

CONCEPTS & Pro Forma Reports

ATTACHMENT C

3.1 CONCEPTS

Concepts were initially crafted and then narrowed to the final seven presented in this section of the report. These seven concepts:

- Evaluate market-rate and affordable/supportive housing types
- Reflect City and local developer input
- Create a range of configurations by creating districts which can be interchanged, phased, and adjusted to allow versatility for potential future development partners
- Encourage a mixture of uses (retail, residential, offices, affordable housing, supportive services) which not only complements the neighborhood built scale but also reflect the market study
- Allow for phased, efficient development that can be adjusted according to the market demand
- Provide accessible open spaces along the site for short term programming for the community
- Encourage a refined parking system to accommodate existing services and future development requirements



Figure 3.1. Site, looking east from existing facilities

3.2 LINEAR



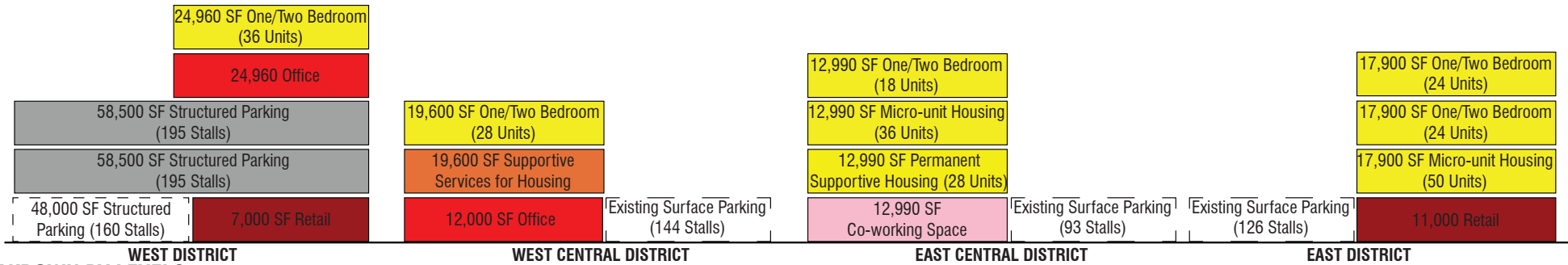
Figure 3.2. Rendered view, looking west from Orangethorpe Avenue

ELEMENT	STRENGTHS	WEAKNESSES
BUS OPERATIONS	Retains the existing bus circulation layout	-
CIRCULATION	Retains the existing bus parking (10 bus pads)	-
COMMUNITY	Addresses the goal of community by satisfying demands of affordable housing and supportive services	Lack of proper transition between areas with different types of land uses
DEVELOPMENT DENSITY	Consistent with the market study demand analysis	Difficult to meet the criteria of +/- 150 Units/district
ECONOMICS	-	Requires shared land-uses between districts to meet +/- 150 unit requirement
PARK-AND-RIDE	Distinct Park-and-Ride allocated near the bus parking	-
PARKING	Retains the existing surface parking	Large, uninviting parking areas
PUBLIC SPACE	-	Core of activity missing around the bus parking

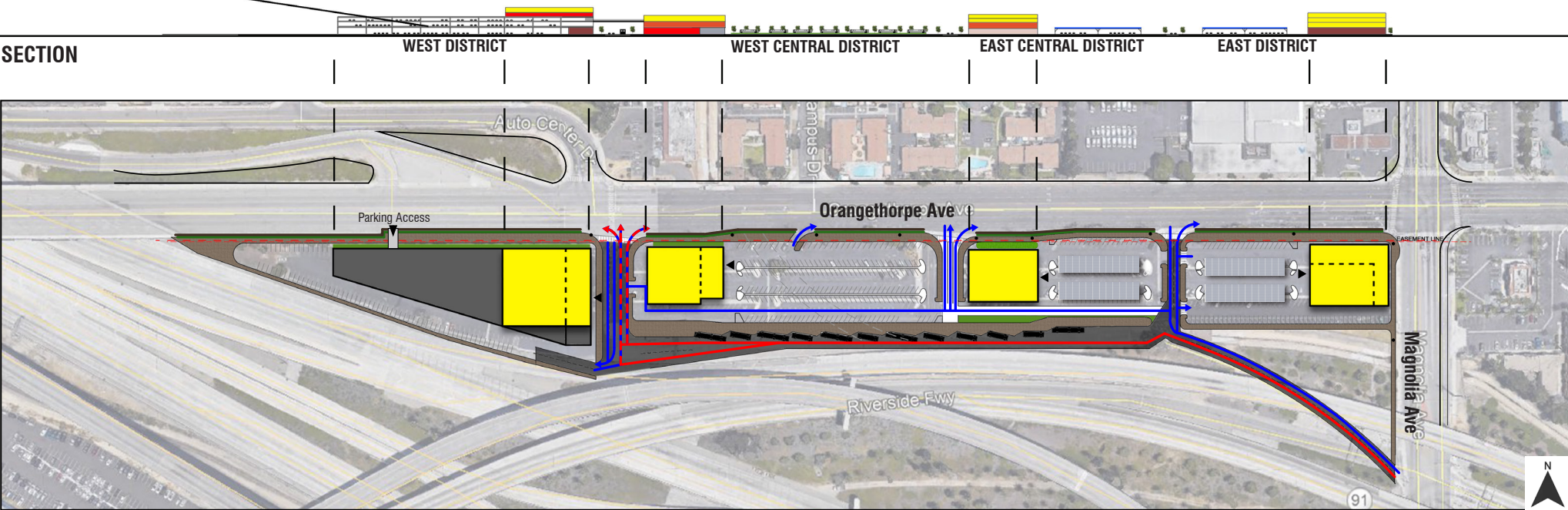
Table 3.1. Strength and Weakness Analysis

Required	+/- (37-44) Stalls	31 Stalls	71 Stalls	OCTA 265 Stalls	139 Stalls Available	34 Stalls	56 Stalls	+/- (28-34) Stalls	OCTA 144 Stalls	+/- (48-55) Stalls	39 Stalls	+/- (129-84) Stalls	49
Provided	550 Stalls					124 Stalls Required	144 Stalls			93 Stalls		7 Stalls Required	126

PARKING ALLOCATION



BREAKDOWN BY LEVELS



PLAN (linear)

Summary	Area (SF)	Area/Unit or Stall (SF)	Units	Stalls
One/Two Bedroom Unit	93,350	700	130	160
Micro-unit	30,890	350	88	44
Permanent Supportive Housing	12,990	450	28	14
Supportive Services for Housing	32,590			93
General & Community Retail	18,000	-	-	79
Co-working Space	12,990	-	-	37
Office	36,960	-	-	105
OCTA Stalls Required	-	-	-	409
Non OCTA Stalls Required	-	300	-	497
Total Stalls Required	-	-	-	906
Total Stalls Provided	-	-	-	913

- Bus movements
- Auto movements
- Shared lane
- Sidewalk
- One way bike lane
- Planting strip/buffer
- Pedestrian bridge
- Building access
- Flood control easement
- Powerline pole
- Pick up / drop off zone
- Solar carports
- Structured parking
- Proposed bus park with transition plaza
- Plaza/ Event space/ Multipurpose area
- Transit facilities
- Office
- Residential
- Community retail
- Co-working Space
- Supportive Services for Housing

