



# TransLink's Real Estate Strategy

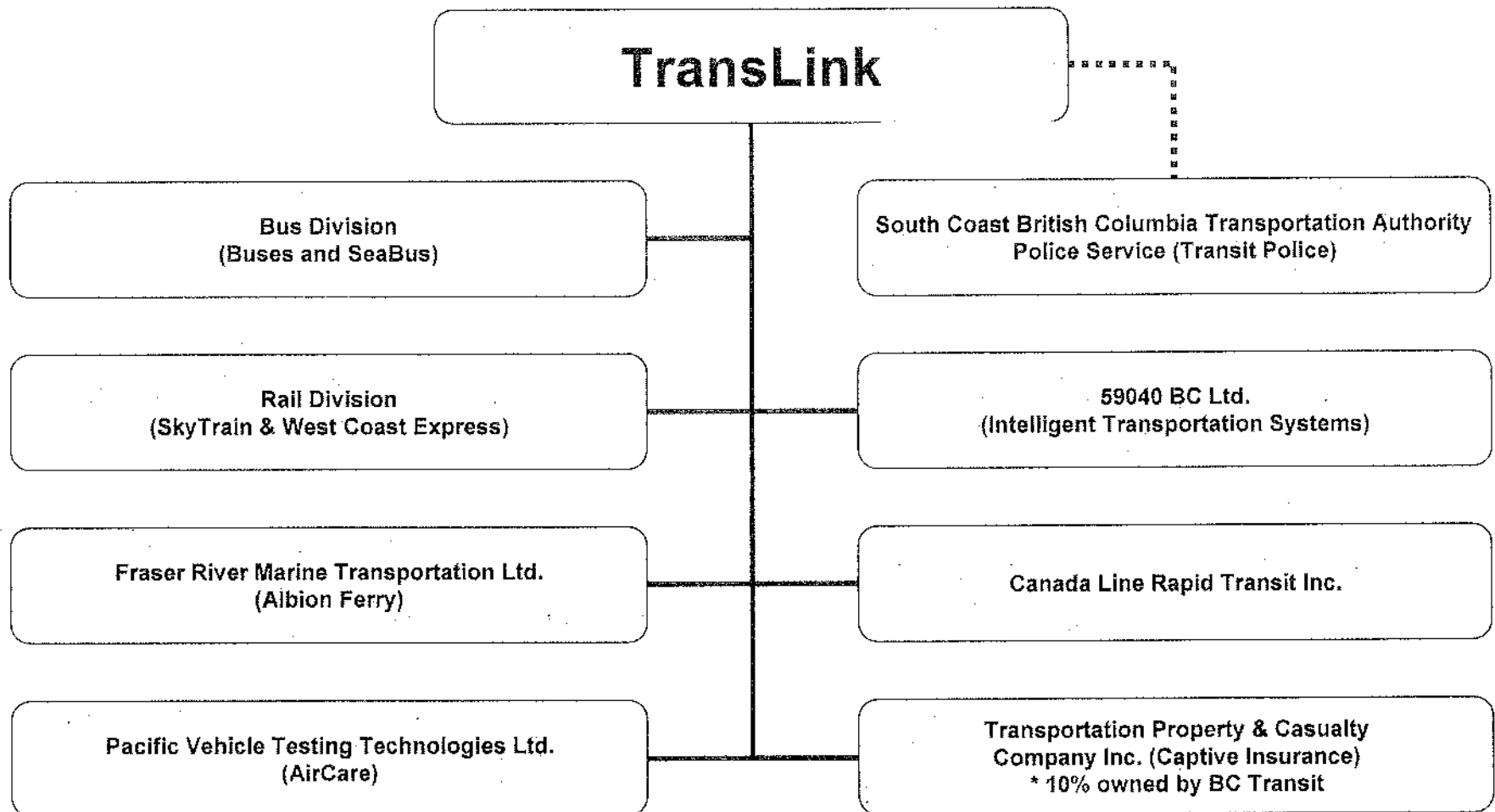
BC Expropriation Association

October 16, 2008

Phil Christie, TransLink  
VP of Real Estate

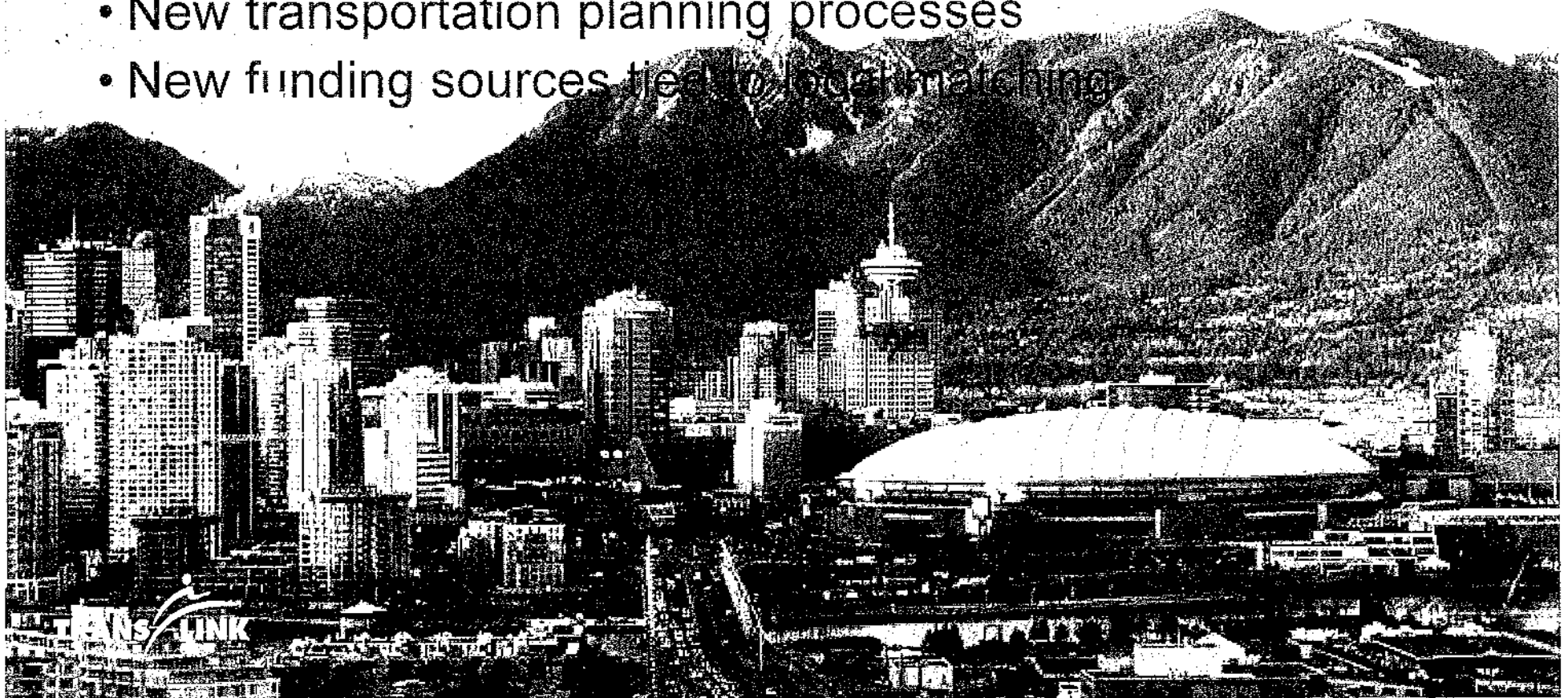


# Corporate Structure



# Summary of SCBCTA Changes

- Effective January 1, 2008
- Introduction of three governance entities
