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Los Angeles County
Metropolitan Transportation Authority

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13

**PLANNING AND PROGRAMMING COMMITTEE
JULY 15, 2009**

SUBJECT: SEPULVEDA STATION – EXPOSITION LINE (PHASE 2)

ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN EXCLUSIVE NEGOTIATION AGREEMENT WITH CASDEN WEST LA, LLC WITH RESPECT TO A PROPOSED DEVELOPMENT AT THE EXPOSITION LIGHT RAIL LINE’S SEPULVEDA STATION

RECOMMENDATION

- A. Find that it is in MTA’s best interest to enter into a two (2) year exclusive negotiating agreement (“ENA”), with an option to extend for up to an additional one (1) year, with Casden West LA, LLC (“Casden”) and the Exposition Metro Line Construction Authority (“Expo Authority”) to explore, among other things:
- Casden’s utilization of a portion of the Exposition rail right of way lying between Sepulveda and Sawtelle Boulevards (the “Light Rail Property”) for purposes of Casden’s proposed mixed-use development project (the “Development Project”) situated adjacent to the Light Rail Property;
 - MTA’s use of 260 Development Project parking spaces for transit-related park and ride purposes and ;
 - Inclusion of a safe, convenient and attractive pedestrian connection through the Development Project between Pico Boulevard and the light rail project’s Sepulveda station.
- B. Authorize the Chief Executive Officer to execute the ENA.

ISSUE

Casden is the owner of a 4.08 acre tract adjacent to and northerly of the Light Rail Property and is currently proceeding with plans for the Development Project thereon. As currently proposed, the Development Project contemplates the use of a significant portion of the Light Rail Property for parking, access and other purposes. The Expo Authority anticipates that the proposed uses will either be on property that is surplus to the needs of the light rail project or would not conflict with it. Staff would like to explore and analyze this use with Casden and the Expo Authority to determine whether such

use is feasible and, if so, to agree on proper compensation. In addition, staff would like to include the following “transit friendly” features within the proposed Development Project: (a) a safe, convenient and attractive pedestrian connection through the Development Project between Pico Boulevard and the light rail station at Sepulveda Blvd; and (b) 260 park and ride spaces within the Development Project’s subterranean parking garage. The light rail line’s environmental and planning documents contemplate the construction of 260 station-related parking spaces. Casden would also like to explore the possibility of elevating the light rail station and the Sepulveda Boulevard crossing.

The ENA will set forth an action plan geared toward reaching an agreement that is consistent with each party’s plans and objectives and with Casden’s and the Expo Authority’s design and construction schedules. It will also provide for valuation of the real estate rights desired by Casden and the use and access rights desired by the MTA. The ENA will provide Casden with the assurance that the MTA and the Expo Authority will not be dealing with any party other than Casden regarding the use of the Light Rail Property during the term of the ENA.

In exchange, Casden will pay the MTA \$25,000 upon execution of the ENA and will agree to fund all cost’s incurred by the Expo Authority and all third-party costs incurred by MTA related to Casden’s proposed use and MTA’s desired parking and access uses within the Development Project (including the cost of economic advisers and appraisers, and costs related to design review and engineering analysis). Costs related to any potential elevation of the light rail station and the crossing of Sepulveda Boulevard will be determined by negotiation.

BACKGROUND

The Expo Authority is currently completing its environmental planning process for the proposed extension of the Exposition Light Rail Line from Culver City to Santa Monica (Phase 2). This process is expected to conclude in January 2010, with certification of the project’s FEIR by the Expo Authority’s Board of Directors. Selection of the project’s design/build contractor and construction of the project are expected to follow certification in the spring of 2010. Revenue operations are anticipated in 2015.

Proceeding west on the proposed light rail line from Culver City, the Sepulveda station is the third of eight stations along the Phase 2 preferred alignment alternative. Environmental and planning documents for the light rail line provide for an at-grade crossing of Sepulveda Boulevard and an at-grade station just westerly thereof.

The environmental and planning documents also contemplate the construction of 260 station park and ride spaces in an above-grade parking structure on an existing City of Los Angeles Department of Transportation parking lot located across Exposition Boulevard to the south (see Attachment A). Inclusion of the park and ride spaces within the Development Project’s subterranean parking structure would be more convenient for transit patrons since the spaces would be immediately adjacent to the station, as opposed to across the Exposition Boulevard.