3.2.1 PROFORMA (LINEAR OPTION)*

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

Item	Land Use						
	Apartments	Micro Units	Permanent Supportive Housing	Office	Retail	Private Structured Parking	OCTA Structured Parking
Revenues							
Annual Net Operating Income	\$1,909,309	\$720,762	\$0	\$1,284,449	\$393,984		
Desired Yield on Cost*	5.50%	5.50%	5.50%	7.50%	7.50%		
Net Building Value (Supportable Development Costs)	\$34,714,716	\$13,104,756	\$0	\$17,125,992	\$5,253,120		
Net Building Value per Unit/Building SF	\$267,036	\$152,381	\$0	\$246.24	\$291.84	N/A	N/A
Costs							
Total Development Costs	\$29,672,994	\$10,715,940	\$4,176,533	\$15,829,024	\$3,509,818	\$16,153,800	\$1,831,200
TDC per Residential Unit/Commercial SF/Stall	\$228,254	\$124,604	\$149,162	\$227.59	\$194.99	\$32,700	\$32,700
Land Value							
Supportable Residual Land Value	\$5,041,722	\$2,388,816	\$0	\$1,296,968	\$1,743,302	-\$16,153,800	-\$1,831,200
Land Value per Unit or Bldg SF	\$38,782	\$27,777	\$0	\$18.65	\$96.85		
SUM OF TOTAL PROGRAM LAND VALUES				PRIVATE	\$10,470,808	PARKING	-\$17,985,000
Starting Annual Ground Lease at 6% of Value					\$628,248		
Annual Debt Service on Parking Costs**							-\$1,169,950
Years of Ground Lease Payment until OCTA Parking Costs are Repaid***							38
NPV of OCTA Revenues over 50 Years at 5% Discount Rate							-\$1,958,727

Table 3.2. Proforma Summary (Linear Option)

*Based on recent property sale transactions in the area and EPS professional judgment.

**Assumes OCTA issues debt for full structured parking cost at 5% interest with 30-year amortization.

***Assumes ground lease payments escalate 2% annually while debt service payment remain constant.

ASSUMPTIONS

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

[1] For these calculations, the parking costs for housing and commercial spaces are assumed to be provided as structured parking. Site plan shows 550 structured parking spaces and 363 retained surface spaces.

[2] Based on CoStar market research for smaller units, with 10% premium for new construction.

[3] All Building Direct Costs assume prevailing wage requirements and are based on the following sources:

- Residential based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Apartment, 4-7 stories, plus a 10% premium per sq. ft. for micro units.

- Office based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles.

- Retail based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Store, Retail, less an assumed savings of \$25 because the proposed retail is in the ground floor of residential and garage buildings.

- Structured parking based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Garage, Parking



Figure 3.3. Rendered view of the proposed bus parking

3.3 LAYERED



Figure 3.4. Built form context

ELEMENT	STRENGTHS	WEAKNESSES
BUS OPERATIONS	14 bus pads with a layered parking layout	Requires a disruption to existing bus service to change operational configuration
CIRCULATION	Centralizes bus operations thereby reducing the walking distances from parking areas.	Disrupts the existing bus layout
COMMUNITY	Addresses the goal of community by satisfying demands of affordable housing and supportive services	-
DEVELOPMENT DENSITY	High-density development allowing for more residents and employees thereby increasing transit ridership	-
ECONOMICS	-	Requires structured parking for full buildout
PARK-AND-RIDE	-	Requires a parking structure to support the density
PARKING	Parking structure wrapped with active uses. Distinct parking areas defined by uses	-
PUBLIC SPACE	Increased open space opportunities	Core of activity missing around the bus parking

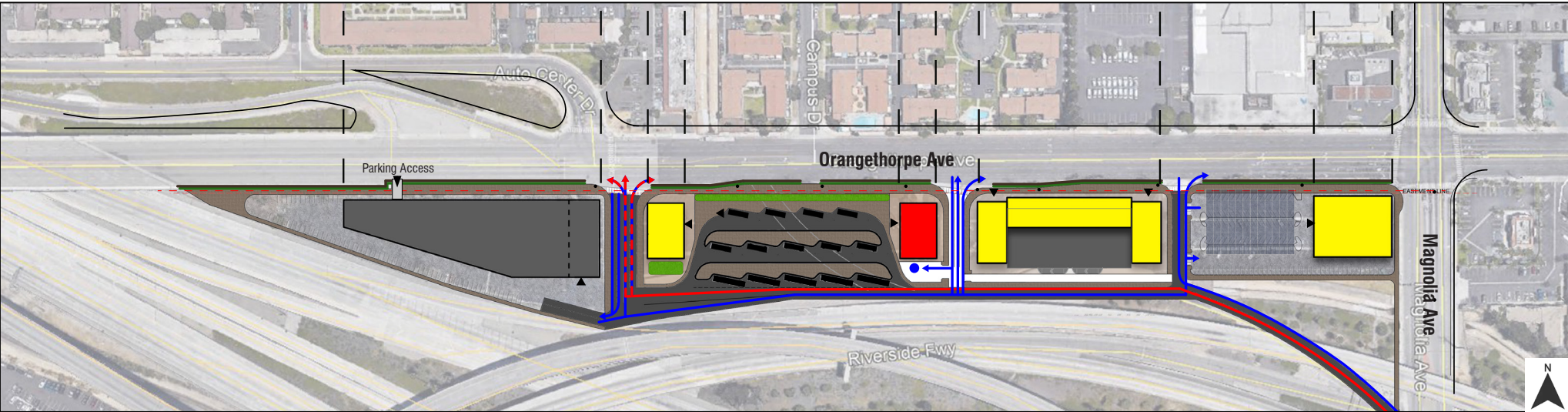
Table 3.3. Strength and Weakness Analysis

Required	+/- (15-18) Stalls	66 Stalls	41 Stalls	OCTA 409 Stalls	20 Stalls	+/- (164-188) Stalls	53 Stalls	4 Stalls Available	+/- (46-59) Stalls	77 Stalls
Provided	550 Stalls				4 Stalls Required	241 Stalls		140 Stalls		

PARKING ALLOCATION

				26,600 SF One/Two Bedroom (38 Units)					
				26,600 SF One/Two Bedroom (38 Units)					
58,500 SF Structured Parking (195 Stalls)		7,200 SF Permanent Supp- ortive Housing (16 Units)	7,200 Office	26,600 SF One/Two Bedroom (38 Units)	26,400 SF Structured Parking (88 stalls)	17,370 SF One/Two BeDroom (50 Units)			
58,500 SF Structured Parking (195 Stalls)		7,200 SF Micro unit Housing (20 Units)	7,200 Office	26,600 SF One/Two Bedroom (38 Units)	26,400 SF Structured Parking (88 stalls)	17,370 SF One/Two Bedroom (50 Units)			
48,000 SF Structured Parking (160 Stalls)	7,600 SF Retail	7,200 SF Supportive Services for Housing	7,200 Retail	18,290 SF Co-working Space	19,500 SF Structured Parking (65 stalls)	Existing Surface Parking (126 Stalls)	17,370 Retail		
WEST DISTRICT		WEST CENTRAL DISTRICT		EAST CENTRAL DISTRICT		EAST DISTRICT			

BREAKDOWN BY LEVELS



PLAN (layered)

- Bus movements
- Auto movements
- Shared lane
- Sidewalk
- One way bike lane
- Planting strip/buffer
- Pedestrian bridge
- Building access
- Flood control easement
- Powerline pole
- Pick up / drop off zone
- Solar carports
- Structured parking
- Proposed bus park with transition plaza
- Plaza/ Event space/ Multipurpose area
- Transit facilities
- Office
- Residential
- Community retail
- Co-working Space
- Supportive Services for Housing