- Reduced role for Metro Vancouver
- New transportation planning processes
- New funding sources tied to local matching



# TransLink Board Structure



Mayors' Council  
(21 or more)



Commissioner



Appointed  
(Not-elected)  
SCBCTA Board

# 2008 Funding

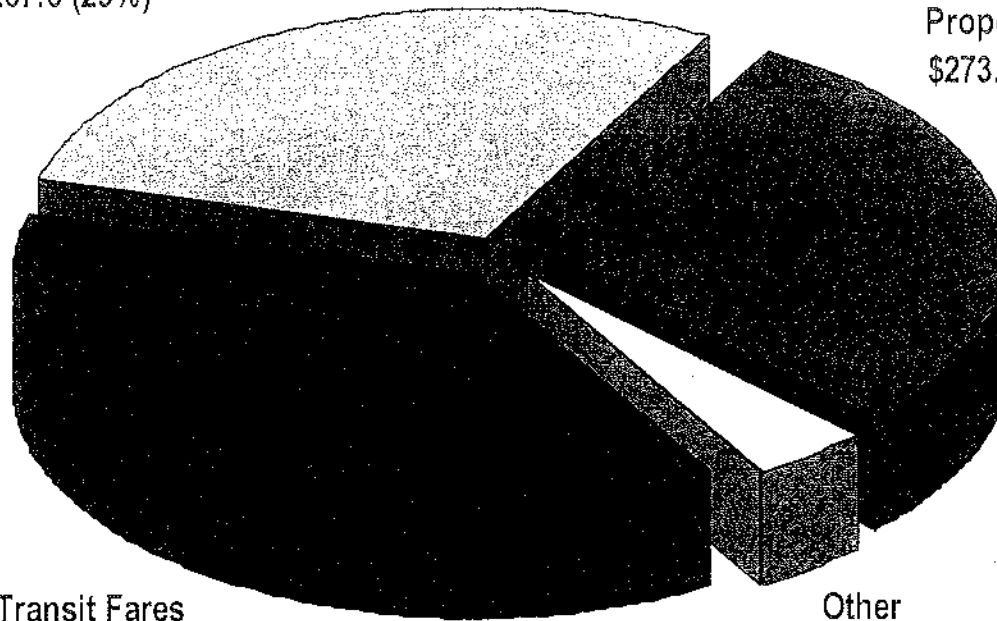
Total \$ 924.6 Million

Fuel Tax  
\$267.6 (29%)

