

# Role of the Master Developer

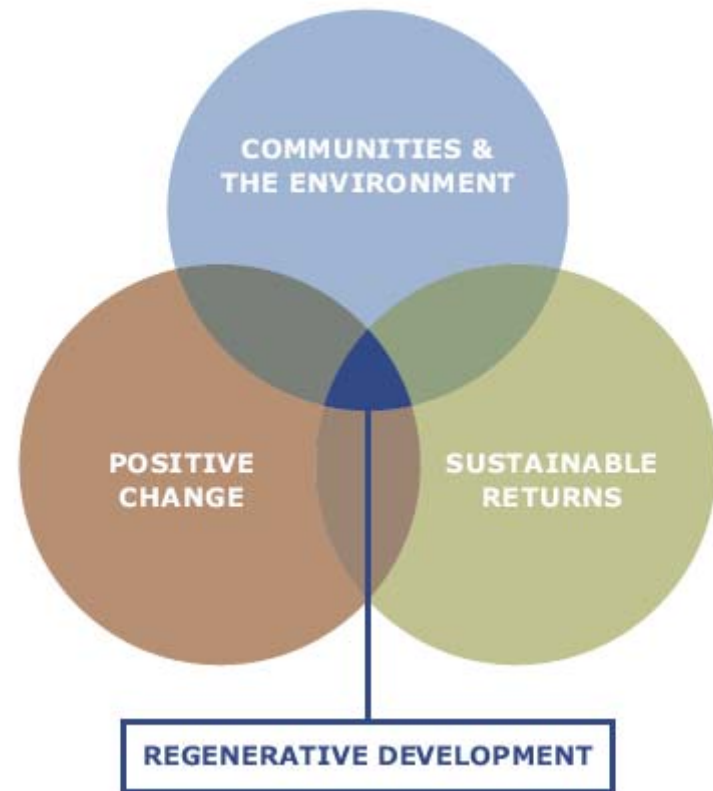
- Optimizes site assemblage
- Obtains and structures public/private financing and approvals
- Designs a transit-oriented master plan that guides design and development
- Coordinates the planning/entitlement process with municipalities
- Oversees phased implementation of the plan by vertical builders/developers with experience in each product type
- Addresses corridor-wide issues by implementing comprehensive plans that link multiple station areas with complimentary amenities and product types

# Why Consider a Master Development Agreement?

- Public sector lacks expertise and capital to manage real estate development activities
- Increase ridership
- Increase fair box recovery therefore decreasing operations and maintenance subsidy
- Station area development integrated with private development can decrease platform maintenance and security expenditures/responsibilities along with potential shared parking benefits
- Enhance environmental and socially sustainability
- Increased tax revenue can be directly associated with the transit infrastructure expenditure

# Master Developer's Role

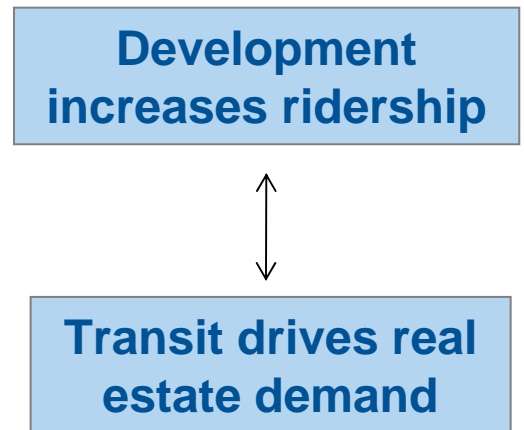
- Provides capital for land assembly & development
- Expertise in public finance structures
- Manages environmental issues
- Advises on sustainable development practices



Confidential

# Guiding Principles for Corridor Development

- Utilize a master developer approach vs. piecemeal project approach
- Align public and private sector stakeholder interests
- Acquire land with the end in mind
- Assemble and control land sooner rather than later to avoid speculation driving up prices
- Optimize efficiency in the land plan through shared facilities



# Differentiating Horizontal and Vertical Development

- Differentiate horizontal (land) development from vertical (building) development
- Different capital structures, skill sets and risks
- Horizontal developers often plan large sites and sell specific building rights to product specific developers that typically do not want entitlement risk
- Vertical developers typically take construction risk and market risk for very specific products, i.e.; limited service hotels or mid-market town houses, etc.
- The horizontal master developer can increase opportunities and decrease risk for the vertical developer by delivering a fully permitted pad that has well researched market data to justify product type and price point that compliments the transit infrastructure.

