



## Board Report

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### EXECUTIVE MANAGEMENT COMMITTEE JUNE 16, 2016

**SUBJECT: CRENSHAW/LAX TRANSIT CORRIDOR JOINT DEVELOPMENT**

**ACTION: ADOPT DEVELOPMENT GUIDELINES AND AUTHORIZE AGREEMENT WITH THE COUNTY OF LOS ANGELES**

#### **RECOMMENDATION**

CONSIDER:

- A. ADOPTING the **Development Guidelines for the joint development** of 1.77 acres of Metro-owned property and 1.66 acres of County-owned property at the **Expo/Crenshaw Station**;
- B. ADOPTING the **Development Guidelines for the joint development** of 1.44 acres of County-owned property at the **Fairview Heights Station**; and
- C. AUTHORIZING an **Agreement with the County of Los Angeles for administering the Metro Joint Development process** for the County-owned properties at the **Expo/Crenshaw and Fairview Heights Stations**.

#### **ISSUE**

Completed in June 2015, the Crenshaw/LAX Transit Corridor Joint Development (JD) Strategic Plan (Strategic Plan) identified publicly-owned properties along the under-construction light rail corridor and identified development opportunities on Metro and County owned properties, including properties at the Expo/Crenshaw and Fairview Heights Stations as depicted in Attachment A. Per direction from the Metro Board, the JD team is working with the County of Los Angeles through an MOU with the Community Development Commission (CDC) to administer the JD process for the two County-owned JD opportunity sites. In accordance with the JD Policy, staff has conducted community outreach to support the creation of Development Guidelines (Guidelines) for the Expo/Crenshaw and Fairview Heights opportunity sites. If adopted by the Board, the Guidelines will be included in the Request for Proposals (RFP) for the sites. In order to move forward with the JD process for the County-owned sites, Board authorization is also requested for Metro to enter into an agreement with the CDC to implement a services arrangement.

#### **DISCUSSION**

### *Background*

Metro owns, maintains and operates properties throughout Los Angeles County for its current and future transportation operations. As part of Metro's Joint Development (JD) Program, staff evaluates these properties for potential joint development and selects properties for beneficial transit-supportive development.

On March 26, 2015, the Board directed JD staff to develop a strategic plan for joint development activities along the Crenshaw/LAX (C/LAX) Transit Corridor and to work with public sector partners to implement JD activities on publicly-owned land. The Strategic Plan, released in June 2015, identified development opportunity sites and strategic public sector partnerships, and outlined a community engagement process to lead to the preparation and implementation of site-specific development visions that reflect the community's broader goals for each station area under consideration. The Strategic Plan guided the preparation of the Guidelines for the Expo/Crenshaw and Fairview Heights opportunity sites, which are also part of the Transit Oriented Communities (TOC) Demonstration Program.

### *Development Guidelines*

The Guidelines reflect the community's visions and aspirations for the sites and also include a set of development and planning principles that are applicable to the sites and consistent with Metro's adopted JD Policy, City of Los Angeles land use regulations and Metro operational requirements. The Guidelines are not intended to provide specific design and construction related criteria associated with a particular project, but rather help shape the program and design response to align with the community and Metro's expectations. If approved, the Guidelines will be included in the RFP to solicit development proposals and will serve, in part, as the benchmark for the evaluation of responses. Both sets of Guidelines are generally organized into six sections:

1. *Overview* - executive summary of how to use the guidelines, Metro JD process and community outreach to-date
2. *Joint Development Opportunity* - introduces opportunity sites and describes community context
3. *Vision for Joint Development* - summarizes general station area plans and policies, community-driven development vision and market conditions
4. *Regulatory and Policy Framework* - describes key municipal regulatory land use plans and policies that will govern development of the sites
5. *Transit Facilities and Accommodations* - provides specific requirements for planned transit facilities and opportunities to improve transit access and connectivity
6. *Design Considerations* - series of guidelines to inform the site planning and urban design recommendations relative to building design and the public realm

### *Expo/Crenshaw Site*

The Expo/Crenshaw JD site incorporates two properties in the City of Los Angeles: (1) a County Probation Department facility located at 3606 W. Exposition Boulevard (southwest corner of Exposition and Crenshaw Boulevards) which the County plans to vacate to repurpose the site for transit oriented development; and (2) Metro-owned property on the southeast corner of Exposition and Crenshaw Boulevards that currently serves as construction staging for the C/LAX Transit Project.

The Metro property was originally slated to be a surface park-and-ride lot; however, per Board direction, it was examined and determined to have higher and better use potential. Metro is seeking approval from the FTA to accommodate the required parking in the West Angeles parking structure approximately 1½ blocks to the north where Metro currently leases parking space and there is additional capacity. The Guidelines will be revised to reflect any on-site Metro parking requirements following FTA determination.

Located at the intersection of the Expo Line and the future C/LAX Line, the site has superior regional connectivity to employment and activity centers including Santa Monica, Culver City, USC, Downtown LA and LAX. The Guidelines for this site identify the opportunity for a culturally distinct gateway destination and pedestrian-scaled community serving residents and visitors with high quality and local-serving retail uses and a range of housing types affordable to existing residents. It also identifies opportunities to foster job growth with attractive office or incubator space. The Guidelines build upon the City of Los Angeles' recently prepared Draft Amended Crenshaw Corridor Specific Plan and Draft Crenshaw Streetscape Plan, and will be adjusted, as necessary, prior to the RFP release to match the most current information available in draft or final City plans. The Expo/Crenshaw Guidelines are included as Attachment C.

