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**PLANNING AND PROGRAMMING COMMITTEE
JANUARY 17, 2007**

SUBJECT: 1ST AND LORENA JOINT DEVELOPMENT

**ACTION: AUTHORIZE THE EXECUTION OF AN EXCLUSIVE RIGHT TO
NEGOTIATE FOR THE DEVELOPMENT OF METRO PROPERTIES IN
PROXIMITY TO THE METRO GOLDLINE 1ST AND LORENA STATION**

RECOMMENDATION

Authorize the Chief Executive Officer to enter into an Exclusive Right to Negotiate (ERN) with 1st and Lorena LLC (“Developer”) to develop a mixed-use project (described in Attachments A and B) on Metro properties currently being utilized by Metro as a construction staging area (Attachment C).

ISSUE

In February 2006 Metro received one proposal in response to RFP 01JD 2005 Central Area Team (“RFP”) for the development of a Metro property located at 1st and Lorena. The 1st and Lorena LLC team was deemed as qualified in response to the RFP. The Developer’s proposal team was interviewed and its proposal was reviewed by Metro Construction and Operations Staff. The recommended proposal includes a mixed-use development with retail and housing elements and is responsive to the Metro Board adopted development guidelines (Attachment D) for this development site.

BACKGROUND

The 1st and Lorena site (“site”) consists of approximately 34,494 square feet and is currently used as a construction staging area for the Metro Gold Line Eastside Extension. The Site is projected to be available for development at or near the projected completion date of Metro Gold Line construction. The Site is also the location for a yet to be constructed TPSS (traction power sub-station) which has been modified in design to preserve a portion of the site for development.

Metro issued its RFP for the development of six separate development sites in October 2005 consistent with the Metro Board adopted joint development guidelines. Four of the six properties received development proposals. A separate board report is being submitted for each development site receiving proposals. The potential development sites included properties at three Metro Gold Line Eastside Extension stations, two Metro Red Line stations, and one bus layover area (Temple/Beaudry). Over two hundred national and local development and development industry related firms were notified by mail of the RFP resulting in over 80 plan holders downloading the RFP from the Metro website. Metro held a Pre-proposal Conference at the Metro Headquarters Building on Monday November 14, 2005.

Proposed Use:

The Metro Board adopted station area development guidelines for this location were developed with community input and coordination with the local Los Angeles City Council office (CD-14). This proposed development is responsive to those guidelines (Attachment D).

The proposed project includes housing and retail elements, including 43 housing units and 94 parking spaces. The ground floor will include retail space, 2 community rooms, restrooms and a manager's office. The second floor will have 22 rental apartments, and the third floor will have 21 apartment units (all units are affordable). Public subsidy is required and securing the subsidy is a condition for development of the project.

FINANCIAL IMPACTS

Funding for the efforts supporting joint development activities are budgeted in (Real Property Management & Development budget). This development will produce annual revenue upon commencement of construction in 2009). Because of the type of anticipated housing subsidy and concomitant financing structure via tax credits and/or bonds, the housing portion of the project is anticipated to pay a net present value lease payment (one time payment). Additional payments will be on-going from the retail component of the project.

SELECTED TEAM MEMBERSHIP

The firm presenting the proposal is: "A Community of Friends" with Genette Foster as the Development Representative

NEXT STEPS

Staff will negotiate terms and conditions with the selected firm and return to the Metro Board for a request to enter into a Joint Development Agreement and Land Lease. Staff has already begun coordination with the Metro Gold Line construction staff to insure feasibility of the development adjacent to a Metro's TPSS servicing the Metro Gold Line.

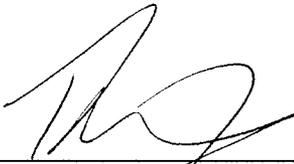
ATTACHMENTS

- ATTACHMENT A: Conceptual Rendering
- ATTACHMENT B: Conceptual Rendering
- ATTACHMENT C: Metro Owned Property, 1st and Lorena
- ATTACHMENT D: Summary of Development Guidelines

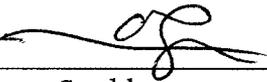
Prepared by: Diego Cardoso, Director, Central Area Planning Team
Robin Blair, Transportation Planning Manager



