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## Policies and Procedures

No. 18

SUBJECT:

Board Approval: 7/25/19

JOINT DEVELOPMENT PROGRAM

PURPOSE:

MTS manages a portfolio of real property assets whose primary purpose is to fulfill the functional needs of transit operations. These real property assets can also be developed to enhance the financial stability of MTS operations, promote increased transit utilization, and achieve other community development objectives. MTS seeks to work in close partnership with its service area cities and the County of San Diego to identify and implement joint development opportunities. Promoting quality transit oriented development on or near the transit system can generate new opportunities to create direct and indirect revenue for MTS while contributing to environmentally sustainable livable communities that are focused on transit accessibility.

POLICIES:

- A. Joint use and development of MTS property shall always prioritize transit operational needs above all other considerations.
  1. MTS shall preserve the ability to safely operate and maintain transportation facilities on its properties.
  2. For any development project pursued at an MTS park-and-ride, an analysis shall be undertaken to determine the appropriate level at which existing parking should be replaced, with full consideration of the relative growth in future ridership that can result from dense joint development.
  3. Development projects pursued under the Joint Development Program shall strive to include physical improvements and/or transit programs (such as free or subsidized transit passes) that encourage utilization of multi-modal transit services and increase long-term ridership.
- B. Joint development projects are expected to generate value to MTS, either through direct/indirect revenue generation or through the construction of new transit facilities on behalf of MTS.



1. MTS shall not gift its assets.
  2. Projects should minimize financial risk to MTS.
  3. Due diligence in entering into a joint development with a third party should be performed to ensure the viability of the project.
- C. MTS will seek projects that create vibrant, transit-oriented communities that offer a range of housing types, job opportunities, and services centered around public transit facilities.
1. Residential development projects pursued under the Joint Development Program shall strive to provide the highest possible residential density.
  2. Development projects pursued under the Joint Development Program shall comply with all the review and approval policies and procedures of the local jurisdictions in which the respective projects are sited.
  3. Development projects pursued under the Joint Development Program shall strive to incorporate the urban design standards of the localities with jurisdiction over them, and the “best practices” identified by industry leaders in transit-oriented development.
  4. MTS shall encourage direct connections to transit stops and stations from surrounding development.
  5. The Joint Development Program is intended to be consistent with State of California Greenhouse Gas reduction goals.
  6. In recognition that residents in affordable housing units have a higher likelihood for transit utilization, residential joint development proposals shall include a minimum set aside of 20% of units for very low (<50% Average Median Income (AMI)) and low (51-80% AMI) income households.
  7. All projects approved pursuant to the program shall be considered public works for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code, regardless of whether an exemption under Section 1720 of the Labor Code applies to the project.
  8. A joint development agreement between MTS and a private entity shall include a requirement that the developer’s construction comply with Public Utilities Code section 120221.5.
- D. In order to promote the best possible projects for joint development, MTS shall engage in an open and competitive solicitation for choosing development partners. In the event that MTS receives an unsolicited proposal, MTS shall publically notice the unsolicited bid and allow for other development interests to submit a competing proposal within 30 days for consideration by the MTS Board of Directors.

IMPLEMENTATION PROCESS:

- A. The Chief Executive Officer shall develop written procedures necessary to fully implement this Policy within 3 months of its adoption. The written procedures shall be approved by the MTS Board of Directors.
- B. MTS shall identify right-of-way property and facilities and keep such inventory current. All property so inventoried shall be analyzed for its availability for joint use or development by either sale or lease. This inventory shall be reviewed by the MTS Board annually. Included in this inventory will be a listing of all agreements and their current status.

Original Policy approved on 3/8/82.

Policy revised on 12/20/84.

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