Summary	Area (SF)	Area/Unit or Stall (SF)	Units	Stalls
One/Two Bedroom Unit	141,140	700	200	246
Micro-unit	7,200	350	20	10
Permanent Supportive Housing	7,200	450	16	8
Supportive Services for Housing	7,200			20
General & Community Retail	32,170	-	-	142
Co-working Space	18,290	-	-	52
Office	14,400	-	-	41
OCTA Stalls Required	-	-	-	409
Non OCTA Stalls Required	-	300	-	519
Total Stalls Required	-	-	-	928
Total Stalls Provided	-	-	-	931

March 2020

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3.3.1 PROFORMA (LAYERED OPTION)*

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

Item	Land Use						
	Apartments	Micro Units	Permanent Supportive Housing	Office	Retail	Private Structured Parking	OCTA Structured Parking
Revenues							
Annual Net Operating Income	\$2,919,925	\$170,932	\$0	\$736,689	\$704,137		
Desired Yield on Cost*	5.50%	5.50%	5.50%	7.50%	7.50%		
Net Building Value (Supportable Development Costs)	\$53,089,554	\$3,107,847	\$0	\$9,822,514	\$9,388,493		
Net Building Value per Unit/Building SF	\$265,448	\$155,392	\$0	\$246.24	\$291.84	N/A	N/A
Costs							
Total Development Costs	\$45,379,200	\$2,541,330	\$2,314,937	\$9,078,645	\$6,272,825	\$16,971,300	\$8,894,400
TDC per Residential Unit/Commercial SF/Stall	\$226,896	\$127,066	\$144,684	\$227.59	\$194.99	\$32,700	\$32,700
Land Value							
Supportable Residual Land Value	\$7,710,355	\$566,518	\$0	\$743,869	\$3,115,668	-\$16,971,300	-\$8,894,400
Land Value per Unit or Bldg SF	\$38,552	\$28,326	\$0	\$18.65	\$96.85		
SUM OF TOTAL PROGRAM LAND VALUES				PRIVATE	\$12,136,409	PARKING	-\$25,865,700
Starting Annual Ground Lease at 6% of Value					\$728,185		
Annual Debt Service on Parking Costs**							-\$1,682,601
Years of Ground Lease Payment until OCTA Parking Costs are Repaid***							44
NPV of OCTA Revenues over 50 Years at 5% Discount Rate							-\$7,290,113

Table 3.4. Proforma Summary (Layered Option)

*Based on recent property sale transactions in the area and EPS professional judgment.

**Assumes OCTA issues debt for full structured parking cost at 5% interest with 30-year amortization.

***Assumes ground lease payments escalate 2% annually while debt service payment remain constant.

ASSUMPTIONS

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

[1] For these calculations, the parking costs for housing and commercial spaces are assumed to be provided as structured parking. Site plan shows 791 structured parking spaces and 140 retained surface spaces.

[2] Based on CoStar market research for smaller units, with 10% premium for new construction. Micro-units get another 10% premium. PSH units are priced at 30% AMI for a 1-person household.

[3] All Building Direct Costs assume prevailing wage requirements and are based on the following sources:

- Residential based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Apartment, 4-7 stories, plus a 10% premium per sq. ft. for micro units.

- Office based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles.

- Retail based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Store, Retail, less an assumed savings of \$25 because the proposed retail is in the ground floor of residential and garage buildings.

- Structured parking based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Garage, Parking



Figure 3.5. Rendered view of the proposed transition plaza

3.4 HORSE-SHOE I



Figure 3.6. Proposed Retail (East District)

ELEMENT	STRENGTHS	WEAKNESSES
BUS OPERATIONS	Compact bus parking layout	Requires a disruption to existing bus service to change operational configuration
CIRCULATION	Centralizes bus operations thereby reducing the walking distances from parking areas	Disrupts the existing bus layout
COMMUNITY	Addresses the goal of community by satisfying demands of affordable housing and supportive services	-
DEVELOPMENT DENSITY	High activity non-residential uses engage the street. Local retail adjacent to the bus parking	Difficult to meet the criteria of +/- 150 Units/district
ECONOMICS	-	Requires a parking structure to support the density
PARK-AND-RIDE	Distinct Park-and-Ride allocated near the bus parking	-
PARKING	-	Requires structured parking for full buildout
PUBLIC SPACE	Increased open space opportunities around the bus plaza	Public space concentrated in west central district

Table 3.5. Strength and Weakness Analysis

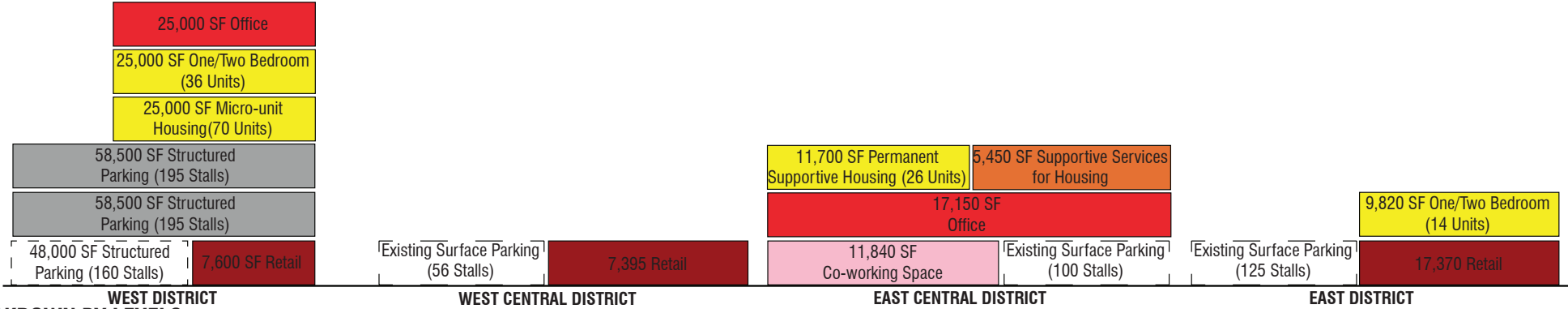
Required +/- (67-79) Stalls 34 Stalls 71 Stalls OCTA 409 Stalls
 Provided 550 Stalls 43 Stalls Required

