

COLLECTED BOARD POLICIES
OF THE
BI-STATE DEVELOPMENT AGENCY
OF THE
MISSOURI-ILLINOIS METROPOLITAN DISTRICT

Chapter 40 Real Property/Economic Development (revised 10/22/10 and 01/27/12)

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Section 40.000 Introduction

A. Purpose. The purpose of this Policy is to establish the procedures by which the Agency may acquire, dispose of, lease, and/or grant other rights related to real property, and to encourage economic development with a transit nexus. Any transaction subject to this Policy that involves real property of the Agency in which there is a federal, state or local monetary interest shall comply with the applicable laws, regulations and guidelines of the applicable governmental entity or entities.

Section 40.010 Definitions

- A. “Acquisition” means a conveyance of real property to the Agency.
- B. “Airport Utility Easement” is a public utility easement granted by the Agency for the provision of gas and electric service at the St Louis Downtown Airport.
- C. “Amendment” means any agreement that modifies, changes, amends or alters any of the terms of an existing agreement.

- D. “Appraisal” means a written statement, independently and impartially prepared by a qualified appraiser, setting forth an opinion of the defined value of an adequately described parcel of real property as of a specific date that is supported by the presentation and analysis of relevant market information, and that complies with the criteria required by the Uniform Relocation Assistance and Real Property Acquisition of Federal and Federally-Assisted Programs.
- E. “Appraised Value” means the value established by an Appraisal.
- F. “Competitive Process” means the solicitation of competitive bids, requests for property, direct advertising, exposure through real property services, posting the property, or any other appropriate means.
- G. “Consideration” means payment of money, or other goods or services of value that include, but are not limited to, improvements, maintenance, or other property rights or services.
- H. “Disposition” means a conveyance of real property by the Agency.
- I. “Easement” means a non-possessory interest right in real property, excluding utility easements and temporary construction easements.
- J. “Estimated Value” means an internal staff recommendation that is based on market analysis.
- K. “Lease” means an agreement granting or receiving an exclusive right of possession of real property for a certain limited period of time in exchange for the Consideration provided in the agreement.
- L. “License” means a privilege to use real property by license or other similar agreement.
- M. “Real Property” means interests, benefits, and rights inherent in the ownership of real estate, and includes all land, buildings, site improvements and other property rights owned by, or granted to and by, the Agency.

- N. “T-Hangar Agreement” means an agreement for rental of a T-Hangar space at the St. Louis Downtown Airport not to exceed a term of one year, with annual rental not to exceed [\$5,000].
- O. “Temporary Construction Easement” means a temporary right to perform construction activities on Agency real property or on the real property of another party that is granted by easement, license, or permit.
- P. “Tiedown Agreement” means an agreement for rental of an aircraft tiedown space at the St. Louis Downtown Airport not to exceed a term of one year, with annual rental not to exceed the sum of [\$1,000].
- Q. “Utility Easement” means a routine public utility easement, license or permit requested on Agency real property, or on the real property of another party for the benefit of the Agency.

Section 40.020 Real Property Acquisition (revised 01/27/12)

A. Authorization

- 1. The Board of Commissioners shall approve any acquisition of real property where the appraised value exceeds \$250,000.
- 2. The President & CEO is authorized to approve any acquisition of real property where the appraised value is \$250,000 or less.
- 3. The Vice President of Economic Development is authorized to approve any acquisition of real property where the *estimated value* is \$100,000 or less.

Section 40.030 Real Property Disposition (revised 01/27/12)

A. Authorization

- 1. The Board of Commissioners shall approve any disposition of real property where the *appraised value* exceeds \$250,000.
- 2. The President & CEO is authorized to approve any disposition of real property where the appraised value is \$250,000 or less.
- 3. The Vice President of Economic Development is authorized to approve any disposition of real property where the *estimated value* is \$100,000 or less.

Section 40.040 Real Property Leasing (revised 01/27/12)

A. Policy

1. Determination of Property Status. Prior to any lease of the Agency's real property, the Agency shall ensure that the property subject to the propose lease is not needed for Agency purposes in accordance with Section 40.050.
2. Rate of Return. The Agency shall obtain a fair market rate of return on any Agency-owned real property that is subject to lease, and shall negotiate terms and conditions that will continue to sustain a fair rate of return by means of rent review, consumer price index adjustments, reappraisals, or the application of percentage rents to grow income. The rate of return shall be based upon the highest rate commensurate with the designated public use. Rental rates shall be established based upon a current appraisal, comparative studies, or past rents received.
3. Selection of Lessee. Lease proposals shall be evaluated in terms of the consideration offered in the form of rent, or in the form of value provided through goods or services; Lessee's financial capability; Lessee's expertise regarding the development and operation of the proposed leasehold; the nature of the proposed development; and any special public benefits to be derived.

