



BART TOD Policy Amendment and New Review Fee: Unsolicited Proposals for Property Development



August 22, 2019
BART Board of Directors



Presentation Overview

1. Background
2. Proposed TOD Policy Amendment: Unsolicited Proposals
3. New Unsolicited Proposal Review Fee
4. Board Action





Unsolicited Proposals for Property Development

- Currently no specific review process exists
- BART receives inquiries on a regular basis
 - *Pro: can respond to innovative and/or market driven proposals*
 - *Con: disrupts workplan and redirects from other priorities*
- Recommendation:
 - *Board adopt a TOD Policy amendment to address Unsolicited Proposals*
 - *Board adopt a new fee to recover staff costs associated with review*
 - *Board authorize the General Manager to enter into reimbursement agreements to recover costs associated with review*



Unsolicited Proposal – Proposed Policy Amendment

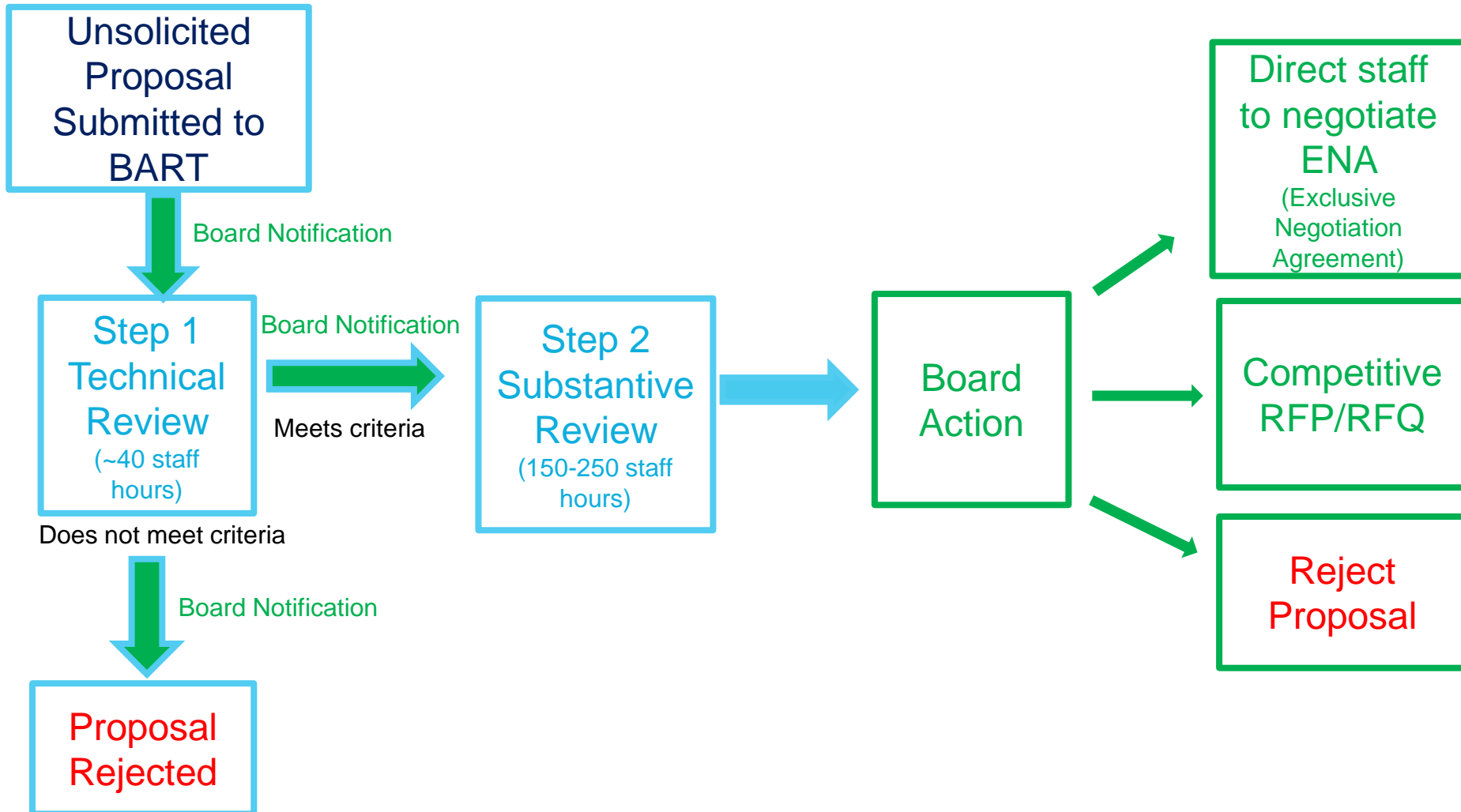
- Modify Strategy A: “Manage Resources Strategically to Support Transit-Oriented Development.”

4. (NEW): Develop a procedure that will allow BART to respond to unsolicited proposals for property development on BART-owned land. Although BART does not encourage unsolicited proposals, they can be a valuable means for BART to partner with local communities and/or the development community to produce innovative or unique developments that deliver benefits in excess of what is typically provided by the market.*

**existing number 4 becomes number 5*



Unsolicited Proposal Two Step Review Process





Step 1 (Technical Review) Review Criteria

- Aligned with BART's TOD guidelines, performance targets and policies
- Staff capacity exists
- Proposer qualifications (experience & financial capability)
- No long term operational need for site or specified need can be accommodated within project
- Analysis of proposal vs. current zoning or AB2923
- Meets four or more of defined criteria
 - *Community benefits, ridership, innovation, partnerships, adjacent land, regional use, affordable housing, catalytic project, concentration of jobs, etc.*



Step 2 (Substantive Review) Review Criteria

- Provides opportunity not readily available through the market
- Innovative or unique
- Robust transit and community benefits, including ridership
- High quality design & significant multimodal access improvements
- Robust community outreach plan and City support
- Significant ridership
- Economic and regulatory feasibility
- Financial offer
- Proven development team experience and capitalization
- Small business participation



Unsolicited Proposal Review Fee and Reimbursement Agreement

- \$149 hourly fee calculated using current salary/benefits for staff involved in review (including overhead)
- Board approved similar review fees in 2006
 - *Permit applications, Plan review, and Easements*
- Reimbursement agreement required
 - *Ensures all expenses associated with review are reimbursed to BART*
 - *\$25,000 deposit required at each review step*
 - When deposit account balance falls to \$5,000, more funds will be requested
 - *All unused funds will be returned at the end of each step unless Proposer chooses to roll funds over to next step*



Recommended Motions

- 1. Amend the Transit-Oriented Development Policy**
- 2. Adopt the resolution for Unsolicited Proposal review fee**
- 3. Authorize General Manager to enter into reimbursement agreements**