Inclusion of a safe, convenient and attractive pedestrian connection through the Development Project from the light rail station to Pico Boulevard would also benefit transit patrons, as it would provide a more direct connection to the station from Pico Boulevard than is currently available via Sepulveda Boulevard. Such a connection, however, will be dependant on the ultimate use of the Development Project's retail space, which is located on the Development Project's first two floors abutting the light rail station.

At present, the City of Los Angeles is reviewing Casden's entitlement application for the Development Project. As defined in the entitlement application, the Development Project includes 538 apartments in four 8-story buildings set atop two stories (266,800 square feet) of retail space all over a five-level, subterranean parking garage. Casden anticipates that 80% of the retail space will be used for a Target department store and the remaining 20% will be used by a yet-to-be-identified grocery retailer. Casden's entitlement application contemplates use of the Light Rail Property as follows:

- Use of the subterranean portion of the easterly 660 feet of the Light Rail Property for parking related to the development project;
- Use of that portion of the easterly 480 feet of the Light Rail Property lying above-grade, adjacent to and northerly of the contemplated light rail station improvements for retail and apartment improvements;
- Use of that portion of the westerly 400 feet of the Light Rail Property lying at-grade, adjacent to and northerly of the contemplated light rail improvements for driveway access to Sawtelle Boulevard from the Development Project's subterranean parking garage and at-grade loading dock area; and
- Establishment of an at-grade crossing over the Light Rail Property and the light rail tracks just west of the contemplated light rail station improvements for access to Exposition Boulevard from the Development Project's subterranean parking garage. (This would be an at-grade crossing under the light rail tracks if the Sepulveda Boulevard crossing and the station are elevated.)

The above impacts are indicated on Attachment B. Attachment C provides a rendering of the Development Project as viewed from across the Light Rail Property.

POLICY IMPLICATIONS

The recommended actions are consistent with the goals of the Joint Development Policies and Procedures, as the ENA will further the ultimate design of the Development Project as a transit oriented development containing convenient pedestrian and park and ride features that will promote and enhance ridership on the Expo Line. The proposed term of the ENA is longer than the 6-month term set forth in the Joint Development Policies and Procedures. A longer term agreement is necessary to accommodate the design schedules for both the Development Project and Phase 2 of the Expo Line, each of which exceeds the noted 6-month term.

OPTIONS

The Board could choose not to take the recommended actions. Staff does not suggest this option since the only reasonable development potential for the 93-foot-wide Light Rail Property is as part of the Casden property. The Light Rail Property is too narrow to be developed on its own and no other developable property abuts it. Further, execution of the ENA will give the MTA the opportunity to shape the Development Project into a more transit friendly development, with adjacent park and ride spaces and a safe, convenient and attractive pedestrian station connection to Pico Boulevard.

FINANCIAL IMPACT

Funding for joint development activities will come from Project 610011, Task 01.01 in Cost Center 2210.

Impact to Bus and Rail Operating and Capital Budget

Execution of the ENA will not impact ongoing operating costs, because the ENA is a revenue producing and cost reimbursement agreement, providing MTA with a one-time payment of \$25,000 and additional developer funding of all cost's incurred by the Expo Authority and all third-party costs incurred by MTA related to Casden's proposed use of the Light Rail Property and MTA's desired parking and access uses within the Development Project. Staff will report back to the board regarding any increase in operating costs that might result from MTA's use of the Developer Project for parking, pedestrian or other purposes, should the ENA lead to an agreement for such use.

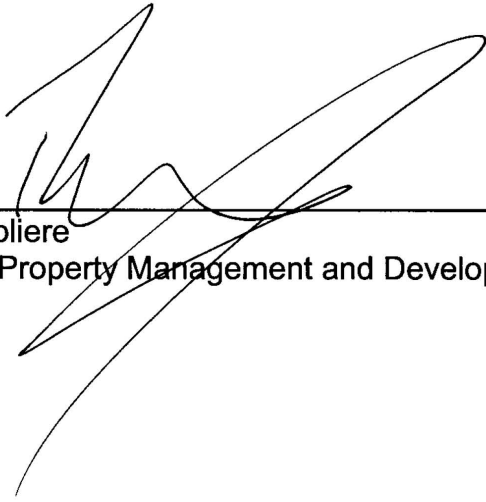
NEXT STEPS

Upon approval of the recommended actions, staff will negotiate and complete the ENA with Casden and the Expo Authority. Upon completion of the same, the ENA will be presented the Chief Executive Officer for execution. If the ENA leads to an agreement regarding Casden's use of the Light Rail Property, staff will return to the board for approval of the proposed use and the agreed upon compensation therefore.