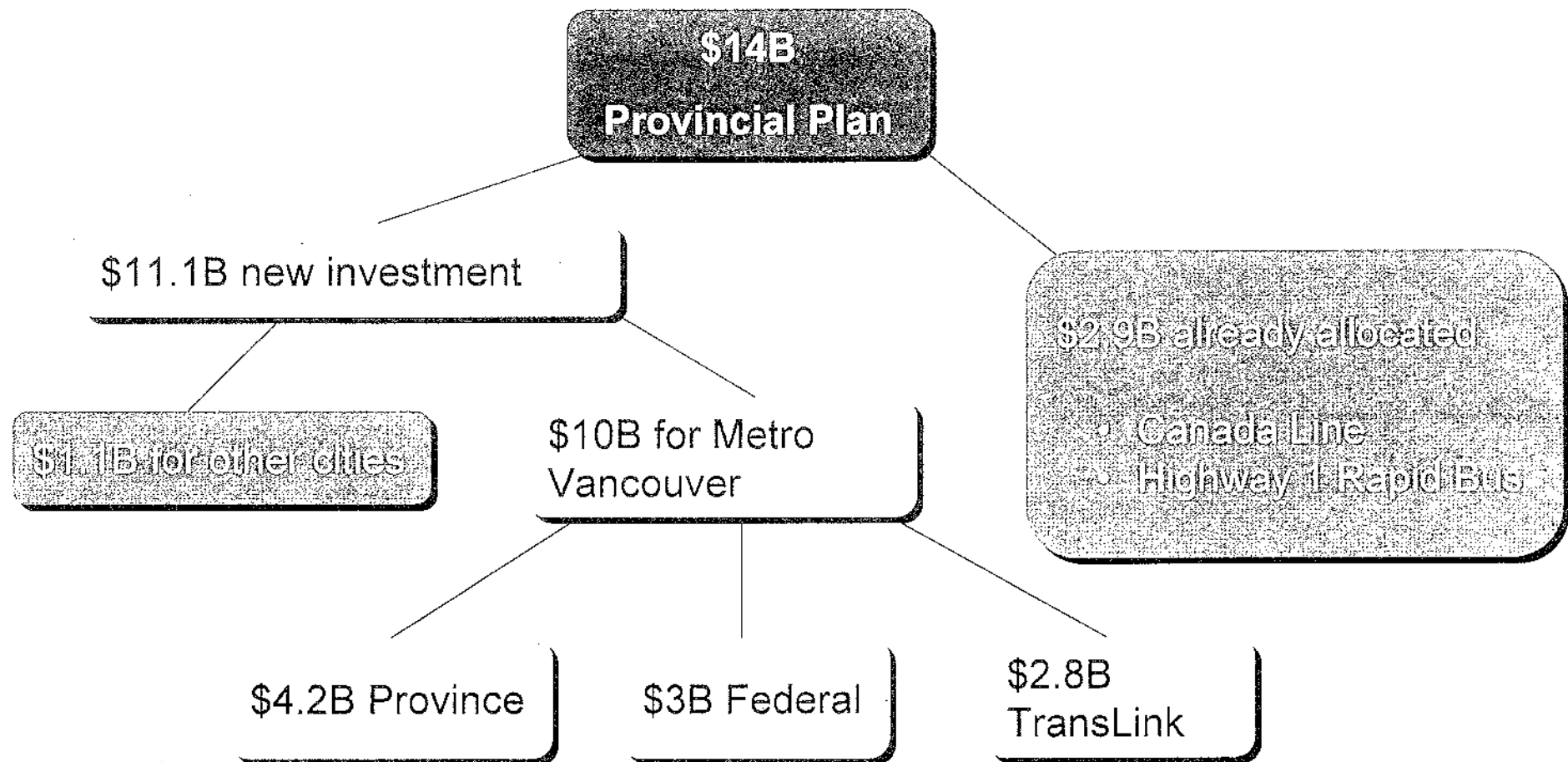
Property Tax  
\$273.5 (30%)

Transit Fares  
\$345.5 (37%)

Other  
\$38.1 (4%)



# Additional Investment



# New Revenue Sources

## Capture of Real Estate Gains

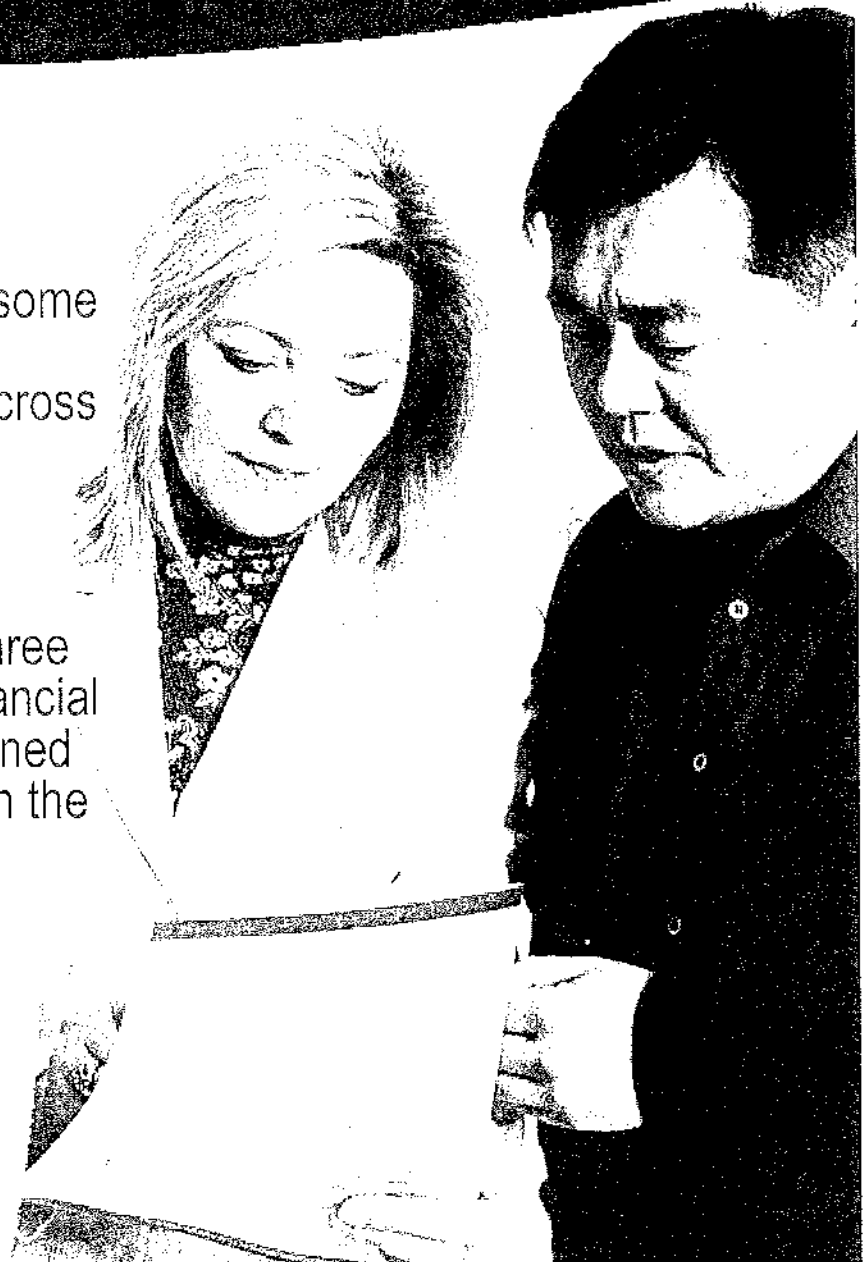
- TransLink is pursuing a strategy to capture some of the real estate gains that result from its investment in transportation infrastructure across the region

