

**Metro**Los Angeles County  
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metro.net**PLANNING AND PROGRAMMING COMMITTEE  
JANUARY 16, 2013****SUBJECT: CHAVEZ & SOTO - CONCEPTUAL DEVELOPMENT GUIDELINES****ACTION: ADOPT CONCEPTUAL DEVELOPMENT GUIDELINES****RECOMMENDATION**

Adopt the Conceptual Development Guidelines (attached as Attachment A) for 1.95 acres of Metro property located south of Cesar Chavez Avenue between Soto and Matthews Streets in Boyle Heights (the "**Property**").

**ISSUE**

Metro owns, maintains and operates properties throughout Los Angeles County for its current and future transportation operations. As part of Metro's Joint Development Program, staff periodically evaluates these properties for potential joint development and selects properties that are good candidates for the same. The Property appears to be a good candidate for joint development. The creation of site-specific Conceptual Development Guidelines is one of the first steps in Metro's joint development process and Board approval of such guidelines is required by Metro's Joint Development Policies and Procedures.

**DISCUSSION**

The Conceptual Development Guidelines are intended to provide a set of development and planning principles that are applicable to the Property and consistent with Metro's adopted Joint Development Policies and Procedures. The guidelines are not intended to provide specific design and construction-related criteria associated with a particular project. They are meant to provide an initial step in a series of steps towards planning, developing and constructing a joint development project on the Property. If approved, they will be used as part of a Request for Proposals ("**RFP**") that staff will issue to the development community for development of the Property.

The proposed Conceptual Development Guidelines are based on Conceptual Development Guidelines that were developed and approved by the Board in December

2003, updated to reflect (a) current land use and socio-economic data, and (b) input received from the community at a public meeting held by staff on December 6, 2012. The December 2003 conceptual guidelines were based on findings from the community linkages study that was included as part of the planning document for the Metro Gold Line Eastside Extension. This study identified guidelines for the future development of certain property along the Eastside Extension, including the Property. The study also included extensive input from the community and was unanimously approved by the Metro Gold Line Eastside Review Authority Committee. At the time, the study's findings were presented and discussed with various stakeholders at public meetings and with local officials.

The attached Conceptual Design Guidelines apply only to the Property, which totals 1.95 acres in size and is located south of Cesar Chavez Avenue between Soto and Matthews Streets in Boyle Heights, as depicted in the Conceptual Development Guidelines.

### Background

As noted above, Conceptual Development Guidelines were prepared for the Property and were adopted by the Board in December 2003. These guidelines were included as part of an RFP used to solicit development proposals for the Property. A developer, JSM Construction, was selected via a competitive solicitation process and their selection was approved by the Board in December 2006. However, as a result of the turmoil in the credit markets and the decline in the overall economy in 2007 and 2008, JSM never proceeded with their project and Metro has terminated their development relationship with them. Adoption of the proposed Conceptual Development Guidelines will restart the joint development process with respect to the Property.

### Policy Implications

The recommended action is consistent with Metro's Joint Development Policies and Procedures.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on safety.

### **FINANCIAL IMPACT**

Funding for joint development activities related to the Conceptual Design Guidelines and any subsequent development activity related thereto, including the solicitation for development proposals is included in the FY13 budget in Cost Center 2210 (New Business Development), under Project 610011 (Economic Development).

Since development of the Property is a multi-year process, the Chief, Real Property Management & Development, will be accountable for budgeting any costs associated with such development in future years.

#### Impact to Budget

The source of funds for joint development activities is local right-of-way lease revenues, which are eligible for bus/rail operating and capital expenses. Adoption of the Conceptual Development Guidelines 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 proposed Conceptual Development Guidelines. Staff is not recommending this alternative, as the community is looking forward to development of the Property, and, absent Board-adoption of the proposed guidelines, joint development of the Property could not proceed in accordance with Metro adopted policies.

#### **NEXT STEPS**

After adoption of the Conceptual Development Guidelines, Metro staff will prepare and issue an RFP for the development of the Property. The RFP will include the adopted guidelines.

#### **ATTACHMENT**

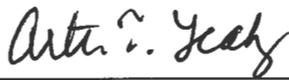
Attachment A - Conceptual Development Guidelines

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Chief Executive Officer

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
("Metro")**

**CHAVEZ-SOTO AREA  
CONCEPTUAL DEVELOPMENT GUIDELINES**

**A. SITE DESCRIPTION**

Metro owns four parcels with a total area of approximately 3.55 acres generally located along Cesar Chavez Avenue between Soto and Fickett Streets in the Boyle Heights area in the City of Los Angeles. These properties were acquired by Metro originally as a station site for the extension of the Metro Red Line to the Eastside. The final rail alignment chosen moved the station from Cesar Chavez Avenue and Soto Street to its current location at 1<sup>st</sup> and Soto Streets. Since then, the properties have served as construction staging and administrative site for various Metro projects. (See Exhibit 1 - Metro Gold Line Eastside Extension System Map.)