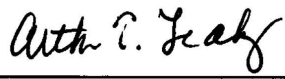
ATTACHMENTS

- Attachment A – Aerial Photo of the Proposed Development Project, Sepulveda Station and the Proposed Sepulveda Station Parking
- Attachment B – Typical Plans for the Development Project Showing the Proposed Use of the Light Rail Property
- Attachment C – Rendering of the Development Project - View from Exposition Boulevard

Prepared by: Greg S. Angelo
 Director of Real Property Management & Development

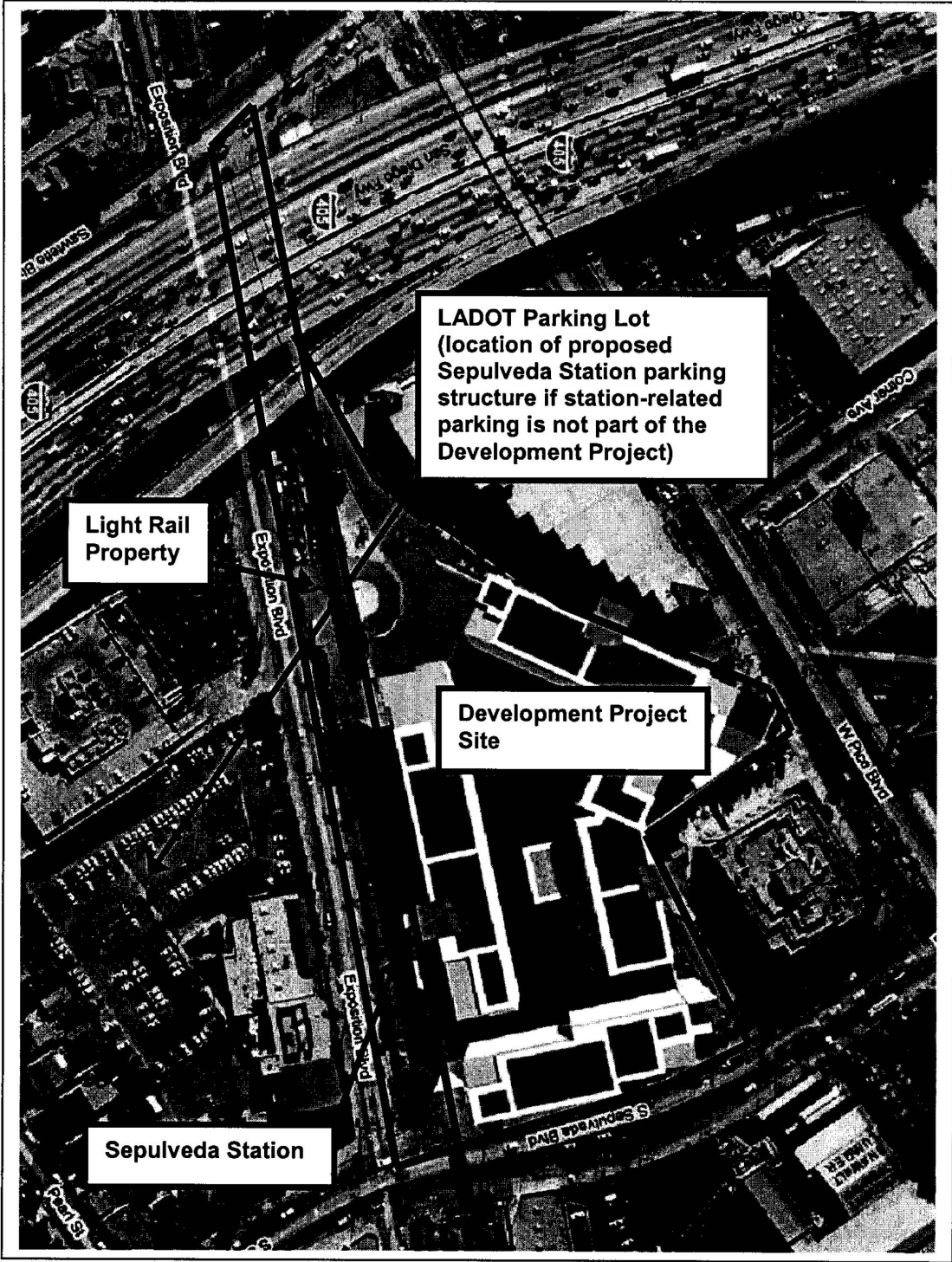


Roger S. Moliere