33 Stalls 23 Stalls Available
 56 Stalls

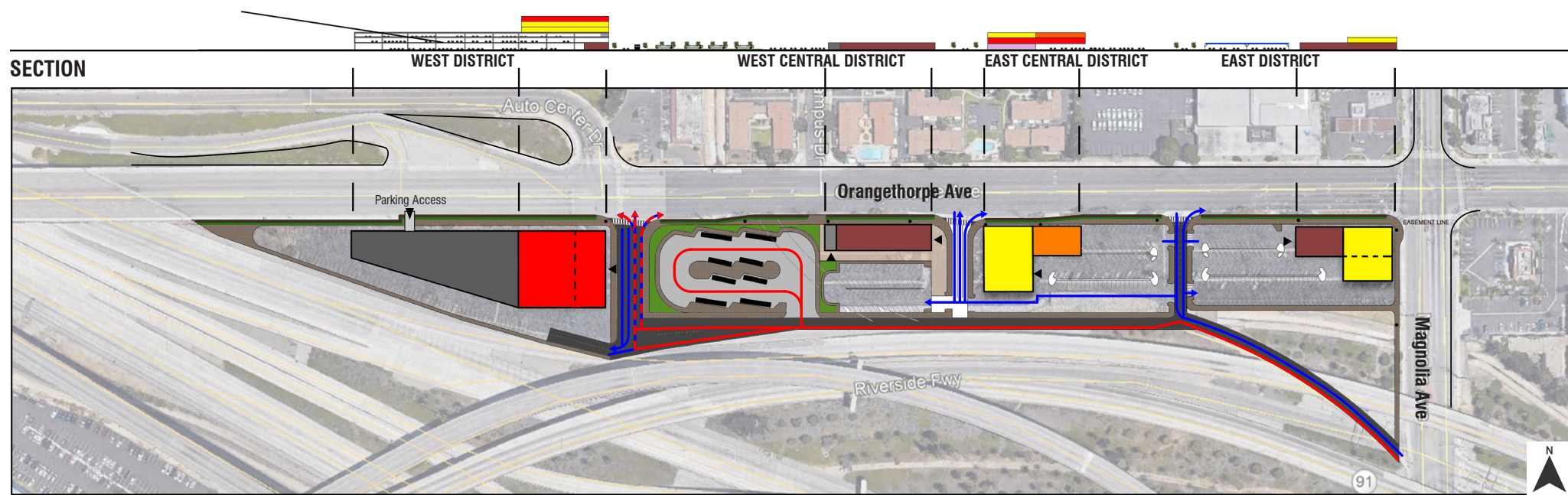
+/- (10-13) Stalls 34 Stalls 49 Stalls 15 Stalls
 100 Stalls 11 Stalls Required

31 Stalls Available +/- (14-17) Stalls 77 Stalls
 125 Stalls

PARKING ALLOCATION



BREAKDOWN BY LEVELS



PLAN (Horseshoe 1)

- Bus movements
- Auto movements
- Shared lane
- Sidewalk
- One way bike lane
- Planting strip/buffer
- Pedestrian bridge
- Building access
- Flood control easement
- Powerline pole
- Pick up / drop off zone
- Solar carports
- Structured parking
- Proposed bus park with transition plaza
- Plaza/ Event space/ Multipurpose area
- Transit facilities
- Office
- Residential
- Community retail
- Co-working Space
- Supportive Services for Housing

Summary	Area (SF)	Area/Unit or Stall (SF)	Units	Stalls
One/Two Bedroom Unit	34,820	700	50	62
Micro-unit	25,000	350	70	35
Permanent Supportive Housing	11,700	450	26	13
Supportive Services for Housing	5,450			15
General & Community Retail	32,365	-	-	143
Co-working Space	11,840	-	-	34
Office	42,150	-	-	120
OCTA Stalls Required	-	-	-	409
Non OCTA Stalls Required	-	300	-	421
Total Stalls Required	-	-	-	830
Total Stalls Provided	-	-	-	831

Not To Scale

3.4.1 PROFORMA (HORSESHOE I OPTION)*

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

Item	Land Use						
	Apartments	Micro Units	Permanent Supportive Housing	Office	Retail	Private Structured Parking	OCTA Structured Parking
Revenues							
Annual Net Operating Income	\$720,361	\$593,513	\$0	\$1,097,738	\$708,405		
Desired Yield on Cost*	5.50%	5.50%	5.50%	7.50%	7.50%		
Net Building Value (Supportable Development Costs)	\$13,097,480	\$10,791,136	\$0	\$14,636,506	\$9,445,402		
Net Building Value per Unit/Building SF	\$261,950	\$154,159	\$0	\$246.24	\$291.84	N/A	N/A
Costs							
Total Development Costs	\$11,195,294	\$8,824,062	\$3,761,773	\$13,528,068	\$6,310,848	\$13,766,700	\$4,218,300
TDC per Residential Unit/Commercial SF/Stall	\$223,906	\$126,058	\$144,684	\$227.59	\$194.99	\$32,700	\$32,700
Land Value							
Supportable Residual Land Value	\$1,902,186	\$1,967,075	\$0	\$1,108,437	\$3,134,554	-\$13,766,700	-\$4,218,300
Land Value per Unit or Bldg SF	\$38,044	\$28,101	\$0	\$18.65	\$96.85		
SUM OF TOTAL PROGRAM LAND VALUES				PRIVATE	\$8,112,252	PARKING	-\$17,985,000
Starting Annual Ground Lease at 6% of Value					\$486,735		
Annual Debt Service on Parking Costs**							-\$1,169,950
Years of Ground Lease Payment until OCTA Parking Costs are Repaid***							46
NPV of OCTA Revenues over 50 Years at 5% Discount Rate							-\$5,568,655

Table 3.6. Proforma Summary (Horseshoe 1 Option)

*Based on recent property sale transactions in the area and EPS professional judgment.

**Assumes OCTA issues debt for full structured parking cost at 5% interest with 30-year amortization.

***Assumes ground lease payments escalate 2% annually while debt service payment remain constant.

ASSUMPTIONS

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

[1] For these calculations, the parking costs for housing and commercial spaces are assumed to be provided as structured parking. Site plan shows 550 structured parking spaces and 281 retained surface spaces.

[2] Based on CoStar market research for smaller units, with 10% premium for new construction. Micro-units get another 10% premium. PSH units are priced at 30% AMI for a 1-person household.

[3] All Building Direct Costs assume prevailing wage requirements and are based on the following sources:

- Residential based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Apartment, 4-7 stories, plus a 10% premium per sq. ft. for micro units.

- Office based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles.

- Retail based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Store, Retail, less an assumed savings of \$25 because the proposed retail is in the ground floor of residential and garage buildings.

- Structured parking based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Garage, Parking



Figure 3.7. Rendered view of the proposed transition plaza along Orangethorpe Ave

3.5 HORSE-SHOE II



Figure 3.8. View of the proposed retail and surface parking with carports from Orangethorpe Avenue

ELEMENT	STRENGTHS	WEAKNESSES
BUS OPERATIONS	Compact bus parking layout	Requires a disruption to existing bus service to change operational configuration
CIRCULATION	Centralizes bus operations thereby reducing the walking distances from parking areas	-
COMMUNITY	Addresses the goal of community by satisfying demands of affordable housing and supportive services	-
DEVELOPMENT DENSITY	High activity non-residential uses engage the street	Difficult to meet the criteria of +/- 150 Units/district
ECONOMICS	-	Doesn't meet the requirement of +/- 150 units/district
PARK-AND-RIDE	Distinct Park-and-Ride allocated near the bus parking	-
PARKING	Retains some of the existing parking layout	Requires structured parking for full buildout
PUBLIC SPACE	Consolidated open space around the bus operations	-