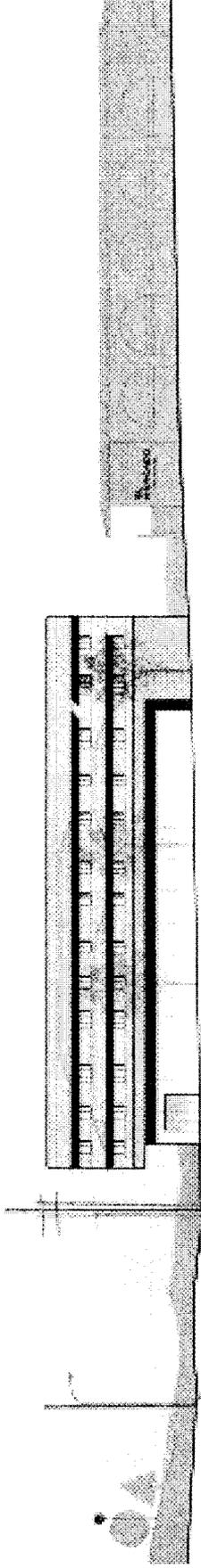
Carol Inge
Chief Planning Officer



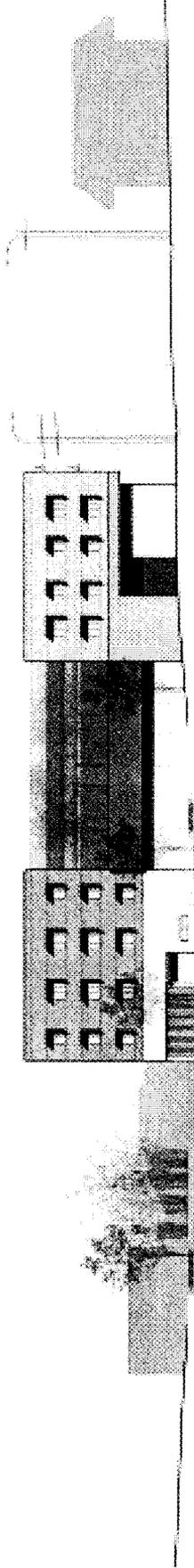
Roger Moliere
Chief, Real Property Management & Development