Chief, Real Property Management and Development



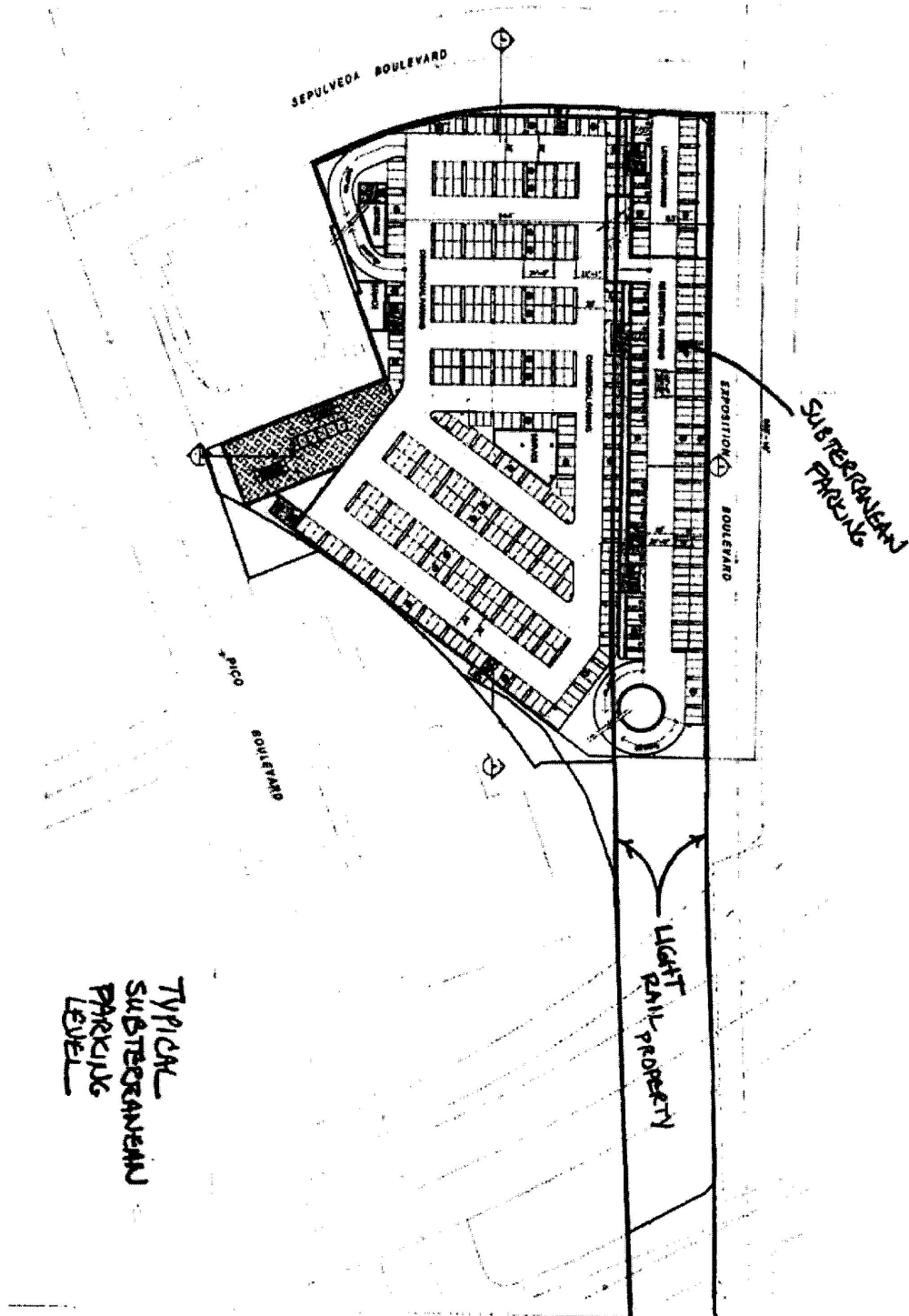
Arthur T. Leahy
Chief Executive Officer

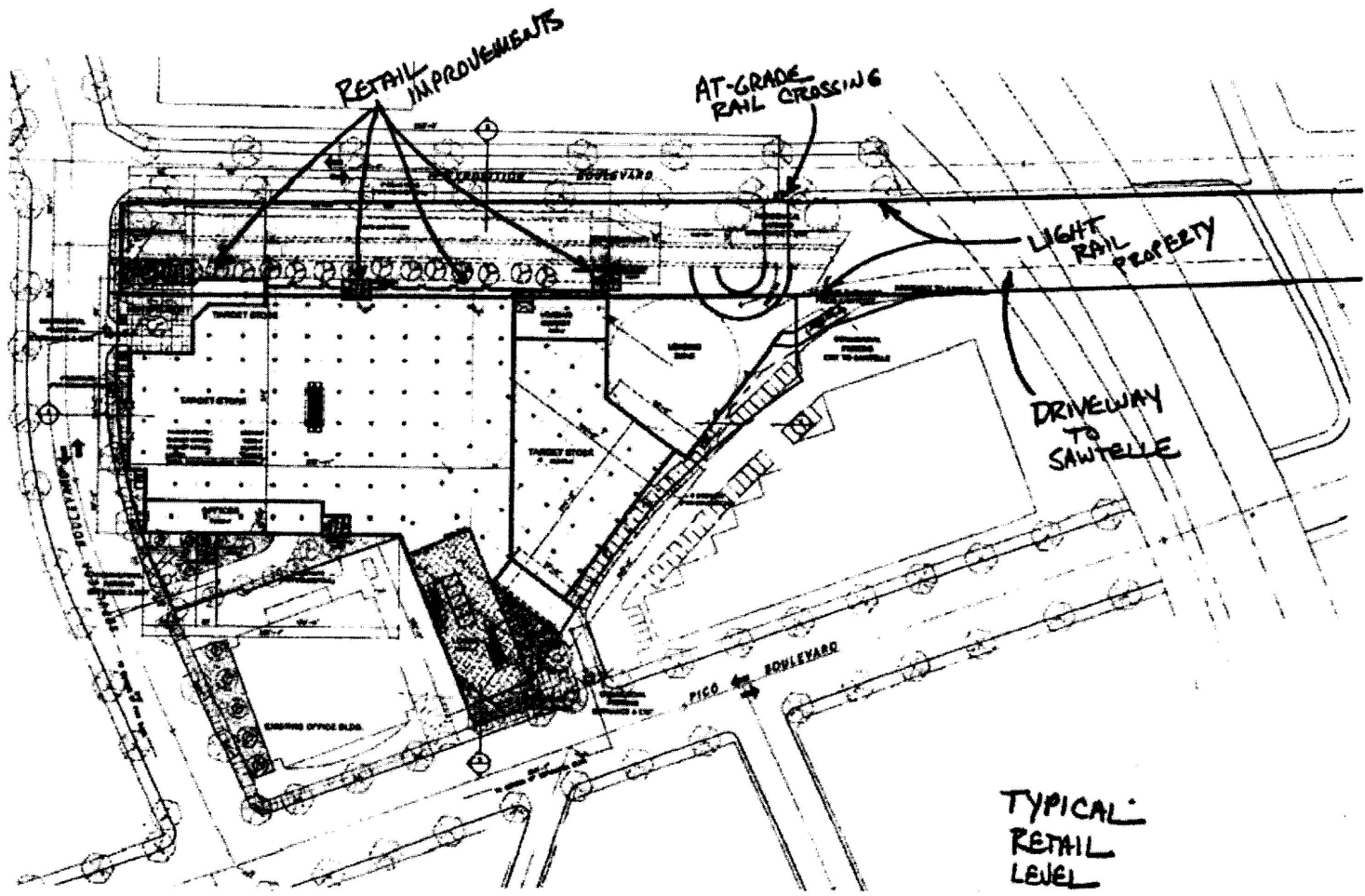
Aerial Photo of the Proposed Development Project, Sepulveda Station and the Proposed Sepulveda Station Parking