B. Authorization

1. The Board of Commissioners shall approve leases in which (a) the Agency is the lessor or landlord and the consideration for the lease is estimated to exceed \$250,000 in any year during the term of the lease; or (b) the Agency is the lessee or tenant and the consideration for the lease is estimated to exceed \$250,000 in any year during the term of the lease.
2. The President & CEO is authorized to approve leases in which (a) the Agency is the lessor or landlord and the consideration for the lease is estimated to be up to \$250,000 in any year during the term of the lease; or (b) the Agency is the lessee or tenant and the consideration for the lease is estimated to be up to \$250,000 in any year during the term of the lease.
3. The Vice President of Economic Development is authorized to approve leases in which (a) the Agency is the lessor or landlord and the consideration for the lease is estimated to be a maximum of \$100,000 or less in any year during the term of the lease; or (b) the Agency is the lessee or tenant and the consideration for the lease is estimated to be a maximum of \$100,000 or less in any year during the term of the lease.

Section 40.050 Declaration of Surplus Property (revised 01/27/12)

The President & CEO, in conjunction with the Agency's Real Estate Department shall review all Agency real property to determine the appropriate use of each property, and shall

annually submit a report to the Board of Commissioners for its approval detailing all Agency property or properties that are not required for Agency purposes and may therefore be declared to be surplus and subject to sale, lease, or the grant of other property rights.

Section 40.060 Other Real Property Transactions (revised 01/27/12)

A. Policy

1. The Board of Commissioners shall approve an easement or a license where the consideration for such is estimated to exceed *\$250,000*.
2. The President & CEO is authorized to approve an easement or a license where the consideration for such is estimated at up to *\$250,000*.
3. The Vice President of Economic Development is authorized to approve an easement or a license where the consideration is estimated to be *\$100,000* or less.
4. The President & CEO is authorized to approve all Utility Easements and Temporary Construction Easements.
5. The St. Louis Downtown Airport Director is authorized to approve all T-Hangar and Tiedown Agreements and Airport Utility Easements.

Section 40.070 Economic Development

A. Definitions

1. “Economic Development Program” is a term that encompasses both Joint Development initiatives and Transit Oriented Development projects.
2. “Joint Development” means an income-producing activity with a transit nexus related to a real property asset. Joint Development projects are commercial, residential, industrial, or mixed-use developments that are induced by, or enhance the effectiveness of, transit projects. Joint Development projects may include private, for-profit, as well as non-profit development activities. In lieu of income, the Agency may accept an equivalent value of goods and/or services including, but not limited to, capital improvements, information services, site maintenance, or other property rights.
3. “Transit Oriented Development” (“TOD”) means any activity that capitalizes on the investment in public transit that may result in increased ridership, and that creates a critical link between transit and adjacent land uses. TOD has three fundamental characteristics: a mix of moderate to high

intensity land uses; a physical or functional connection to the transit system; and design features that reinforce pedestrian relationships and scale.

B. Policy. It is the policy of the Agency to encourage Joint Development and Transit Oriented Development. It is further the policy of the Agency to promote public/private partnerships that:

1. Offer economic benefits to the parties;
2. Enhance the quality of life for citizens in the region;
3. Increase public and private employment opportunities;
4. Create new investment opportunities;
5. Enhance the accessibility of Agency services;
6. Increase the aesthetic quality of Agency facilities and/or access thereto;
7. Provide appropriate services for the convenience of Agency customers;
8. Complement land use plans of affected jurisdictions;
9. Generate revenues;
10. Support development of community consensus relating to regional goals and objectives; and
11. Expand Agency operations and services.

C. Opportunities. In pursuit of Economic Development opportunities, it is also the policy of the Agency to:

1. Respect the confidentiality of information supplied in developer proposals;
2. Act on all proposals with expedience;
3. Provide adequate assurance that public benefits are optimized;
4. Promote competition wherever warranted;
5. Negotiate in good faith;
6. Provide public disclosure whenever it does not harm the interests of the Agency or the proposed investors/developers or impede the effective negotiation of satisfactory terms and conditions; and
7. Provide a fair and equitable agreement by and between the parties.

D. Negotiated Private Sector Investments. In the matter of negotiated private sector investments, it is further the policy of the Agency to:

1. Encourage and promote opportunities for private sector contributions toward aesthetic and operational enhancement of Agency facilities and systems;
2. Publicly recognize the party donating enhancements, commensurate with the donation;
3. Within budget and schedule constraints, provide designs of facilities and systems that are adaptable to responsible enhancement opportunities; and
4. Evaluate opportunities with regard to impacts on public, customer and employee safety, security and comfort.