Table 3.7. Strength and Weakness Analysis

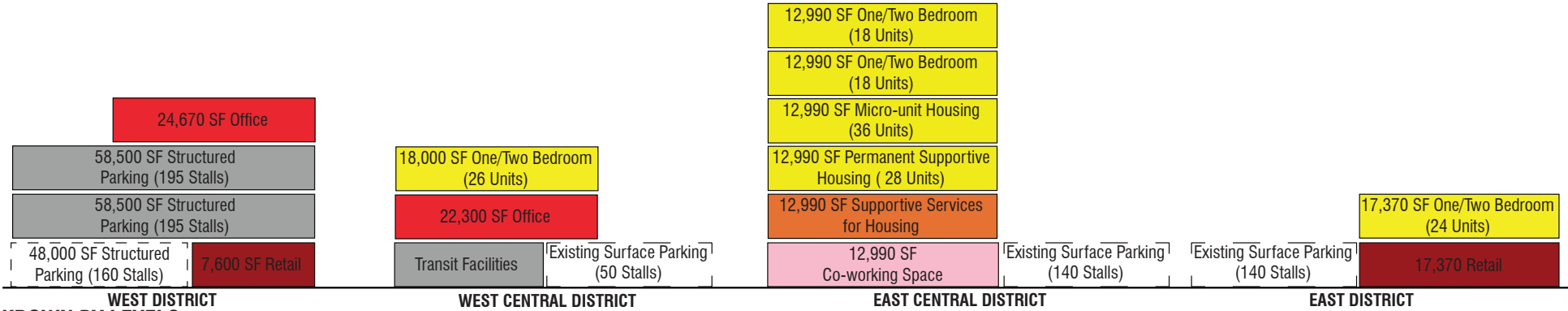
Required 34 Stalls 70 Stalls OCTA 409 Stalls 37 Stalls Available
 Provided 550 Stalls

63 Stalls +/- (27-32) Stalls
 45 Stalls Required 50 Stalls

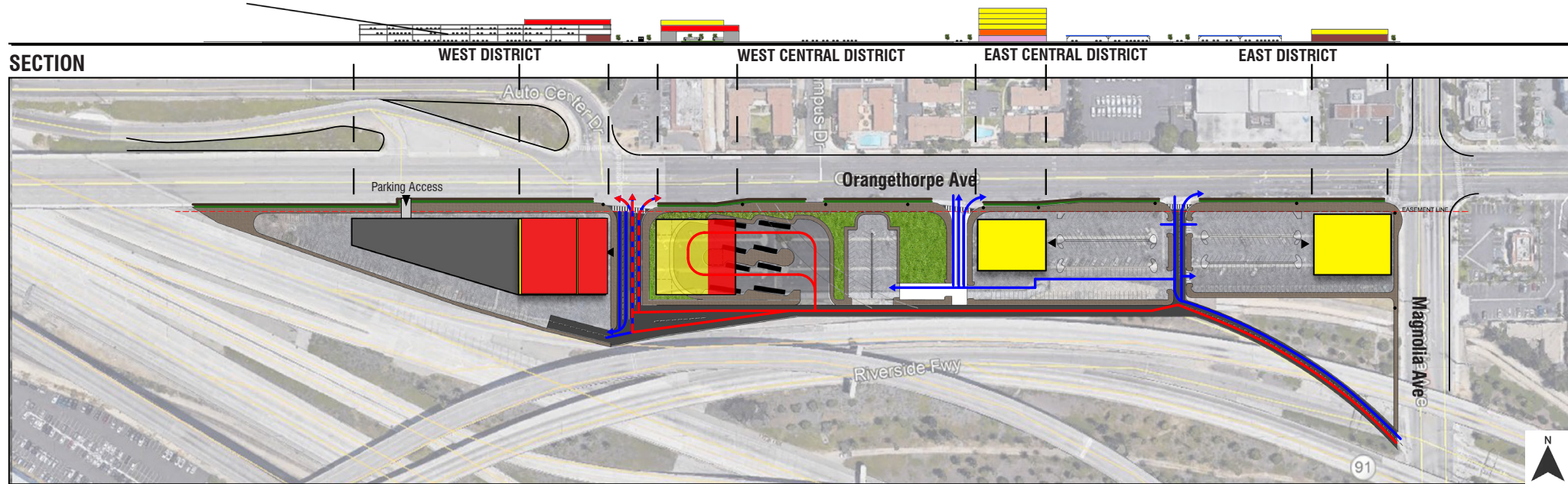
+/- (67-79) Stalls 37 Stalls 37 Stalls
 140 Stalls 12 Stalls Required

32 Stalls Available +/- (26-31) Stalls 77 Stalls
 140 Stalls

PARKING ALLOCATION



BREAKDOWN BY LEVELS



PLAN (Horseshoe II)

- Bus movements
- Auto movements
- Shared lane
- Sidewalk
- One way bike lane
- Planting strip/buffer
- Pedestrian bridge
- Building access
- Flood control easement
- Powerline pole
- Pick up / drop off zone
- Solar carports
- Structured parking
- Proposed bus park with transition plaza
- Plaza/ Event space/ Multipurpose area
- Transit facilities
- Office
- Residential
- Community retail
- Co-working Space
- Supportive Services for Housing

Summary	Area (SF)	Area/Unit or Stall (SF)	Units	Stalls
One/Two Bedroom Unit	46,970	700	82	108
Micro-unit	12,990	350	36	19
Permanent Supportive Housing	12,990	450	28	14
Supportive Services for Housing	12,990			37
General & Community Retail	24,970	-	-	143
Co-working Space	12,990	-	-	37
Office	46,970	-	-	133
OCTA Stalls Required	-	-	-	409
Non OCTA Stalls Required	-	300	-	458
Total Stalls Required	-	-	-	867
Total Stalls Provided	-	-	-	880

Not To Scale

3.6 DEVELOPER I



Figure 3.9. Rendered view of the existing bus parking from Orangethorpe Avenue

ELEMENT	STRENGTHS	WEAKNESSES
BUS OPERATIONS	Retains the existing bus operations layout	-
CIRCULATION	Retained the existing bus parking (10 bus pads)	-
COMMUNITY	-	Lacks gathering spaces for the community
DEVELOPMENT DENSITY	Consistent with the market demand for the market study (+/-150 Units/district)	-
ECONOMICS	Meets the requirement of +/-150 units/district	Requires structured parking for full buildout
PARK-AND-RIDE	Distinct Park-and-Ride allocated near the bus parking	-
PARKING	Retains some of the existing parking layout	Large, uninviting parking areas
PUBLIC SPACE	-	Core of activity missing around the bus parking

Table 3.8. Strength and Weakness Analysis

Required	+/- (131-151) Stalls	OCTA 9 Stalls	+/- (53-59) Stalls	OCTA 165 Stalls	71 Stalls Available	OCTA 235 Stalls	+/- (68-79) Stalls	27 Stalls	17 Stalls Available	+/- (128-145) Stalls	45 Stalls
Provided	160 Stalls		59 Stalls Required	165 Stalls		385 Stalls				209 Stalls	

PARKING ALLOCATION

3.6.1 PROFORMA (DEVELOPER I OPTION)*

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

Item	Land Use			
	Apartments	Commercial	Private Structured Parking	OCTA Structured Parking
Revenues				
Annual Net Operating Income	\$5,445,121	\$527,501		
Desired Yield on Cost*	5.50%	7.50%		
Net Building Value (Supportable Development Costs)	\$99,002,201	\$7,033,344		
Net Building Value per Unit/Building SF	\$233,496	\$292	N/A	N/A
Costs				
Total Development Costs	\$84,623,816	\$4,699,256	\$16,546,200	\$2,877,600
TDC per Residential Unit/Commercial SF/Stall	\$199,584	\$195	\$32,700	\$32,700
Land Value				
Supportable Residual Land Value	\$14,378,386	\$2,334,088	-\$16,546,200	-\$2,877,600
Land Value per Unit or Bldg SF	\$33,911	\$97		
SUM OF TOTAL PROGRAM LAND VALUES	PRIVATE	\$16,712,473	PARKING	-\$19,423,800
Starting Annual Ground Lease at 6% of Value		\$1,002,748		
Annual Debt Service on Parking Costs**				-\$1,263,546
Years of Ground Lease Payment until OCTA Parking Costs are Repaid***				24
NPV of OCTA Revenues over 50 Years at 5% Discount Rate				\$6,155,760

Table 3.9. Proforma Summary (Developer 1 Option)

*Based on recent property sale transactions in the area and EPS professional judgment.