The four parcels are separated by Matthews Street and alleys. The westerly two parcels have frontage on Cesar Chavez Avenue and Soto Street and the easterly two parcels have frontage on Cesar Chavez Avenue and Fickett Street. The westerly two parcels total approximately 1.95 acres, while the easterly two parcels total approximately 1.60 acres. (See Exhibit 2 - Metro Property Map.)

**These Conceptual Development Guidelines were developed for the westerly two parcels (the "Property". The two easterly parcels are not covered under these guidelines and are being developed separately.**

**B. AREA CONTEXT**

There are a wide variety of neighborhood-serving uses near the Property, particularly along Cesar Chavez. While institutional uses are present, the majority of the area's commercial establishments are of the mom-and-pop variety including small eateries, grocery and fresh produce stores, a local drugstore, apparel shops, and the like. There are two large restaurants serving a broad clientele and a relatively new Wallgreens drugstore a few blocks from the Property, all along Cesar Chavez. (See Exhibit 3 - Site Context.)

**C. AREA PLANS AND ZONING**

Based upon the Boyle Heights Plan Area adopted by the City of Los Angeles, a portion of the Property is zoned R4-1, which allows for multiple dwellings and a portion is zoned C2, which allows commercial retail activities and manufacturing for retail sales.

## D. DEVELOPMENT GUIDELINES

These conceptual development guidelines are intended to provide a set of development and planning principles that are applicable to the site and consistent with Metro's adopted Joint Development Policies and Procedures. The guidelines are not intended to provide specific design and construction-related criteria associated with a particular project. They are meant to provide the first step in a series of steps towards planning, developing and constructing a joint development project. (See Exhibit 4 - Metro's Joint Development Process.)

The Gold Line Eastside Extension planning document included a community linkages study. The Community Linkages Study's main objective was to identify, plan, and implement urban design concepts and strategies to maximize integration of the light rail stations with the communities they will serve. In addition, the study included potential uses that could be included in future joint developments at certain Metro-owned property, including the Property. Findings from this study were presented and discussed with various stakeholders at public meetings as well as with local officials. These findings, along with recent land use and socio-economic updates, provide the bases for the following development guidelines.

### 1. Urban Design

Proposed development shall adhere to urban design principles that achieve the following goals:

- a. Promote transit: Through coordination with Metro and the City of Los Angeles Department of Transportation, the development should enhance public transit by supporting the integration of available transit modes, especially in the immediate vicinity of the station.
- b. Maintain and enhance existing residential neighborhoods: Development should be sensitive to existing neighborhoods and surrounding areas.
- c. Create a sense of place: Development should create a location that is vibrant, visually pleasing, and generally improves the urban fabric and district of which it is a part.
- d. Provide a secure environment: The design and operation of proposed development uses shall promote safety for transit patrons, potential private development patrons, and adjacent uses.

### 2. Land Use

The Metro parcels are some of the largest vacant parcels in the area. Combined, these parcels present a significant development opportunity. Metro envisions a multi-use project that could include both commercial and residential uses and provide the neighborhood with a major commercial center. Development shall be pursued in a manner that encourages existing entrepreneurs and expands the commercial base while maintaining a neighborhood feel.

3. Housing

Earlier community meetings indicated a need for multi-family for-sale housing to increase home ownership in the community. A majority of the housing stock in the neighborhood consists of older and rental units. The American Community Survey (ACS) for the period between 2006 and 2010 reported that almost 30 percent of the housing stock within the area was built in 1939 or earlier. ACS also reported that over 65% of total housing stock consisted of rental units, with vacancy at a low 1.9 percent.

4. Commercial/Retail/Entertainment

Community representatives in public meetings held prior to 2012, indicated the need for a larger commercial venue that includes restaurants, retail shops, and entertainment facilities to serve the community.

**D. COMMUNITY MEETING**

On December 6, 2012, Metro staff held a meeting with the Boyle Heights community seeking input regarding Metro's desire to develop the Property. The meeting was well attended. Comments received from the community, included the desire for the following uses in Boyle Heights (Comments not Specific to the Property) and at the Property (Comments Specific to the Property)<sup>1</sup>:

Comments Not Specific to the Property:

- Grocery store/market
- Movie theatre
- Restaurant
- Affordable housing
- No more affordable housing
- Street vending uses
- No street vending uses
- Laundromat
- Health club/fitness facility
- Secure bicycle parking

Comments Specific to the Property:

- No pharmacy or drug store
- Parking for existing commercial establishments in the area