# TTA

**Issue:** Federal Funding shortfall prevented the implementation of the first corridor

**Solution:**

Utilize significant TTA land holdings to do the following:

- Catalyze TOD prior to transit system construction to improve federal funding potential
- Capitalize on TTA-owned real estate appreciation to help fund future capital needs
- Minimize TTA station area expenditures by partnering with private developers

# CATS

**Issue:** \$76+ million funding gap preventing start of North Corridor

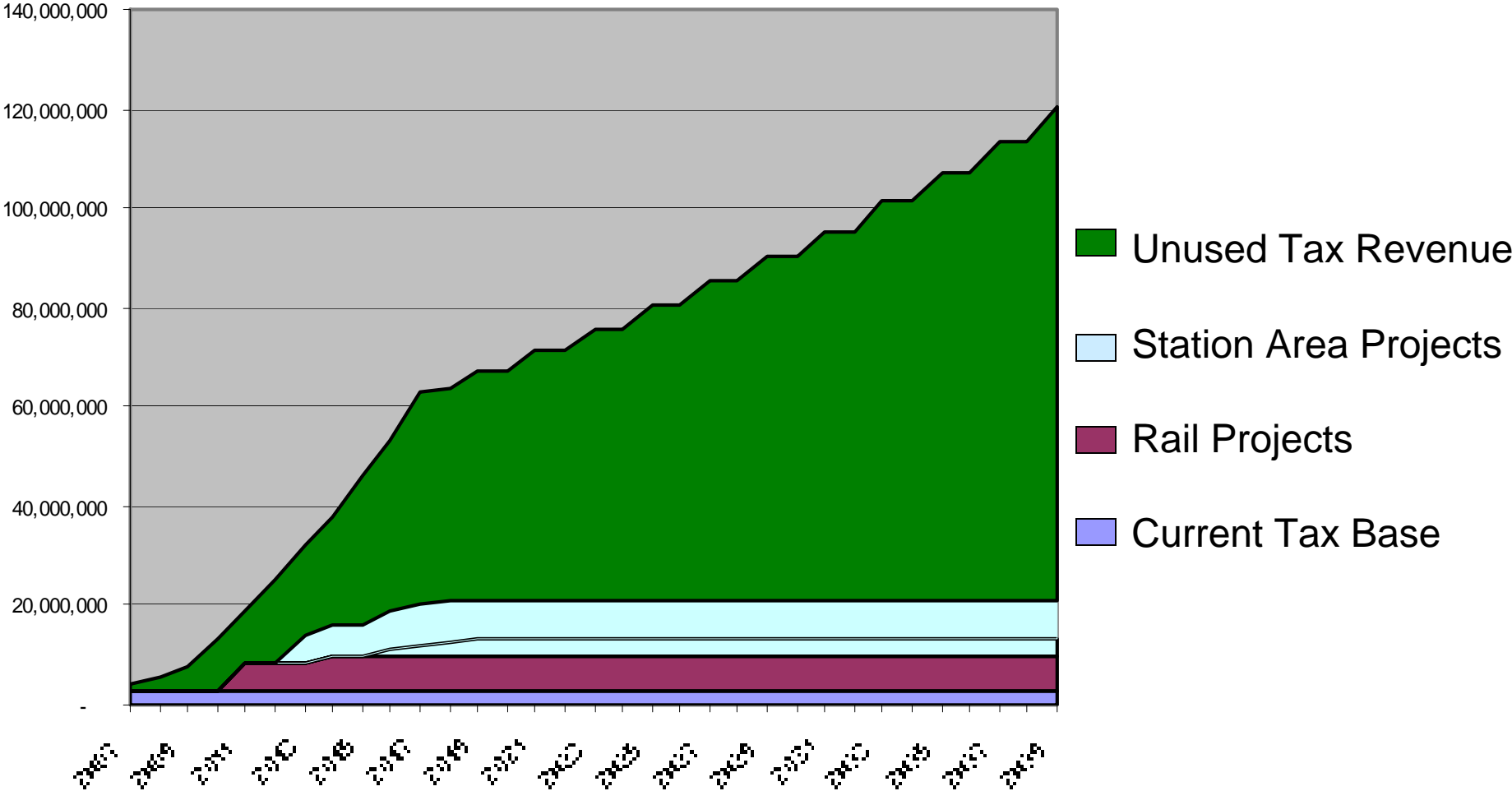
**Solution:**

Coordinate 4 municipalities and Mecklenburg County towards jointly funding the gap through incremental property tax growth

- Analyzed the revenue potential by station area
- Helped allocate the funding responsibility among jurisdictions
- Gained consensus from all stakeholders
- Facilitated implementation of the financial plan

# Most incremental property tax revenue remains available for local services & needs

Incremental Property Tax Revenue Generated in North Corridor Station Areas (current \$)



Confidential

# DART

**Issue:** Varying development patterns throughout system impacting success

**Solution:**

- Create a system-wide Master Development plan
- Serve as a catalyst for well-coordinated, optimized mixed-use development throughout system
- Control and buildout at least four TODs as examples