**Assumes OCTA issues debt for full structured parking cost at 5% interest with 30-year amortization.

***Assumes ground lease payments escalate 2% annually while debt service payment remain constant.

ASSUMPTIONS

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

[1] For these calculations, the parking costs for housing and commercial spaces are assumed to be provided as structured parking. Site plan shows 594 structured parking spaces and 325 retained surface spaces.

[2] Based on CoStar market research for smaller units, with 10% premium for new construction.

[3] All Building Direct Costs assume prevailing wage requirements and are based on the following sources:

- Residential based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Apartment, 4-7 stories.

- Retail based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Store, Retail, less an assumed savings of \$25 because the proposed retail is in the ground floor of residential and garage buildings."

- Structured parking based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Garage, Parking

3.6.2 ALTERNATIVES

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

Alternative I: OCTA will be funding all of the structured parking required for private uses as well as any structured spaces required to provide 409 total spaces for OCTA. For example, this diagram shows 919 total spaces, of which 325 are surface and the remaining 594 are structured. Let's consider the cost of all that structured parking (about \$19.5M as of right now), assume that OCTA is financing that over 30 years, and compare that to the ground lease a private developer may be willing to pay for the rights to develop the indicated amount of housing and commercial space. As of right now, it appears that the total "residual land value" of the development program in Developer Option 1 does not exceed the cost of the structured parking, and OCTA would not be recouping its investment through ground lease payments for 20+ years, but after that the garage would be paid off and net ground lease revenues would accrue to OCTA.

Alternative II: The alternative to this approach is that the developer would have to pay for the structured parking, at least their own, but that essentially wipes out the residual land value entirely (the land for development is worth less than the cost of the parking) plus the developer's return threshold is higher than OCTA's, and OCTA essentially would not expect to get any ground lease revenue ever.

3.7 DEVELOPER II



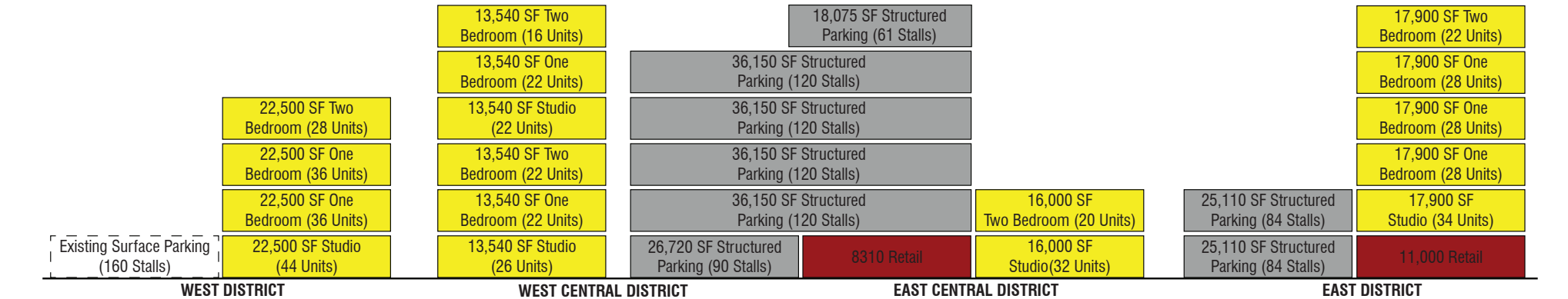
Figure 3.10 Rendered view of the transition plaza and bus parking

ELEMENT	STRENGTHS	WEAKNESSES
BUS OPERATIONS	14 bus pads with a layered parking layout	Requires a disruption to existing bus service to change operational configuration
CIRCULATION	Centralizes bus operations thereby reducing the walking distances from parking areas.	Disrupts the existing bus layout
COMMUNITY	Addresses the goal of community by providing gathering spaces for neighborhood uses	-
DEVELOPMENT DENSITY	High-density development allowing for more residents and employees thereby increasing transit ridership (+/- 150 Units/district)	-
ECONOMICS	Meets the requirement of +/-150 units/district	Requires structured parking for full buildout
PARK-AND-RIDE	-	Park-and-Ride not in close proximity to the bus plaza
PARKING	Parking structure wrapped with active uses	Requires structured parking for full buildout
PUBLIC SPACE	Increased open space opportunities around the bus plaza	Public space concentrated in west central district

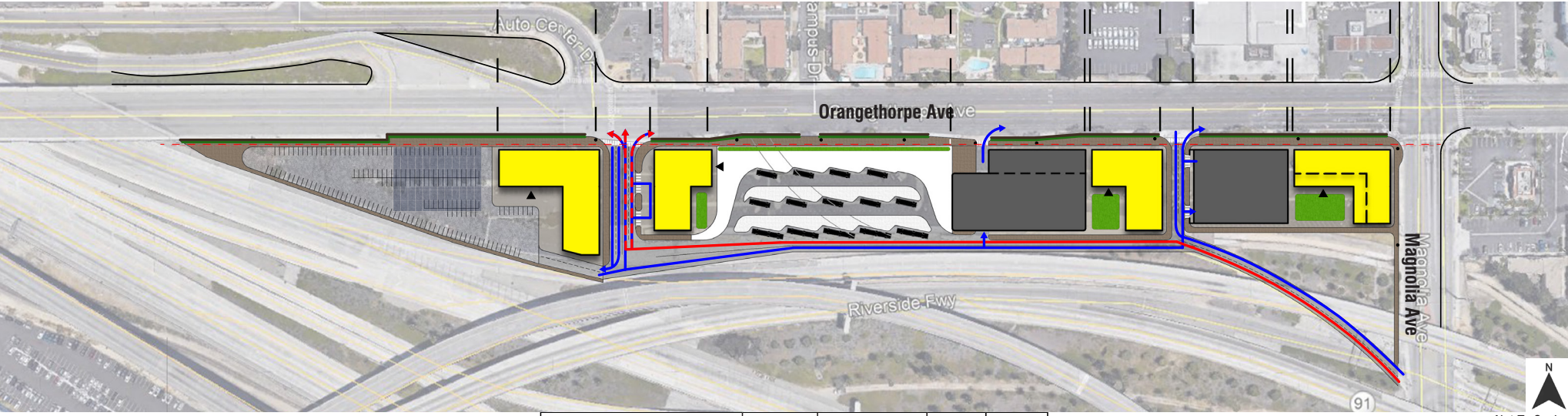
Table 3.10. Strength and Weakness Analysis

Required	+/- (129-147) Stalls	13 Stalls Available	7 Stalls Available	OCTA 409 Stalls	+/- (167-190) Stalls	25 Stalls	+/- (129-147) Stalls	33 Stalls
Provided	160 Stalls				631 Stalls		12 Stalls Required	168 Stalls

PARKING ALLOCATION



BREAKDOWN BY LEVELS



PLAN

- Bus movements
- Auto movements
- Shared lane
- Sidewalk
- One way bike lane
- Planting strip/buffer
- Pedestrian bridge
- Building access
- Flood control easement
- Powerline pole
- Pick up / drop off zone
- Solar carports
- Structured parking
- Proposed bus park with transition plaza
- Plaza/ Event space/ Multipurpose area
- Transit facilities
- Office
- Residential
- Community retail