## Additional Fuel Tax

- TransLink may assess up to an additional three cents per litre fuel tax if in year 10 of the financial plan, TransLink raises twice the amount earned from the three cents from sources other than the fuel tax

## Other Sources

- E.g., congestion pricing would require new legislation and support of the Province.

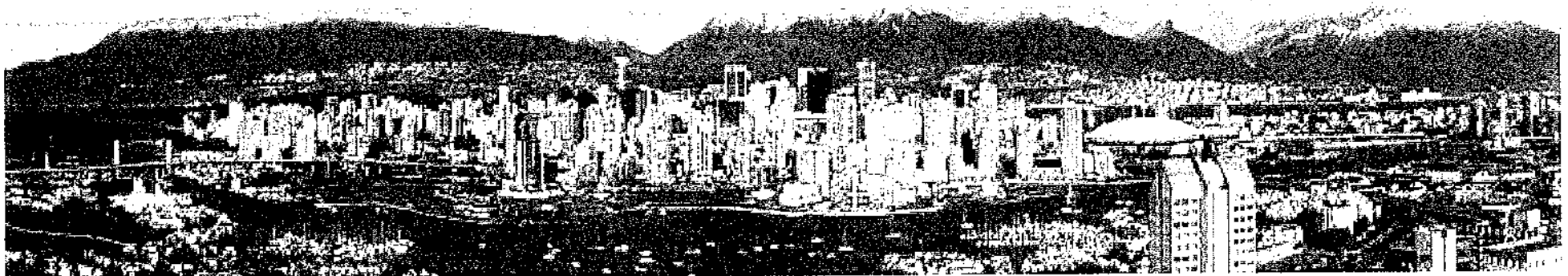




# Previous Real Estate Mandate

## Small properties group under Finance Division:

- Limited powers of acquisition & sale of real property
- Managed existing tenures
- Responded to immediate project needs
- Limited property purchases to project-specific requirements





# Real Estate Division Mandate

- Generate revenue for transit investment
- Reduce capital costs of projects
- Increase transit ridership
- Facilitate urban land use density



# Legislative Mandate

- Enables us to buy land “that is not required for our current plans but where we reasonably believe it will be required in the future”
- Allows land purchases that support the transportation system or where it will facilitate the development
- Allows us to buy earlier in the process and to preserve areas for our use before they are further developed



# Financial Benefits of Program

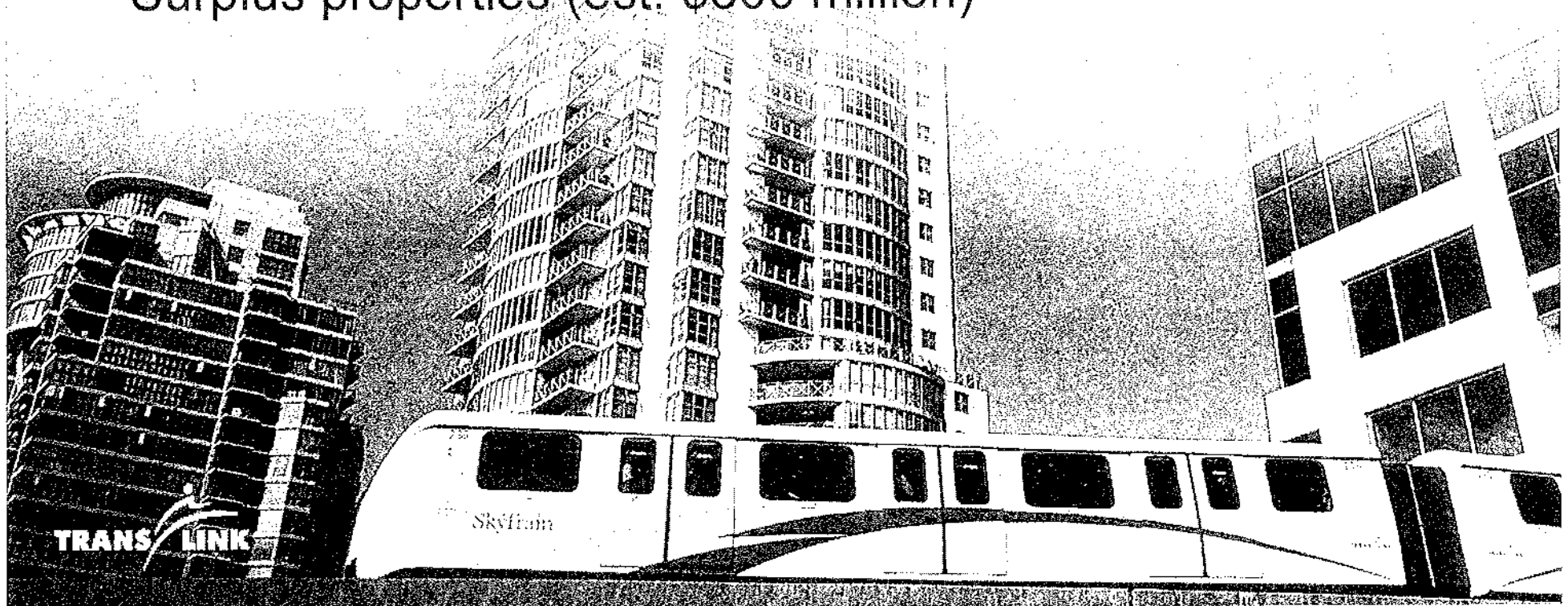
- Real Estate Program will assist in limiting fare increases and property taxes
- Annual revenue stream will assist with funding shortfall for new rapid transit lines
- Real estate program will contribute substantially to increasing ridership through higher densities