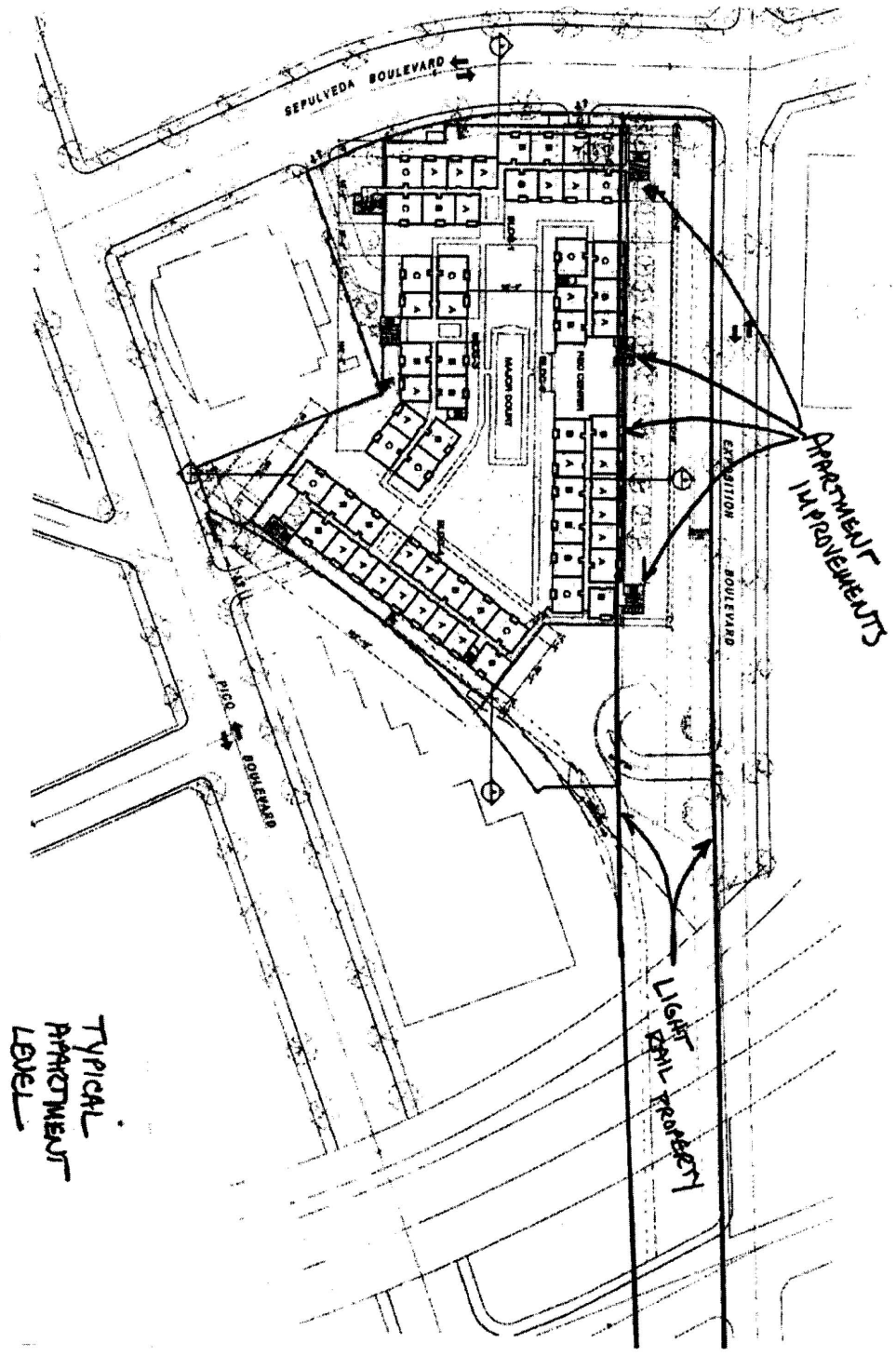


Attachment B

Typical Plans for the Development Project Showing the Proposed Use of the Light Rail Property







Attachment C

Rendering of the Development Project - View from Exposition Boulevard

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Rendering
Cascaden Sepulveda
West Los Angeles, California

DATE: 08/14/14
SCALE: 1/8" = 1'-0"
PROJECT: SEPULVEDA STATION - EXPOSITION LINE (PHASE 2)
DRAWN BY: J. SEPUVEDA
CHECKED BY: J. SEPUVEDA
DATE: 08/14/14

Scale: 1/8" = 1'-0"

DATE: 08/14/14
SCALE: 1/8" = 1'-0"