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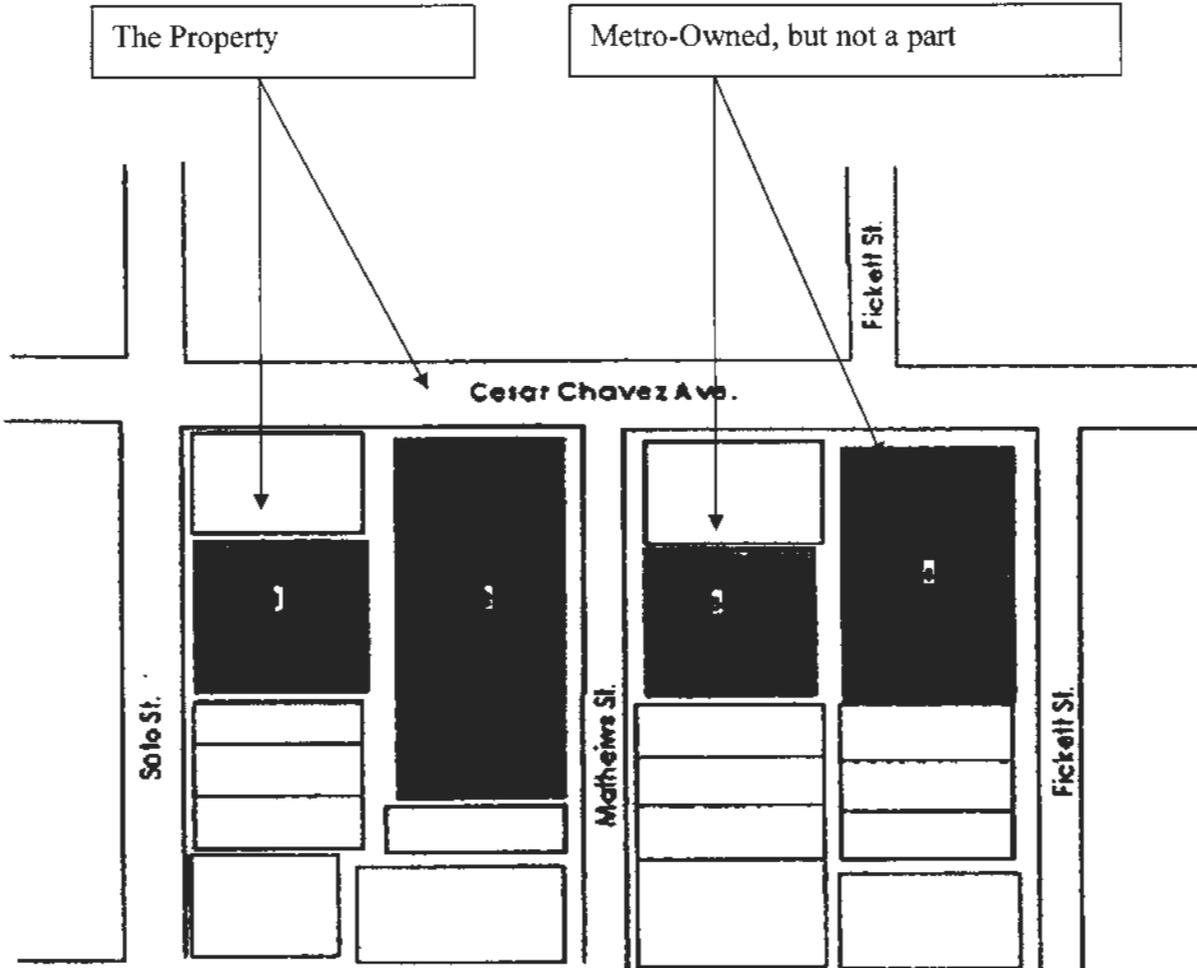
<sup>1</sup> Note that some of the comments conflict with one another and may or may not be permissible uses under applicable legal authority and/or policy, but are presented unedited as received.