# TransLink Real Estate Portfolio

## Land Holdings

- Parcels held for transit projects (bus exchanges, depots and rapid transit stations)
- Properties with existing facilities
- Surplus properties (est. \$300 million)



# Planned Approach

## TransLink Real Estate Strategy – 3 Approaches

**Early Acquisition  
Opportunities**

**Low Risk**

**Surplus  
Site Sales**

**Low Risk**

**Project-Based  
Opportunities**

**High Risk**

# Early Acquisition Opportunities

## Real Estate Strategy – 3 Approaches

### **Early Acquisition Opportunities**

Purchase of land well in advance of defined corridor requirements. Strategy components include:

1. Identifying and acquiring property on or near future transit corridors;
2. Expanding and consolidating corridor-related holdings;
3. Purchasing or optioning strategic properties

TransLink will execute



# Surplus Site Sales

## Real Estate Strategy – 3 Approaches

### **Surplus Site Sales**

Administer and rationalize current holdings to ensure management and disposition decisions maximize value to TransLink.

Includes assessment of four categories of properties:

1. Parcels required for current projects;
2. Parcels required for future facilities
3. Long-term holding properties; and
4. Properties no longer required

TransLink will execute



# Project Based Opportunities

## Real Estate Strategy – 3 Approaches

### **Project-Based Opportunities**

Joint real estate development to share revenue and increased property values around selected stations and other facilities.

Approach involves:

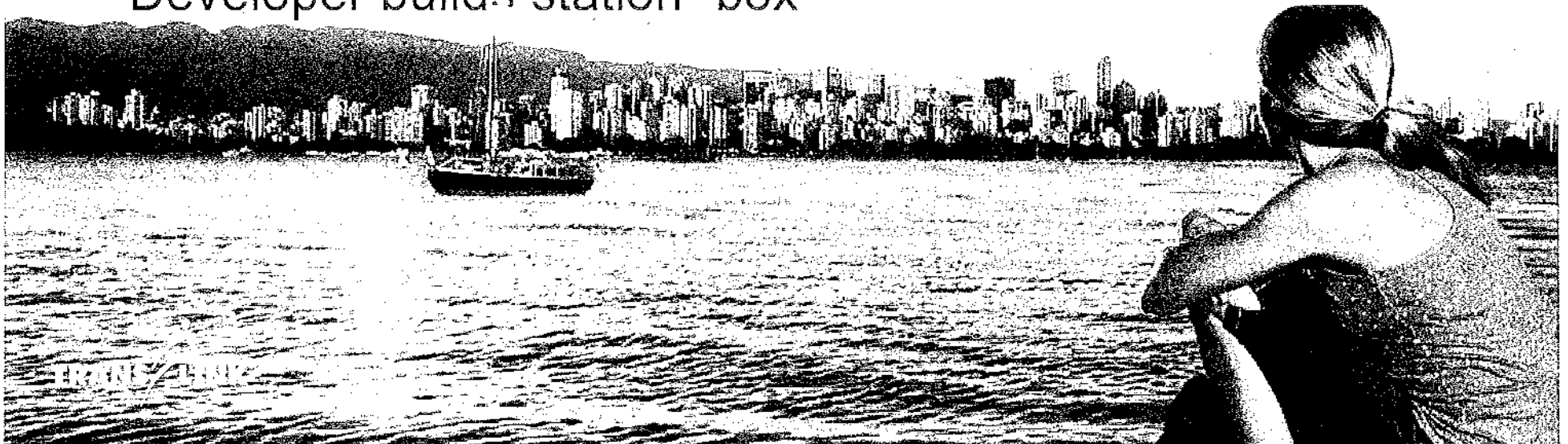
- Selecting optimal locations for joint development
- Partnerships or Joint Ventures between TransLink, municipalities and developers

TransLink and partners will execute

# Project Based Opportunities

## Examples

- Full rather than partial takes
- Provision of municipal services and access
- Consolidation of parcels
- Rezoning
- Entering into partnerships
- Developer builds station “box”



# Partnership Model Overview

1. TransLink determines alignment & ensures municipal support
2. Obtain regulatory approval (amend OCP, zoning)
3. Station area lands are acquired and assembled via:
  - Direct acquisition option
  - Catalyst option
  - Mixed option
4. Partnership procures and constructs station area and buildings

# Acquisition & Assembly Options

## Direct Acquisition

Where TransLink owns or acquires large parcels:

- Use private sector consultants to negotiate land purchase or options and for public regulatory process
- Alternative is JV with private developers
- Early discussions with Municipality to increase density

## Catalyst Option

- Coordinate efforts of local developers and land owners
- Degree of TransLink leadership depends on relative land holdings and willingness of developers to participate
- Alternative is to convince land owners to take the lead in the acquisition and regulatory process for increasing density

## Mixed Option

- Combination of Direct Acquisition and Catalyst options
- TransLink's participation will depend on project scale and number and sophistication of developers
- TransLink could solicit offers from developers to acquire and improve station properties

