



Metro

Metro Value Capture Implementation West Santa Ana Branch (WSAB)

WSAB City Manager Technical Advisory Committee

February 2022

Metro VC Support Project Kickoff

- **Project Scope:**

- Coordinate with TOC studies and local planning activities
- Develop legislative strategies
- Outreach to local governments
- Provide technical assistance

- **Project Team:**

- Morgner: PM (*J. Kim*), technical analysis/debt transactions
- Kosmont: DPM (*J. Dieguez*), district formation
- Community Connections: Stakeholder coordination (*T. Martinez*)
- NBS: CFD/special tax districts
- Ross Infrastructure: Innovative/private financing

Metro VC Efforts to Date

- **Comprehensive assessment of VC revenue potential from future rail corridors (completed in July 2020)**
 - 11 corridors (67 stations) in construction or planning
- **Basic approach**
 - Buildout potential based on recommended TOD density from CTOD* for 1/2-mile radius around each station
 - Detailed assessment of 10 representative stations, results extrapolated to the rest (~60 to 100% increase in AV)
- **WSAB preliminary VC results (9 stations up to Slauson)**
 - Total AV: \$7.1B (Current), \$11.6-14.0B (TOD buildout)
 - EIFD tax increment: \$0.7-0.9B in 2020 PV (45-year, 50/50 City/County)
 - CFD bond capacity: \$0.5-\$0.9B in 2020 PV (30-year @ 5%)

**CTOD—Center for Transit Oriented Development*

VC Focus Areas—9 Stations, 1/2-Mi Radius

- **Station (City; Current AV)**
 - Pioneer (Artesia; \$1.0B)
 - Bellflower (Bellflower; \$1.0B)
 - Paramount/Rosecrans (Paramount; \$0.8B)
 - I-105/Green Line (South Gate; \$0.8B)
 - Gardendale (Downey; \$0.5B)
 - Firestone (South Gate; \$0.5B))
 - Florence/Salt Lake (Huntington Park; \$0.7B)
 - Pacific Randolph (Huntington Park; \$1.1B)
 - Slauson (Florence; \$0.7B)



VC Focus Areas—TOD Potential

- **Current planning/developer discussions (partial list)**

- Paramount Clearwater District Specific Plan area
- South Gate Gateway District Specific Plan (discussions with major active developers in town)
- Bellflower TOD Specific Plan
- Corridor-wide WSAB TOD Strategic Implementation Plan

Past Metro TOC Grants on WSAB Corridor

- ✓ Huntington Park: General Plan Update
- ✓ Downey: Gardendale Station TOD Specific Plan
- ✓ Bellflower: Bellflower Station TOD Specific Plan
- ✓ Artesia: Artesia Station Specific Plan, Overlay Zone, General Plan Amendment

Basic Steps Envisioned

- **Meet with cities to identify current conditions, plans, entitlements**
- **Metro prepares development scenarios and projected tax revenues**
 - Estimated debt capacity
 - Estimated 3% contribution
- **Cities approve tax; district formation**
- **Issue tax increment/special tax bonds**

Cities gain from Metro VC support...

- ✓ Enhances WSAB success along with positive fiscal/economic impacts
- ✓ Enables each city's 3% cost match requirement
- ✓ Facilitates City/County TIF partnership with greater funding capacity for "City choice" projects
 - FM/LM connectivity, utility upgrades, parks and open space, etc.

WSAB Metro VC Support Timeline