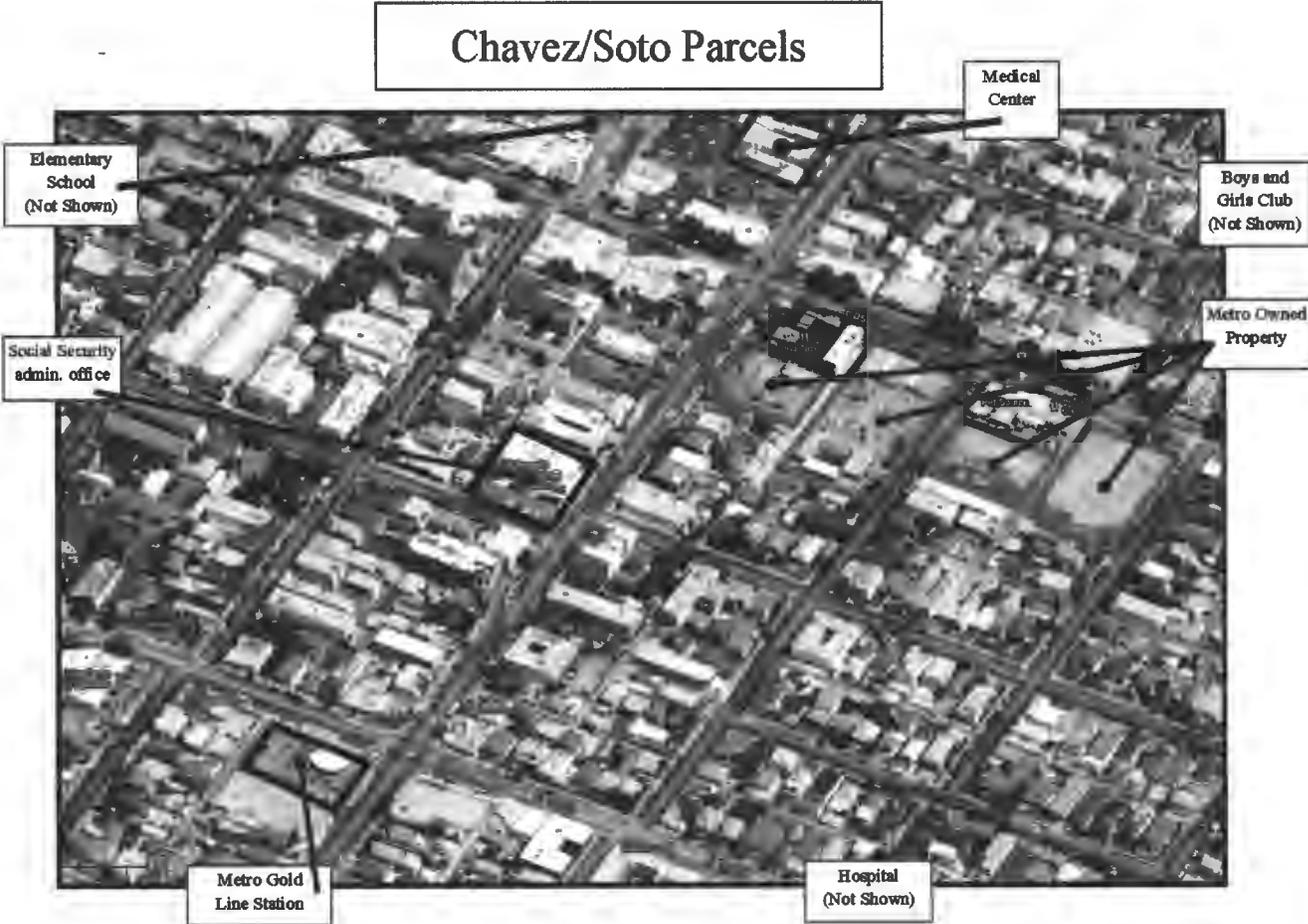
- Mixed-use retail, residential and office uses
- Health club/fitness facility

Exhibit 1  
Metro Gold Line Map



Exhibit 2  
Parcel Map





**ATTACHMENT 4**  
**METRO'S JOINT DEVELOPMENT PROCESS**

	MTA Board Approves Design Guidelines	Developer RFP Selection & MTA Board Authorizes ENA	Exclusive Negotiation/ Developer Due Diligence	MTA Board Approves JDA	Design, Entitlements & Construction (1)
Community Participation	 Community Planning and MTA Board Input	 MTA Board Input		 MTA Board Input	 Community Design and Entitlements Process Input
MTA	<ul style="list-style-type: none"> <li>Board adopts planning and design guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Solicit/receive proposals</li> <li>Evaluate proposals</li> <li>Board authorizes CEO to enter into Exclusive Negotiation Agreement (ENA) with recommended developer</li> </ul>	<ul style="list-style-type: none"> <li>Concept design</li> <li>Schedule</li> <li>Financial plan and pro-forma</li> <li>if unique deal</li> <li>Developer's due diligence includes consultation with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Board approves Joint Development Agreement (JDA)</li> </ul>	<ul style="list-style-type: none"> <li>Final design</li> <li>Entitlements process, permits, and approvals</li> <li>Environmental clearance</li> <li>Construction</li> <li>Occupancy</li> </ul>
Approximate Schedule	4 months →	6 months →	6 months →	1 month →	24 months →
		Approximate	overall time frame:	40 months	
	Where we are now				

(1) Proposed use requires local jurisdiction approval and may include environmental, zoning, and local consistency plan review and public hearings.

This joint development process is based upon Metro Joint Development Policies and Procedures adopted in 2005.