# Partnership Offerings

## What TransLink offers

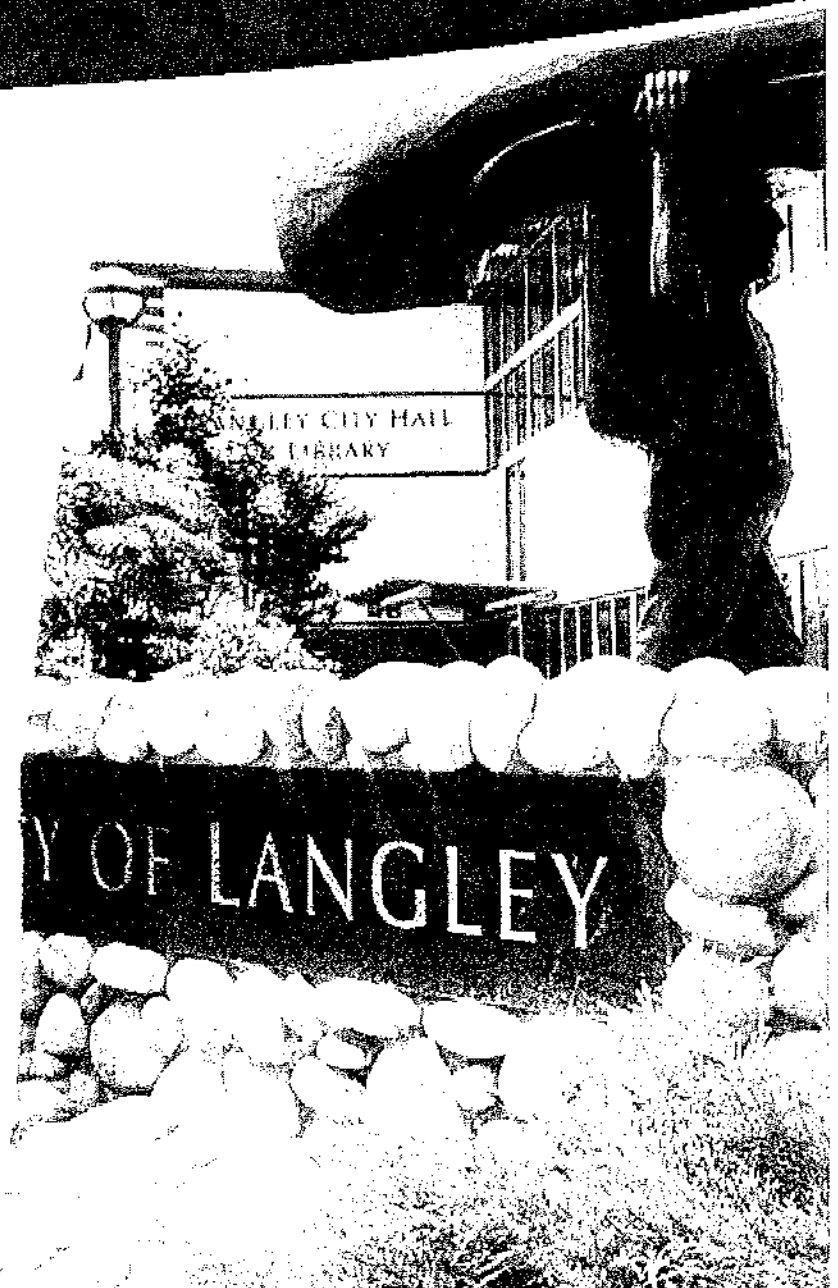
- Control of overall timing & development of new transit infrastructure
- Ownership of the land for the proposed Right of Way and some adjacent sites
- Ability to align Provincial, TransLink, municipal lands with developers lands for assembly into larger TOD sites
- Flexibility to locate/reposition station with TOD
- Ability to selectively impose an Area Benefitting Tax
- Ability to drive the provision of TOD & other station area amenities



# Partnership Offerings

## What the Municipality offers

- Potential sites in the proposed TOD development area
- Control over land use
- Funding
- Integration with the community to create sense of place, security, destination
- Quality maintenance of surrounding area