Summary	Area (SF)	Area/Unit or Stall (SF)	Units	Stalls
Studio Unit	69,940	500	138	104
One Bedroom Unit	152,860	600	248	248
Two Bedroom Unit	69,940	800	88	132
General & Community Retail	19,310	-	-	58
OCTA Stalls Required	-	-	-	409
Non OCTA Stalls Required	-	300	-	541
Total Stalls Required	-	-	-	950
Total Stalls Provided	-	-	-	959

3.7.1 PROFORMA (DEVELOPER II OPTION)*

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

Item	Land Use			
	Apartments	Commercial	Private Structured Parking	OCTA Structured Parking
Revenues				
Annual Net Operating Income	\$6,056,249	\$422,657		
Desired Yield on Cost*	5.50%	7.50%		
Net Building Value (Supportable Development Costs)	\$110,113,619	\$5,635,430		
Net Building Value per Unit/Building SF	\$236,295	\$291.84	N/A	N/A
Costs				
Total Development Costs	\$94,121,489	\$3,765,255	\$17,429,100	\$8,698,200
TDC per Residential Unit/Commercial SF/Stall	\$201,977	\$194.99	\$32,700	\$32,700
Land Value				
Supportable Residual Land Value	\$15,992,130	\$1,870,176	-\$17,429,100	-\$8,698,200
Land Value per Unit or Bldg SF	\$34,318	\$96.85		
SUM OF TOTAL PROGRAM LAND VALUES	PRIVATE	\$17,862,306	PARKING	-\$26,127,300
Starting Annual Ground Lease at 6% of Value		\$1,071,738		
Annual Debt Service on Parking Costs**				-\$1,699,618
Years of Ground Lease Payment until OCTA Parking Costs are Repaid***				34
NPV of OCTA Revenues over 50 Years at 5% Discount Rate				\$1,212,155

Table 3.11. Proforma Summary (Developer 2 Option)

*Based on recent property sale transactions in the area and EPS professional judgment.

**Assumes OCTA issues debt for full structured parking cost at 5% interest with 30-year amortization.

***Assumes ground lease payments escalate 2% annually while debt service payment remain constant.

ASSUMPTIONS

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

[1] For these calculations, the parking costs for housing and commercial spaces are assumed to be provided as structured parking. Site plan shows 799 structured parking spaces and 160 retained surface spaces.

[2] Based on CoStar market research for smaller units, with 10% premium for new construction.

[3] All Building Direct Costs assume prevailing wage requirements and are based on the following sources:

- Residential based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Apartment, 4-7 stories.

- Retail based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Store, Retail, less an assumed savings of \$25 because the proposed retail is in the ground floor of residential and garage buildings."

- Structured parking based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Garage, Parking



Figure 3.11 Rendered view of the proposed bus parking layout

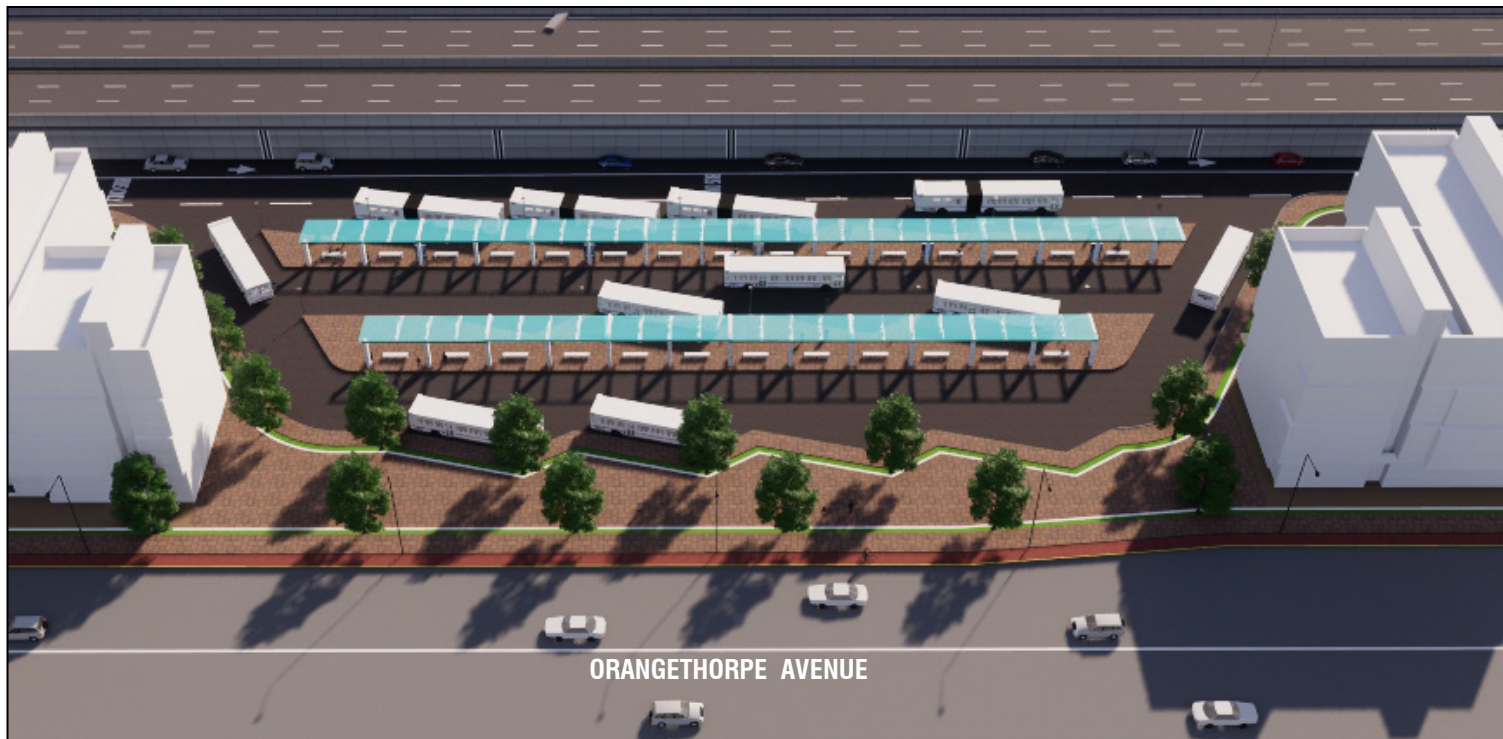


Figure 3.12. Rendered view of the proposed bus parking layout (West Central District)



Figure 3.13. Rendered view of surface parking with proposed solar carports (East District)



Figure 3.14. Rendered view of the transition plaza from West District



Figure 3.15. Rendered view of the proposed bus parking layout from Riverside Fwy

3.8 PHASED OPTION

The Phased Option keeps OCTA parking requirements (409 stalls) in mind, with only a portion of the site (East District and East Central District) built with existing surface parking supporting it, as illustrated in Figure 3.16.



