grantee shall deliver an executed copy of this Certificate, evidenced by a receipt acknowledged by the Development Project, on or before the date of execution of the Purchase and Sale Agreement.

8. Other Actions: The Grantee a) agrees that it will not take any action that encumbers the federal interest in the Property and b) hereby affirms that each of its representations and warranties set forth in the Master Agreement are true and correct in all material respects as of the date hereof. The Grantee agrees that nothing herein shall supersede, amend, modify or otherwise affect the provisions, terms or conditions set forth in the Master Agreement.

9. Miscellaneous:

a) Joint Development Guidance - Definition of Capital Project, 49 U.S.C. 5302(a)(1)(G): Neither the Grantee nor the Development Project are requesting FTA funding to implement the Development Project and, as such, the Development Project is not required to comply with the definition of a capital project as defined in federal transit law. Nevertheless, the Development Project provides the benefits associated with a capital project as contemplated by the FTA in its Joint Development Guidance, including:

- > Enhancing economic development
- > The incorporation of private investment, including commercial and residential development
- > Pedestrian and bicycle access to the SCLRP
- > Enhancing coordination between the SCLRP and other transportation

## Joint Development Checklist

I. PROJECT DESCRIPTION		
Project Sponsor:	Date Submitted:	FTA Project Number (if known):
Project Title:		
Project Location (Include City and Street Address):		
Name of Project Contact:	Phone:	E-mail Address (if available):
<b>Type of Project:</b> <input type="checkbox"/> Commercial development <input type="checkbox"/> Residential development <input type="checkbox"/> Pedestrian or bicycle access to public transportation facility <input type="checkbox"/> Construction, renovation, or improvement of intercity bus or intercity rail station or terminal <input type="checkbox"/> Renovation or improvement of historic transportation facility <input type="checkbox"/> Other		
Description of Project:		

II. MATERIALS SUBMITTED
<input type="checkbox"/> Joint Development Checklist
<input type="checkbox"/> Joint Development Agreement
<input type="checkbox"/> Certification of Compliance <u>or</u>
<input type="checkbox"/> Alternative Certification (with written explanation)

III. APPLICATION OF STATUTORY CRITERIA	
Requirement	Description
<b>Economic Link</b> (check (1) or (2)): <input type="checkbox"/> (1) Enhances economic development <u>or</u> <input type="checkbox"/> (2) Incorporates private investment	
<b>Public Transportation Benefit</b> (check (3) & (4), or (5)): <input type="checkbox"/> (3) Enhances the effectiveness of a public transportation project <u>and</u> <input type="checkbox"/> (4) Relates physically or functionally  <u>or</u> <input type="checkbox"/> (5) Establishes New or Enhanced Coordination Between Public Transportation and other Transportation	
<b>Revenue for Public Transportation</b> (check (6)): <input type="checkbox"/> (6) Provides a Fair Share of Revenue for Public Transportation that will Be Used for Public Transportation	
<b>Reasonable Share of Costs</b> (check (7) if applicable): <input type="checkbox"/> (7) Occupants to pay a reasonable share of the costs of the facility through rental payments and other means	

## Economic Link

- ✓ Privately funded. No federal funding for design or construction of the TOD improvements.
- ✓ Will include commercial and residential land uses, including affordable housing and transit parking.

## Public Transportation Benefit

- ✓ Adjacent to Station, encourages additional ridership, establishes station area identity and enhances mobility

## Revenue for Public Transportation

- ✓ Fair return for transfer of federally-assisted parcel achieved through a cash payment to Grantee, construction of transit improvements by developer and permanent easement back to Grantee evidencing continuing control and access to the TOD parking facility for public transit purposes.

# Restrictive Covenants

- **Non Discrimination**
- **ADA**
- **Conflicts of Interest and Debarment**

# Development Agreement, Grant of Easements and Parking Space Management Agreement

- Temporary PNR Facility & Transition to Permanent Facility
- Construction of Permanent PNR
  - Initial Construction
  - Submissions
  - Nature of City Approval
  - Architectural Review, Plans & Specs
- Grant of Easement for Permanent PNR
- Shared Parking
- Operating Rules & Regulations
- Maintenance & Repair
- Operating Statements
- Insurance & Indemnity
- Default
- Etc.

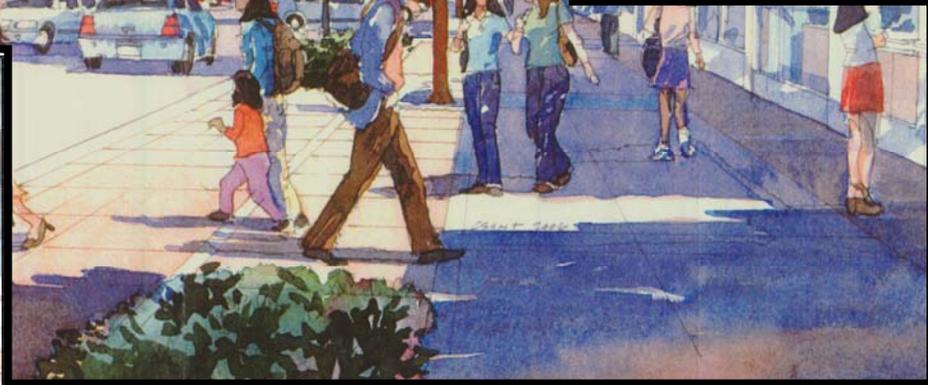
# Lessons Learned

- Determine the parties' goals and requirements up-front
- Identify desired land uses, development standards and expectations
- Recognize that if some of the desired components are not market-driven (e.g. open space, public facilities), there will likely be a trade off
- If there is no expected appetite to fund a gap (i.e. no appetite to fund developer's "ask"), be clear about that up front or how that may be addressed
- Stay close to the approval process – includes FTA

# Lessons Learned

- Each community is unique - no set formula for TOD – What makes a place hasn't been codified
- PPP are a process – not necessarily a project
- It's a marathon, not a sprint
- Process takes time... there will be bumps!

# Character of Future Development



# Scaleybark TOD / Joint Development Project

## Questions?