# Partnership Offerings

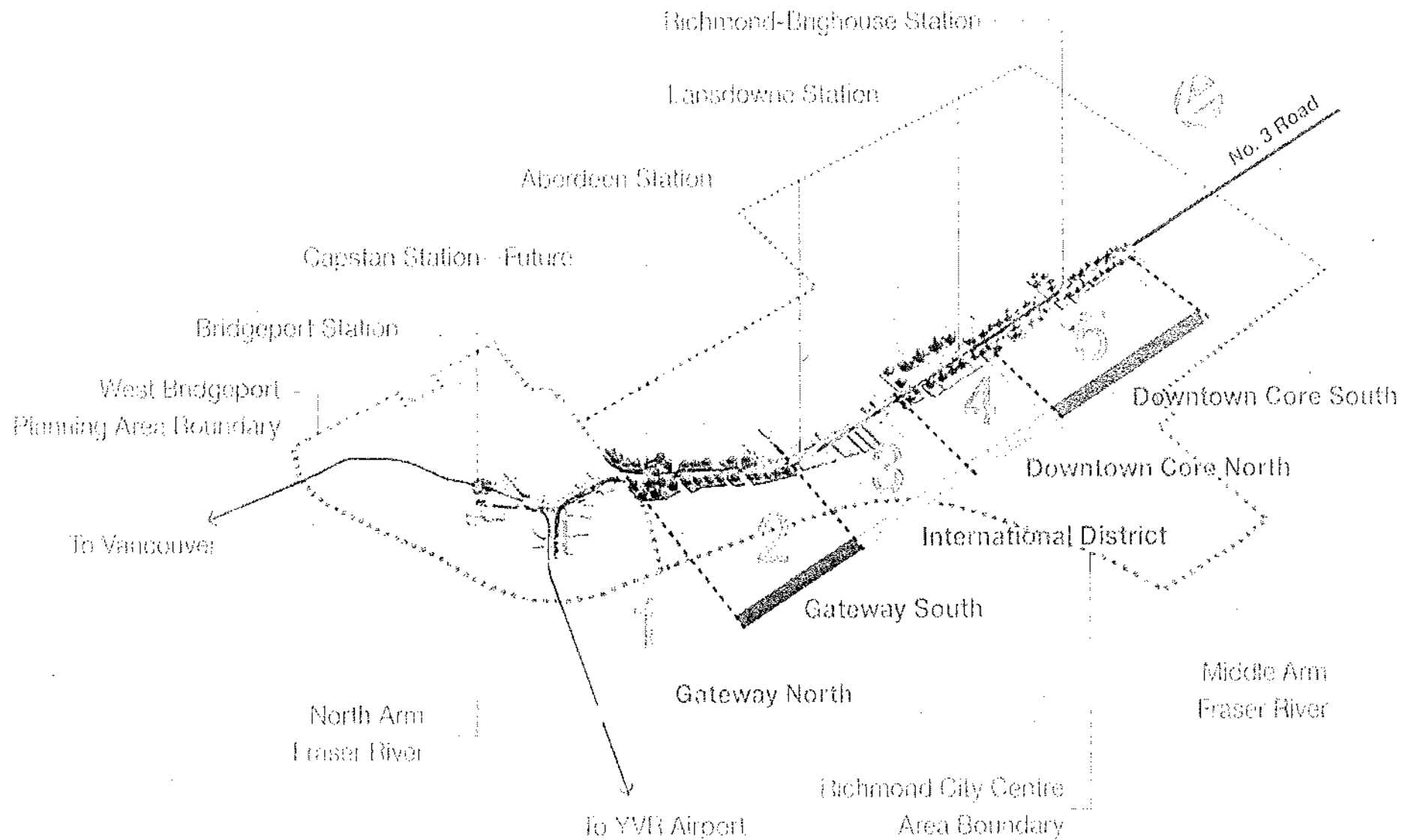
## What Private Sector Developers Offer

- Land in the proposed development area
- Market knowledge (best uses)
- Development expertise (creativity, creation of a sense of place)
- Project management
- Financing
- Revenue sharing
- Advantage of being arms-length from government