Roger Snoble
Chief Executive Officer



SOUTH ELEVATION
East Fifth Street

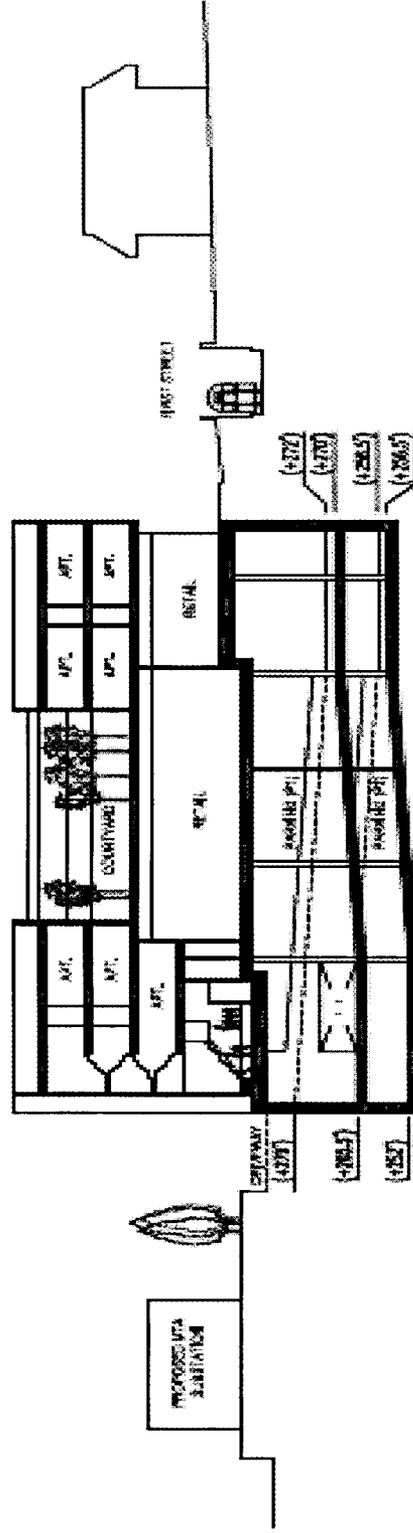


WEST ELEVATION
Lorena Street

1ST & LORENA

SCHEMATIC ELEVATIONS

Community of Friends  
January 27, 2009



1ST & LORENA

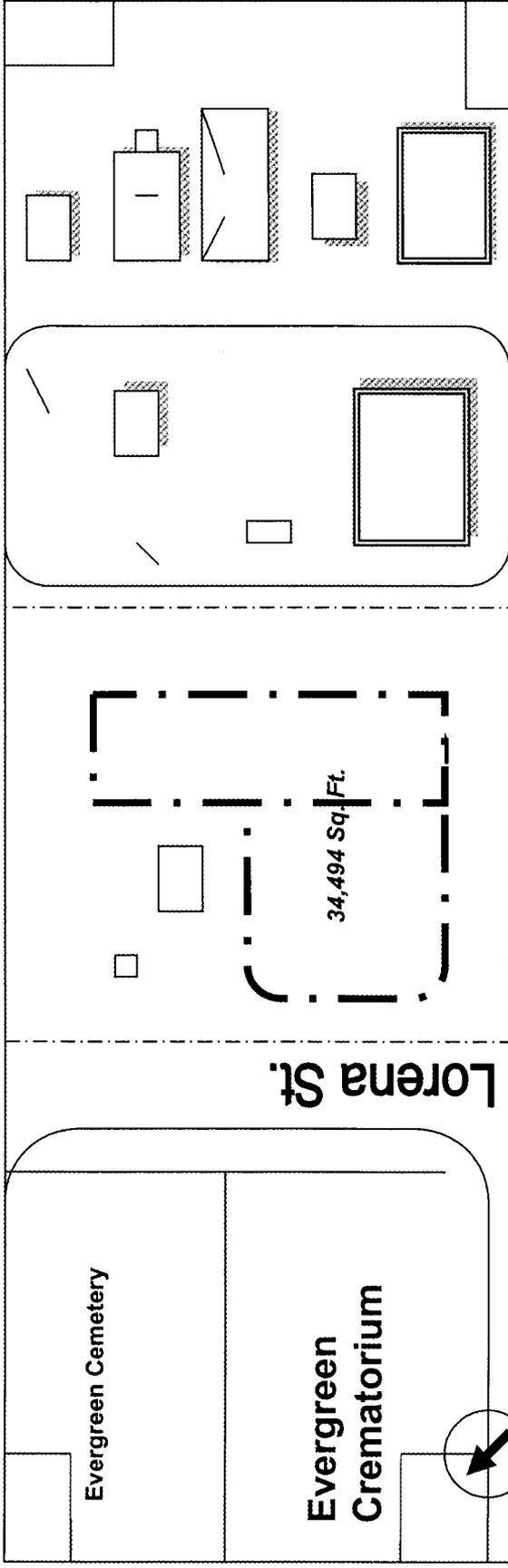
A Community of Flights **PHASE 1**
June 13, 2008

**SCHEMATIC SECTION (REVISED)
NORTH / SOUTH LOOKING EAST**



ATTACHMENT C

First/Lorena Station Area



1st / Lorena Development Site

Los Angeles County Metropolitan Transportation Authority



Metro

ATTACHMENT D

CONCEPTUAL DEVELOPMENT GUIDELINES

1st AND LORENA-

Metro Gold Line Eastside Extension

One parcel: .8 Acres (34,494 square feet)

The developable parcel is located on the northeast corner of 1st and Lorena Streets. The station is located on Indiana Street just west of Lorena Street. The station is approximately 700 feet from this site. The light rail exits the tunnel at this location along the centerline of 1st street and immediately south of the development site. The site has 180 feet of frontage along Lorena Street and 160 feet along 1st Street.

Site Conditions

The First/Lorena Station site's salient demographic characteristics are described below:

- A dense population of 22,693 (2000 Census Study)
- 97% of the residents are Hispanic.
- 33% of the housing is owner-occupied
- 67% of the housing is renter-occupied
- 71% of the housing inventory is more than 40 years old

Area Plans and Zoning

Census Tract: 2039.000
C2-1 Commercial

Background

The Eastside Gold Line planning work included a task called "Eastside Gold Line Community Linkages Program". The purpose of the program is to identify, plan and implement urban design concepts and strategies to maximize integration of the light rail stations/transit service with the communities that it will serve. This integration is achieved through careful design of pedestrian improvements, crosswalks, bicycle access and amenities, streetscape improvements, way finding signage, traffic calming strategies and tree plantings along pedestrian corridors. One element of the program included a task to address future development around stations were Metro owns property that could be used for future joint-development.

Staff and consultants conducted analysis, met with community stakeholders and conducted community presentations to review recommendations. The Eastside Review Advisory Committee endorsed the Eastside Conceptual Development Guidelines.

Community Vision

The Community Linkages Program of the Metro Gold Line Eastside Extension generally recommends a commercial project that is integrated with the Gold Line Station. The proposed land uses include commercial office, retail, and restaurant. Mixed use commercial/residential is an option.

Area Context

Southeast of the site is the proposed 3rd and Indiana station. The plan is to create a link between the station and 1st Street by creating a formal promenade. Adjacent to the site is the renowned "EI Mercado", which is popular for its traditional Mexican artisanry, vendors, restaurants and Mariachi entertainment. The site is across the street from Evergreen Cemetery. Normally an inactive site, the cemetery boundaries have become a place that the community utilizes for recreational exercise. The sidewalk surrounding the cemetery has been modified into a formal soft surface track for local residents to utilize. Eastward, along 1st Street, a multitude of small shops and restaurants line the street. Westward, we find multiple and single family homes. On the north, a veteran's memorial exists. Self-help graphics is also in the area.

Development Guidelines

This site's development scenario consists of a neighborhood serving commercial project on Metro-owned properties.

Commercial/Retail

The area has pedestrian activity and the development of a retail center with small commercial uses would be appropriate at the station site. EI Mercado, which is adjacent to the property, provides compatible uses to any potential commercial project. The intent is to also create a new westerly anchor to the 1st Street Commercial corridor at a highly visible street intersection.

Housing

Multi-family residential is a potential development type at this location. The low inventory of multi-family, senior, affordable housing complexes within Boyle Heights indicates a potential market for this type of development.

Developers considering housing as a component of their proposed project are encouraged to consider the inclusion of housing units affordable to a range of household income levels.

The site is estimated to be available for construction after June 2009. Some potential to develop portions of the site(s) near December 2008 may exist with coordination with the existing construction. The light rail station is scheduled to open to the public in December 2009.