#### *Fairview Heights Site*

The County of Los Angeles owns the Department of Public Social Services (DPSS) facility located at 923 E. Redondo Boulevard in the City of Inglewood adjacent to the Fairview Heights Station. The County plans to vacate the facility to repurpose the site for transit oriented development.

The future Fairview Heights Station is surrounded by character single family homes to the north, multifamily, commercial and light industrial uses to the east, and Edward Vincent Jr. Park-a large recreation amenity-to the west, creating an opportunity for future station area development to create a village destination that stitches together surrounding uses. The Guidelines for the Fairview Heights site align with the draft TOD Zoning Plans for the area prepared by the City of Inglewood and envision a pedestrian-friendly residential project that serves individuals with a range of incomes along with quality ground-floor neighborhood retail. Consistent with the community's expressed desires, the Guidelines also encourage uses that support the existing arts-oriented community and local youth and create strong connections to the adjacent park. The Fairview Heights Guidelines are included as Attachment D, and will be adjusted, as necessary, prior to the RFP release to match the most current information available in draft or final City TOD Zoning Plans.

#### *Community Outreach*

Over the last year, working closely with the C/LAX Transit Project Community Leadership Council and Construction Relations staff, Metro JD staff attended more than 25 community meetings and events to introduce the Metro JD process to local stakeholders and to build relationships in order to better understand the community priorities and aspirations for future development along the C/LAX Transit Line. In December 2015, an outside consultant team led by John Kaliski Architects was hired that included architecture/urban design, economic and market analysis, and community relations expertise to assist with outreach and analysis leading to the creation of the Guidelines.

Focused outreach meetings hosted by Metro included:

- Five roundtable discussions with key Expo/Crenshaw and Fairview Heights stakeholder representatives from resident and homeowners associations, business groups, faith-based organizations, arts organizations, and other community-based organizations.
- Four community workshops for the Expo/Crenshaw and Fairview Heights station areas (two each) which attracted between 35-50 attendees each.

The community workshops were promoted through the distribution of more than 18,000 flyers within ½ mile of each site and on Metro busses and trains; creative utilization of social media including Facebook, Twitter, and NextDoor; phone calls; and door-to-door engagement along commercial corridors to personally encourage community participation. Additionally, elected official newsletters and local newspapers such as *The Wave* and *LA Sentinel* were also utilized to promote the workshops.

### *County Agreement*

Metro and the County, acting through the CDC, entered into an MOU on October 29, 2015 for pre-development cooperation and planning in anticipation of future redevelopment of County properties at the Crenshaw/Expo and Fairview Heights stations, through Metro's JD process. The existing MOU covers planning activities through the preparation of Guidelines for the County property. It is necessary to prepare an additional agreement between the parties that memorialize the relationship, roles and responsibilities beyond initial planning stages. The terms are described in Attachment B, with key points including:

- County shall retain ownership of County properties
- Metro and the County will work jointly in administering the JD process including soliciting, selecting and negotiating with developer(s) for the County property. The County shall reimburse Metro for third party costs incurred in connection with the development of County properties from proceeds of sale/lease of the County sites

### **DETERMINATION OF SAFETY IMPACT**

The adoption of Development Guidelines and approval of the County Agreement will have no direct impact on safety. The eventual implementation of JD projects at the Expo/Crenshaw and Fairview Heights Stations will offer opportunities to improve safety for transit riders, through better pedestrian and bicycle connections.

### **FINANCIAL IMPACT**

Funding for JD activities related to the Guidelines and any subsequent, related development activity, including the RFP process, is included in the FY17 budget in Cost Center 2210 (Joint Development) under Project 401045 (Crenshaw/LAX JD). Third party costs associated with the Development Guidelines, RFP solicitation and Developer selection are encumbered through active contracts and the cost attributable to administering the JD process for County property will be reimbursed by the County from future development proceeds.

Since development of the properties is a multi-year process, the project manager will be accountable

for budgeting any costs associated with the JD activities that will occur in future years.

### Impact to Budget

The source of funds for JD activities is local right-of-way lease revenues, which are eligible for bus/rail operating and capital expenses. Adoption of the Guidelines and authorization of the agreement with the County will not impact ongoing bus and rail operating and capital costs, the Proposition A and C and TDA administration budget or the Measure R administration budget.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to adopt the Development Guidelines. That is not recommended because new developments are desired by these communities and will increase ridership. Further, the Guidelines were developed with considerable stakeholder input and the Expo/Crenshaw and Fairview Heights communities are expecting movement on the development at the station sites; adoption of the Guidelines is a precursor to moving forward with the JD process.

### **NEXT STEPS**

After adoption of the Guidelines and authorization to enter into an agreement with the CDC, staff will negotiate and execute the agreement with the CDC and will issue RFPs for the development of the JD sites inclusive of the Guidelines. The RFPs are expected to be released in summer 2016. Staff anticipates bringing recommendations for selection of Developers to the Board in late 2016/early 2017.

### **ATTACHMENTS**

- Attachment A - Location Maps
- Attachment B - County Agreement Term Sheet
- Attachment C - Expo Crenshaw Development Guidelines
- Attachment D - Fairview Heights Development Guidelines

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