



Metro

June 15, 2006

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER

FROM: ROGER MOLIERE
EXECUTIVE OFFICER, REAL PROPERTY MANAGEMENT &
DEVELOPMENT

SUBJECT: EL MONTE TRANSIT VILLAGE - STATUS REPORT

ISSUE

This Board Box item provides information and a status report relating to significant ongoing study and planning efforts for the proposed development of the El Monte Transit Village ("Transit Village"). Studies and analyses are underway which may ultimately result in recommendations to your Board for both the re-configuration Metro-owned land as well as transit oriented development opportunities that are expected to be available for your Board's consideration in the near-term future.

DISCUSSION

The Transit Village area is comprised of over 55 acres of total land area including and adjacent to Metro's El Monte Bus Terminal. The area is graphically depicted on the attached map (Exhibit A). All of the included Transit Village property is now owned by the parties jointly undertaking the current study - Metro, Caltrans and the City of El Monte. In February of 2006, Metro entered into a Memorandum of Understanding (the "MOU") among The City of El Monte, the El Monte Community Redevelopment Agency, Caltrans and Metro, to consider the feasibility of undertaking the redevelopment of publicly and privately held lands in close proximity to the El Monte Busway Terminal - including the integration of high-density residential and mixed-use development

BACKGROUND

The El Monte Busway, completed in 1974, is approximately 11 miles long and connects to Union Station in downtown Los Angeles with travel times of approximately sixteen minutes. In addition, Metro's Sector Office for Division 9 is housed at the El Monte terminal area and the terminal is utilized by Foothill Transit and Greyhound Bus Lines as well as Metro to

serve the San Gabriel Valley, and is one of the nation's busiest bus-only terminals. The nearby Metrolink station, while not part of the project area, also provides additional transportation connections.

Metro has recently broken ground for construction of its new Transportation Office and Sector Administration Building - being constructed on Caltrans land adjacent to Metro's bus yard - and various of the park-and-ride lots, parking structure and bus access-ways and turnarounds are located on the Metro and Caltrans parcels. The property adjacent to the Metro/Caltrans properties is all currently owned by the City of El Monte.

In 1986 a previous memorandum of understanding was executed among the El Monte Community Redevelopment Agency, the Southern California Rapid Transit District (a predecessor transportation agency to Metro) and Caltrans for the purpose of considering joint development of the site area to integrate transit as well as housing, retail, commercial and other uses. Since the time of the 1986 agreement and the adoption of a new redevelopment plan for downtown El Monte, the State of California has enacted the Transit Village Development Planning Act of 1994, intended to increase transit ridership and reduce vehicle traffic on highways by encouraging new development and redevelopment on lands close to transit stations such as the El Monte Busway Terminal.

Various planning and development efforts were sporadically undertaken in succeeding years. However, in 2002 and 2003, more concentrated planning efforts occurred as the City of El Monte entered into an exclusive agreement with Titan Group to provide conceptual development plans for the area.

The recent planning and analytical efforts involving the El Monte Transit Village project involve a joint undertaking among Metro, Caltrans, the City of El Monte and its Community Redevelopment Agency. Current efforts include the City, as lead agency, undertaking various traffic and environmental studies as well as regular meetings of the MOU participants to further the planning process.

Potential Project Scope:

The large project area will likely be developed in phases, with the earliest activity being concentrated on City-owned lands adjacent to the Caltrans/Metro site. This is currently envisioned as a mixed use residential/retail site that will contain primarily for-sale housing (some 900 units) with a smaller number of apartment rental units (approximately 300 units) and with a substantial affordable component to each. In addition, early phases are also scheduled to include substantial retail components as well as public amenities, including new parks, creation of a river walkway along with other pedestrian water-oriented features, bikeways and other public improvements as an adjunct to the first project phases.

Proposed joint public-private development of Caltrans and/or Metro sites, will be in later phases, however as an initial planning and land use matter, Metro and Caltrans are exploring and analyzing lot line adjustments and/or land swaps to more appropriately align ownership of underlying land with the uses of each entity. In addition, both Metro and Caltrans are participants in the analysis of the overall development planning and in the City's process of specific re-zoning for the area which, among other things, will create new developable air rights and entitlements encompassing Caltrans and Metro land. These new specific zoning activities will, in turn, facilitate potential later public/private development over Metro operations as part of the Transit Village project.

Transit Village Concept:

Metro's El Monte terminal, along with the adjacent Caltrans and City properties, are uniquely situated to creation of a true "transit village". Modern-era transportation-oriented development planning concepts for such areas envision a large development district that addresses the following characteristics:

- A neighborhood centered around a transit station that is planned and designed so that residents, workers, shoppers, and others find it convenient and attractive to patronize transit.
- A mix of housing types, including apartments, within not more than a quarter mile of the exterior boundary of the parcel on which the transit station is located.
- Other land uses, including a retail district oriented to the transit station and civic uses, including day care centers and libraries.
- Pedestrian and bicycle access to the transit station, with attractively designed and landscaped pathways.
- A transit system that encourages and facilitate intermodal service, and access by modes other than single occupant vehicles.
- Increased transit revenue yields
- Promotion of a safe, attractive, pedestrian-friendly environment around transit stations
- Reduction of the need for additional travel by providing for the sale of goods and services at transit stations.

Demonstrable public benefits beyond the increase in transit usage also include the following:

- Relief of traffic congestion.
- Improved air quality.
- Increased stock of affordable housing.
- Redevelopment of depressed and marginal inner-city neighborhoods.
- Promotion of infill development and preservation of natural resources.
- Promotion of job opportunities.
- Improved cost-effectiveness through the use of the existing infrastructure.

- Increased sales and property tax revenue.
- Reduction in energy consumption.

We believe that the El Monte Transit Village promises to embody all or these characteristics and advantages.

In addition, the potential development also holds significant advantages in terms of Metro's longer-term planning for the bus maintenance and other facilities that are part of the project area, including making available additional funding opportunities and sources for upgrades and modernizations to existing facilities, access-ways and parking and operational facilities.

Governmental and Agency Involvement:

In addition to the direct involvement of the City of El Monte and its Redevelopment Agency, there have been strong indications of interest from various state legislators who have evidenced a willingness to advocate funding aid from state sources. Also, the County of Los Angeles is currently studying a possible amendment to its tax increment sharing agreement under which it would defer receipt of some funds in order to catalyze first phase infrastructure. Given that the targeted development area does not now produce taxes, the County could eventually benefit substantially from a successful mixed-use project at the El Monte site.

NEXT STEPS

It is our intention to continue active participation in the planning and analytic processes for the Transit Village project and, specifically as an immediate measure, to explore the viability of land ownership-use reallocation of Metro's El Monte property and facilities. Our longer-term goals include potential participation in public/private joint use projects that will advance transit and adjunct uses affecting Metro holdings as the planning process matures and specific opportunities arise. We intend to keep your Board advised as the process evolves and develops.