




June 11, 2020

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Fullerton Park-and-Ride Joint Development Study

Overview

The Orange County Transportation Authority initiated a joint development study in summer 2018 to identify opportunities for enhancing the vitality of the Fullerton Park-and-Ride facility. This study identified financially feasible development opportunities that complement surrounding land-uses, support transit ridership, and preserve enough parking to support rideshare needs. Study findings and next steps are presented for Board of Directors' information.

Recommendation

Receive and file as an information item.

Background

Transit agencies throughout the nation have successfully completed joint development projects that have created revenues for transit, increased transit ridership, and/or fostered public and private partnerships in communities. In this context, "joint development" refers to an Orange County Transportation Authority (OCTA) transportation asset or project that is integrally related to and/or co-located with commercial, residential, or mixed-use development. Joint development may include partnerships for public, private, and/or non-profit development associated typically with rail or bus transit systems and other OCTA assets that are being improved through new construction, renovation, or extension. The Federal Transit Administration (FTA) also promotes joint development to maximize the utility of FTA-funded projects and encourages transit agencies to generate income.

OCTA policies on joint development date back to 1985, as first developed by the Orange County Transit District. These policies have since been built upon and refined, with the last major update in September 2016. Currently, OCTA's Joint Development Policy and Procedures (Attachment A) encourage the pursuit of joint development projects on OCTA-owned properties along

OCTA transit routes. Potential joint development projects are encouraged to utilize office, commercial, residential, and other uses to promote safety, convenience, accessibility, environmental and air quality, and economic benefits to the public. OCTA periodically conducts market feasibility studies, site assessments, and consultations with local agencies for OCTA-owned properties. Below is a discussion of the most recent study that evaluated joint development opportunities at the Fullerton Park-and-Ride facility, including next steps.

Discussion

The Fullerton Park-and-Ride facility is located at 3000 West Orangethorpe Avenue in the City of Fullerton (City [see Attachment B]) for more information on the facility's context]. It is an OCTA-owned and operated facility that includes nearly 750 public parking spaces on an 11.1-acre site, along with 14 bus docks including amenities, such as covered bus shelters, waiting areas, restrooms, and benches. The facility is bounded by the interchange of Interstate 5 and State Route 91 to the south and west, Orangethorpe Avenue to the north, and Magnolia Avenue to the east.

This is OCTA's largest park-and-ride facility with connections to eight bus routes and serves as a regional transfer point for OCTA, as well as Los Angeles County Metropolitan Transportation Authority bus operations. However, since 2007, three separate OCTA evaluations (including this joint development study) have consistently identified that parking at this facility is underutilized, with only 55 percent of available parking used on weekdays and 20 percent used on weekends.

In recognition of the situation, the following goals were established for evaluating joint development opportunities at this facility:

- Identify land-uses that would complement transit and park and ride usage,
- Evaluate potential for new revenue to support OCTA operations,
- Support the City and local neighborhoods with complementary concepts, and
- Improve services and conditions for transit riders.

With the goals identified, a site assessment was conducted. This included an analysis of existing conditions, such as parking utilization, transit operations, traffic conditions, travel mode splits, and on-site amenities. This site assessment also identified constraints and opportunities for joint development consideration. The facility's most notable constraint is its location between a freeway interchange and two major arterials. This inhibits the ability to expand the property, if needed, and the potential for noise, sight, and air quality impacts from

these adjacent facilities. However, the property possesses a number of opportunities that make joint development viable, with the most notable being:

- Excess parking – of the nearly 750 parking spaces, roughly 400 are needed to maintain 2019 OCTA operations,
- The large, linear site allows for a variety of development concepts that could be implemented in phases, and
- High-visibility and proximity to major roadways and existing retail and residential developments make commercial and residential uses attractive.

A market study and feasibility analysis were then conducted to complement the site assessment. This identified which types of land-uses are the most viable considering surrounding land-uses and financial conditions. Several land-use types were initially analyzed, including multifamily residential, affordable housing, office, hotel, retail, and light industrial. From this list, only office and hotel uses were found to have low market demand in the area and therefore were not economically viable.

The final step in this process explored seven potential development scenarios or concepts that utilized various land-use mixtures, housing types, site layouts, and densities (Attachment C). These development concepts also compared market-rated, affordable, and supportive housing types, and reflected input received from key stakeholders and the City. Pro forma reports were then developed for each concept to evaluate their respective financial viability. Given the need to maintain roughly 400 parking spaces for 2019 OCTA operations and park-and-ride patrons, these development concepts and the pro forma reports demonstrate a range of physical, financial, and operational possibilities for developing the facility's excess capacity.

Findings

Development concepts revealed a few key challenges that potential projects would have to overcome. The most prevalent challenge being the cost of structured parking, which many of the concepts required to support development of the property. Although these same concepts were often projected to induce higher transit ridership and generate a high income for both OCTA and a developing partner, the cost of structured parking exceeded projected revenues. This high cost makes it challenging for a developer to generate a competitive return on investment (ROI), and unlikely to garner interest.

However, the phased option concept did perform particularly well due its avoidance of structured parking. The phased option (Attachment D) supports development of a smaller section of the facility, limiting parking needs to the existing surface parking supply while also maintaining the spaces required for OCTA operations and park-and-ride patrons. This concept limits impacts to OCTA bus operations by maintaining the existing bus bay layout and functionality of the park-and-ride facility, while primarily adding residential and retail uses to the east corner of the site by the intersection of Magnolia Avenue and Orangethorpe Avenue. Not only does the phased option provide an attractive ROI for a developer, but also an immediate ROI for OCTA at no cost. Utilizing the phased option, OCTA could improve the site's transit propensity, land value, community appeal, and user experience. Furthermore, any potential development could expand beyond the parameters identified in the phased option by adopting various site-specific policies, transportation demand management strategies, and leveraging public-private partnerships.

These development concepts demonstrate that joint development is feasible at the Fullerton Park-and-Ride facility and could provide value to OCTA, its customers, and the community. However, potential joint development project proposals could greatly differ from the concepts identified by this exercise. To set expectations for potential development partners, OCTA should establish site-specific policies and goals to guide its development. To do so, OCTA staff will continue working with the City to further study site needs and develop draft policies and goals.

Next Steps

Despite current economic uncertainties related to the novel coronavirus (COVID-19) pandemic, preliminary discussions with OCTA's consultant suggest that development opportunities at the site will likely remain positive due to the longer-term outlook of the analysis. OCTA will continue to monitor the evolving economic environment for potential implications on joint development. OCTA will seek funding for a Phase 2 study of joint development at the Fullerton Park-and-Ride facility. This Phase 2 study would review OCTA's joint development policies and develop site-specific goals, continue and broaden coordination with the City and stakeholders, gauge potential partnerships, and could potentially result in a request for information and/or request for proposals.

Summary

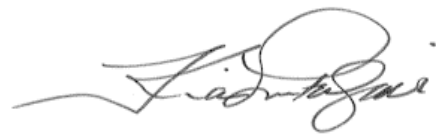
OCTA has completed a joint development study to address current conditions at the Fullerton Park-and-Ride facility that would enhance site vitality, support transit ridership, and improve financial stability. Findings show that joint development is feasible at the facility and could provide significant value to OCTA, customers, and the City. OCTA will seek funding to initiate a Phase 2 study of joint development to provide further consideration and more detailed analysis while continuing to engage the City and other stakeholders.

Attachments

- A. Joint Development Policy and Procedures
- B. Site Context
- C. Concepts
- D. Phased Option
- E. Fullerton Park-and-Ride Joint Development Study Report

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