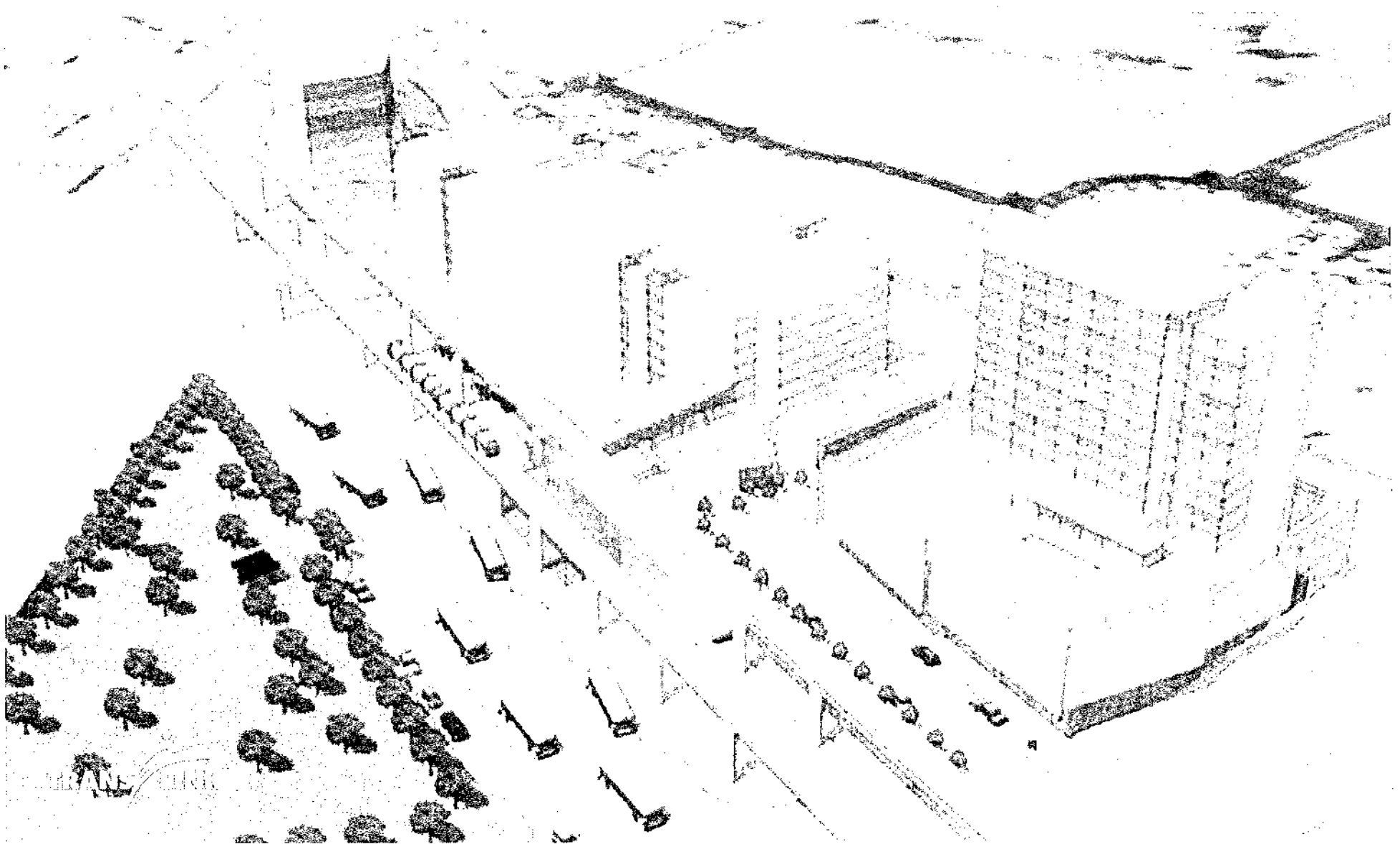




# TOD Villages in Richmond



# Richmond TOD



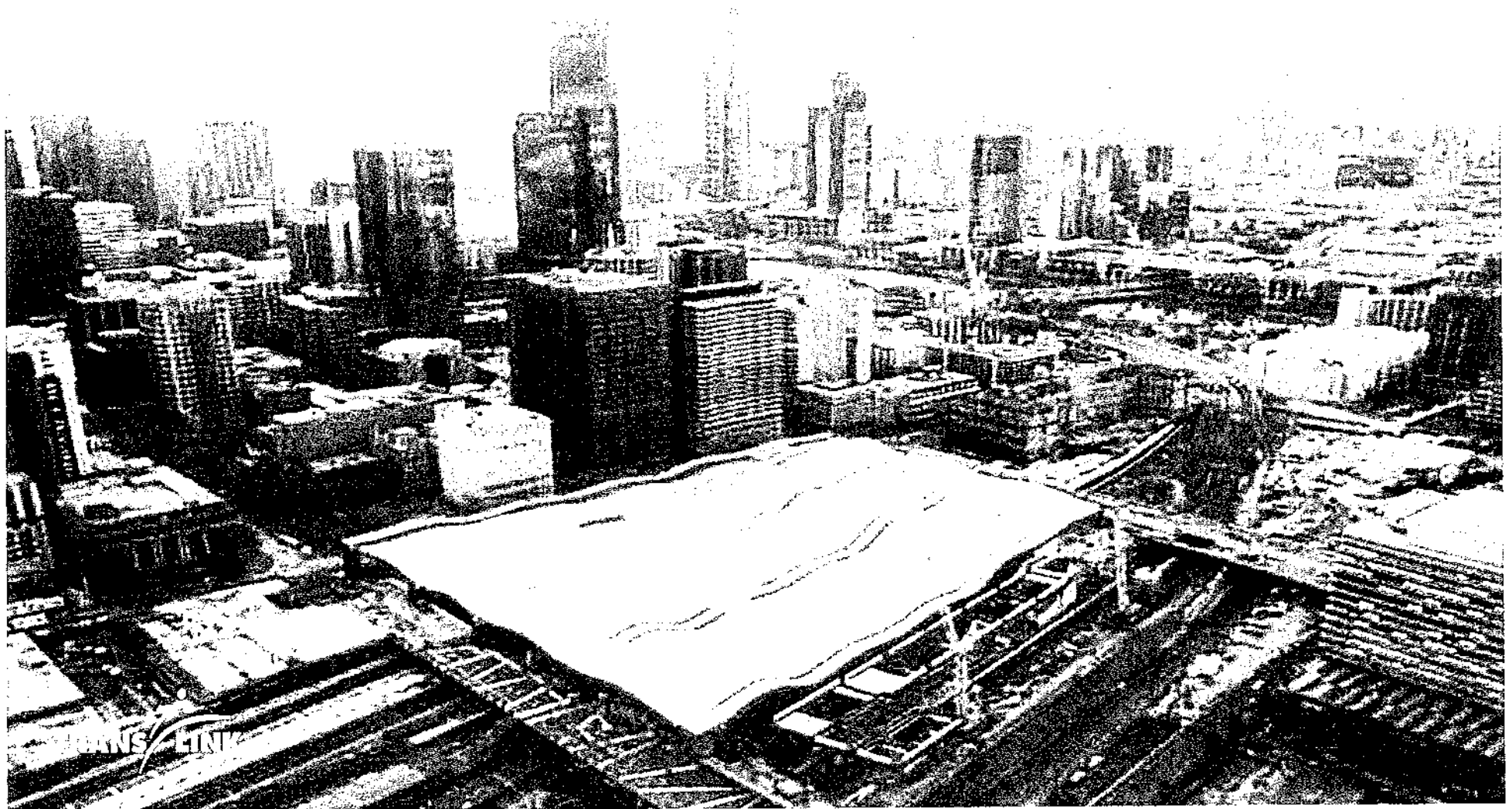
# Plaza 88

## The new New Westminster

Plaza 88 at New Westminster SkyTrain station is expected to transform the Royal City's main commercial strip with a highrise residential component.



# Melbourne: Southern Cross Station



# Areas for Consideration

- Selection of key stations for partnerships
- Interface and integration of rail and real estate concessions
- Intermodal connections
- Strategy for land assembly
- Bidding processes
- Risk allocation
- Revenue sharing mechanisms



# Strategies to employ

- As early in the rapid transit design process as possible, coordinate development with local governments; municipal support and buy-in is key
- Utilize public-private partnerships to facilitate TOD with village oriented stations that have a sense of place
- Use private sector expertise to maximize site development opportunities and create additional value by increasing revenues and ridership
- Identify the best opportunities for TOD

# Benefits Of Program

- Funding new transit lines
- Encouraging new Transit Oriented Developments
- Decreasing property tax burden
- Reducing ecological footprint and greenhouse gas emissions

