



Metro

Los Angeles County
Metropolitan Transportation Authority

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NOVEMBER 17, 2017

TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON *PAW*
CHIEF EXECUTIVE OFFICER

FROM: THERESE MCMILLAN *Theresa*
CHIEF PLANNING OFFICER

SUBJECT: VERMONT/SANTA MONICA STATION
JOINT DEVELOPMENT

ISSUE

In response to an unsolicited proposal, Metro publicized its interest in the joint development of Metro-owned properties at the Vermont/Santa Monica Red Line Station (See Attachment A – Site Map). The purpose of the public posting was to allow for comments on the unsolicited proposal and to solicit competing proposals. A competing proposal was received on October 23, 2017.

BACKGROUND

In January 2017, Metro received an unsolicited Joint Development Phase 1 Conceptual Proposal (“Phase 1 Proposal”) which contemplates joint development of a mixed-use project with affordable housing at the Vermont/Santa Monica Station. In accordance with the Joint Development Unsolicited Proposals Policy (“JD UP Policy”), an evaluation committee made up of Metro staff reviewed the Phase 1 Proposal and determined the project warranted additional consideration. After receiving CEO approval in February 2017 to proceed, the proposer was invited to submit a Phase 2 Detailed Proposal (“Phase 2 Proposal”) which was received in April 2017. Staff reviewed the Phase 2 Proposal and, with CEO’s concurrence, recommended that the proposed project be advanced to the next stage of consideration for joint development.

Per Federal Transit Administration (FTA) requirements and the JD UP Policy, Metro publicized its interest in the joint development of this site for 30 days in order to provide adequate opportunity for interested parties to comment or

submit competing proposals. This was posted on the Metro Vendor Portal, run in the *Los Angeles Times*, and sent to Metro's Joint Development interested developers email list. Metro staff also notified the Office of Los Angeles City Councilmember Mitch O'Farrell, the East Hollywood Business Improvement District (BID), and the East Hollywood Neighborhood Council to make them aware of Metro's interest in joint development at the Vermont/Santa Monica Station.

COMPETING PROPOSAL

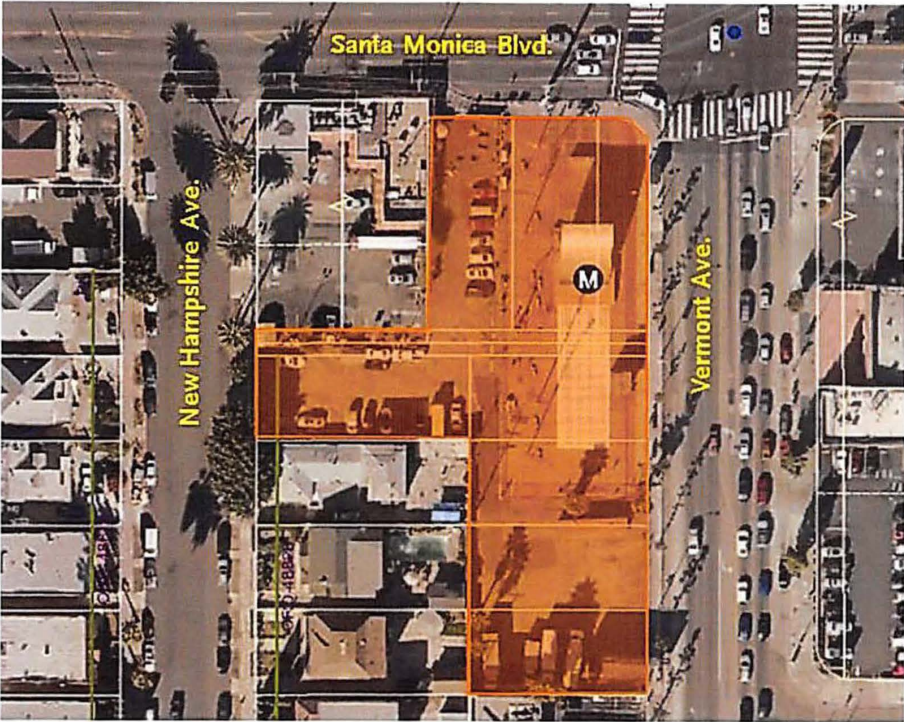
A competing proposal was received on October 23, 2017. The competing proposal contemplates a mixed-use project with affordable housing at the Vermont/Santa Monica Station. In accordance with the JD UP Policy, an evaluation committee made up of Metro staff performed a Phase 1 threshold review and evaluation of the competing proposal and determined that it meets the preliminary requirements. However, at this time the evaluation committee concluded the original unsolicited proposal has greater potential to advance Metro's Transit Oriented Communities objectives and Joint Development Policy goals, and therefore recommends pursuing the original unsolicited proposal.


NEXT STEPS

Metro will notify the competing proposer of its decision. Staff will negotiate an Exclusive Negotiation Agreement and Planning Document (ENA) with the original proposer and in the first quarter of 2018 will present to the Board a recommendation to authorize execution. In the event the original proposal does not advance, Metro may contact the competing proposer to determine if there is still interest in pursuing joint development of this site and invite them to submit a Phase 2 Detailed Proposal.

Should you have any questions please contact Wells Lawson, Sr. Director in Countywide Planning and Development at (213) 922-7217 or Jenna Hornstock, Executive Officer for Transit Oriented Communities at (213) 922-7437.

Attachment A – Site Plan



-  Vermont/Santa Monica Station
-  Metro properties