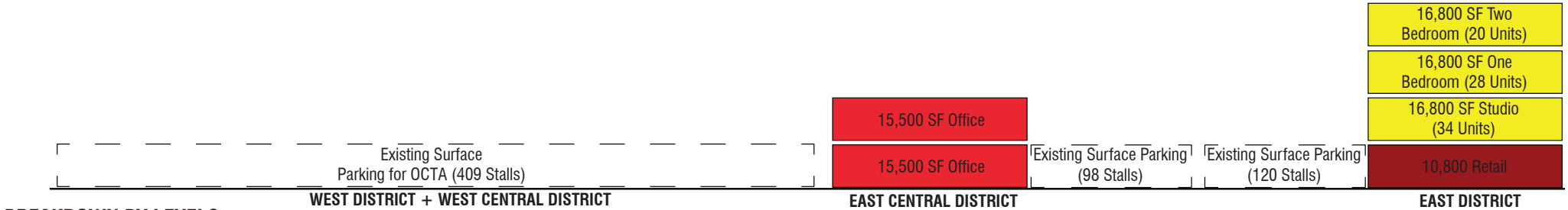
Figure 3.16. View of the proposed development with surface parking

ELEMENT	STRENGTHS	WEAKNESSES
BUS OPERATIONS	Retains the existing bus circulation layout	-
CIRCULATION	Retains the existing bus parking (10 bus pads)	-
COMMUNITY	-	Lack of proper transition between areas with different types of land uses
DEVELOPMENT DENSITY	Consistent with the market study demand analysis	Difficult to meet the criteria of +/- 150 Units/district
ECONOMICS	-	Requires shared land-uses between districts to meet +/- 150 unit requirement
PARK-AND-RIDE	Distinct Park-and-Ride allocated near the bus parking	-
PARKING	Retains the existing surface parking	Large, uninviting parking areas
PUBLIC SPACE	-	Core of activity missing around the bus parking

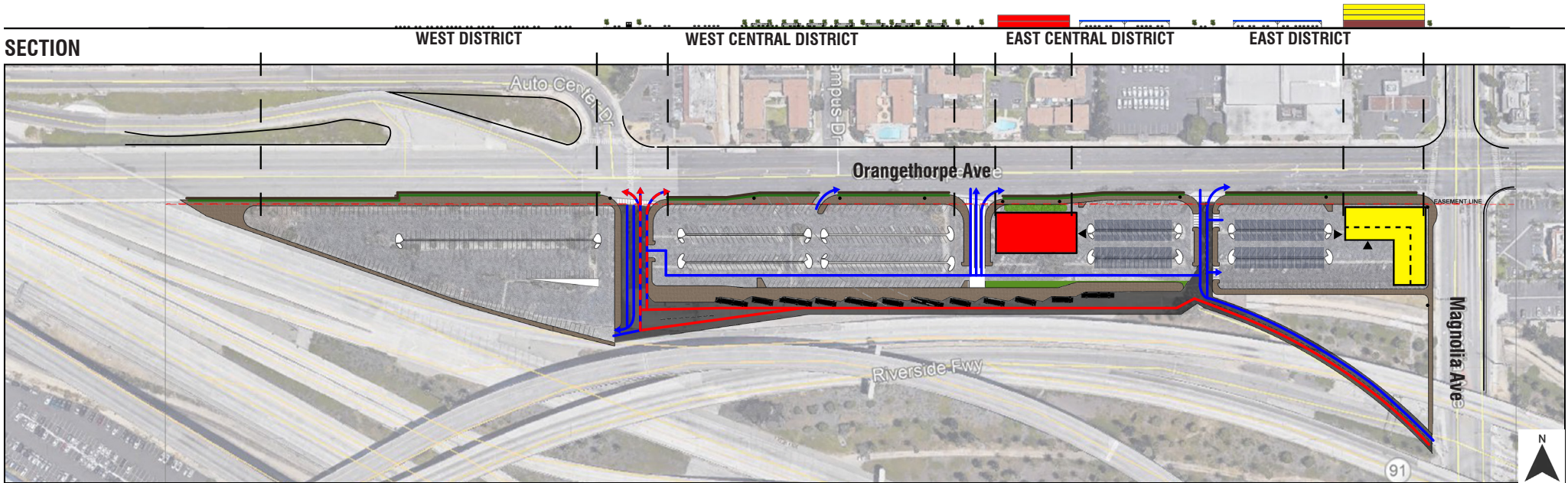
Table 3.12. Strength and Weakness Analysis (Phased Option)

Required	409 Stalls	90 Stalls	8 Stalls Available	+/- (71-84) Stalls	32 Stalls
Provided	409 Stalls	98 Stalls		120 Stalls	

PARKING ALLOCATION



SECTION



PLAN (Phased)

- Bus movements
- Auto movements
- Shared lane
- Sidewalk
- One way bike lane
- Planting strip/buffer
- Pedestrian bridge
- Building access
- Flood control easement
- Powerline pole
- Pick up / drop off zone
- Solar carports
- Structured parking
- Proposed bus park with transition plaza
- Plaza/ Event space/ Multipurpose area
- Transit facilities
- Office
- Residential

Summary	Area (SF)	Area/Unit or Stall (SF)	Units	Stalls
One/Two Bedroom Unit	33,600	700	48	67
Studio	16,800	350	34	17
Office	31,000	-	-	90
General & Community Retail	10,800	-	-	32
OCTA Stalls Required	-	-	-	409
Non OCTA Stalls Required	-	300	-	206
Total Stalls Required	-	-	-	615
Total Stalls Provided	-	-	-	627

Summary (Phased Option)

3.8.1 PROFORMA (PHASED OPTION)*

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

Item	Land Use				
	Apartments	Office	Retail	Private Structured Parking	OCTA Structured Parking
Revenues					
Annual Net Operating Income	\$1,042,683	\$572,508	\$236,390		
Desired Yield on Cost*	5.50%	7.50%	7.50%		
Net Building Value (Supportable Development Costs)	\$18,957,868	\$7,633,440	\$3,151,872		
Net Building Value per Unit/Building SF	\$231,194	\$246.24	\$291.84	N/A	N/A
Costs					
Total Development Costs	\$16,204,560	\$7,055,352	\$2,105,891	\$0	\$0
TDC per Residential Unit/Commercial SF/Stall	\$197,617	\$227.59	\$194.99		
Land Value					
Supportable Residual Land Value	\$2,753,308	\$578,088	\$1,045,981	\$0	\$0
Land Value per Unit or Bldg SF	\$33,577	\$18.65	\$96.85		
SUM OF TOTAL PROGRAM LAND VALUES		PRIVATE	\$4,377,377	PARKING	\$0
Starting Annual Ground Lease at 6% of Value			\$262,643		
Annual Debt Service on Parking Costs**					\$0
Years of Ground Lease Payment until OCTA Parking Costs are Repaid***					0
NPV of OCTA Revenues over 50 Years at 5% Discount Rate					\$6,699,869

Table 3.13. Proforma Summary (Phased Option)

*Based on recent property sale transactions in the area and EPS professional judgment.

**Assumes OCTA issues debt for full structured parking cost at 5% interest with 30-year amortization.

***Assumes ground lease payments escalate 2% annually while debt service payment remain constant.

ASSUMPTIONS

Data Source: IBI Group, CoStar, Saylor's Current Construction Costs 2018, EPS

[1] For these calculations, the housing, office, and retail developments are assumed to utilize existing spaces.

[2] Based on CoStar market research for smaller units, with 10% premium for new construction.

[3] All Building Direct Costs assume prevailing wage requirements and are based on the following sources:

- Residential based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Apartment, 4-7 stories.

- Office based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles.

- Retail based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Store, Retail, less an assumed savings of \$25 because the proposed retail is in the ground floor of residential and garage buildings.

- Structured parking based on Saylor's Current Construction Costs 2018 in Zone 4 and Los Angeles for Garage, Parking