



October 8, 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 study in the summer of 2018 to explore joint development opportunities at the Fullerton Park-and-Ride facility. This study analyzed conceptual scenarios, representing a range of land-use mixes to determine if further study and outreach are merited. The analysis and next steps are presented for Board of Directors' consideration.

Recommendation

Direct staff to work with the City of Fullerton and stakeholders to further explore joint development opportunities at the Fullerton Park-and-Ride facility.

Background

Joint development projects generally incorporate a mix of office, commercial, residential, and other uses in proximity to public assets. Joint development at transit facilities promotes customer convenience, safety, and access to transit and rideshare opportunities. It is also intended to provide economic and environmental benefits at the site and the surrounding communities by supporting new jobs, housing, and retail with easy access to an array of mobility options.

The Orange County Transportation Authority (OCTA) Joint Development Policy and Procedures (Attachment A) encourages joint development that supports local community goals, transit ridership, and generating revenue for transit operations. Study of joint development opportunities is also included in the Short-Term Action Plan within OCTA's 2018 Long-Range Transportation Plan. It should be noted that the Federal Transit Administration (FTA) supports joint development on sites previously acquired with FTA funds to generate transit-supportive revenues, so long as sites continue to serve their originally authorized purpose.

Consistent with the policies and plans noted above, the following four-phased approach will identify and pursue joint development opportunities at OCTA-owned sites:

- Phase 1 – Preliminary Evaluation
- Phase 2 – Goals and Parameters
- Phase 3 – Design and Final Approvals
- Phase 4 – Construction

Phase 1 evaluates the potential financial viability for joint development at OCTA-owned properties. The findings are presented to the Board of Directors (Board) to determine if further study and stakeholder engagement are merited. This phase considers a broad range of options and their financial viability, as well as other considerations including market conditions, development interests, and preliminary coordination with local jurisdictions and stakeholders. This phase is intended to assess joint development potential and does not entail any screening of options.

With Board direction, Phase 2 identifies site-specific goals for joint development in collaboration with local jurisdictions and stakeholders. The goals will establish parameters and expectations for developers before engaging in discussions of interest and conceptual designs. This would include more robust engagement with developers to inform strategy development for public-private partnerships, as well as the preparation of a draft development agreement and proposed selection process.

With developer interest and Board action, Phase 3 allows for the release of an invitation for bids, developer selection, and the establishment site plans consistent with the Phase 2 goals and parameters. Pending appropriate Board and local jurisdiction approval of site and zoning plans, environmental documents, and permits, the project may proceed to construction in Phase 4.

In 2018, OCTA initiated a Phase 1 joint development study at the OCTA-owned Fullerton Park-and-Ride facility. The discussion below includes the Fullerton Park-and-Ride financial viability analysis, findings, and proposed next steps for Board consideration.

Discussion

The Fullerton Park-and-Ride Facility is located at 3000 West Orangethorpe Avenue in the City of Fullerton (City), as depicted in Attachment B. It is an OCTA-owned and operated facility that was purchased with FTA funds and opened in 1974.

The site includes 745 public parking spaces on 11.1-acres, along with 14 bus docks, covered waiting areas, restrooms, and benches. This is OCTA's largest park-and-ride facility, and it serves as a key regional transfer point for transit customers. There are connections to eight bus routes, including Los Angeles County Metropolitan Transportation Authority bus operations. The facility is bounded by the Interstate 5/State Route 91 interchange to the south and west, Orangethorpe Avenue to the north, and Magnolia Avenue to the east.

When it first opened, the facility primarily served commuters traveling to the City of Los Angeles. However, the introduction of Metrolink service in the 1990s reduced demand for the site. Since 2007, three separate OCTA evaluations (including this joint development study) have consistently identified that parking is underutilized, with only 55 percent of available parking used on weekdays and 20 percent used on weekends.

The parking evaluation noted above was part of a larger site assessment that was conducted at the onset of this study. In addition to parking, the site assessment evaluated current transit operations, traffic conditions, travel mode splits, and on-site amenities. The evaluation 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. These adjacent facilities may impact the land-uses deemed appropriate and feasible at the site. However, the property possesses several opportunities, with the most notable being:

- Excess land - only 400 of the 745 parking spaces are needed to maintain 2019 OCTA operations,
- Street frontage - 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, existing retail, and residential developments make commercial and residential uses attractive.

A market study was then conducted to identify 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 hotel and office uses were found to have low market demand in the area and therefore deemed not economically viable.

In recognition of site conditions, and consistent with existing policy, the following criteria were used to develop conceptual scenarios for analysis:

- Identify land-uses that complement transit and park-and-ride uses,
- Support the City and local neighborhoods with complementary concepts, and
- Improve services and conditions for transit riders.

Seven conceptual scenarios were developed for analysis that utilized various land-use mixtures, site layouts, and densities. The scenarios also considered 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 (Attachment C).

Findings

Financial analysis of the conceptual scenarios suggests that joint development is viable at the Fullerton Park-and-Ride facility and can provide significant value to OCTA, its customers, the City, and the community. Analysis of the conceptual scenarios also revealed some challenges that a potential project would have to overcome. The most prevalent challenge being the cost of structured parking, which many of the concepts required to support higher-density development options. However, a phasing approach may offer opportunities to transition from surface parking to structured parking over time as site development intensifies.

Additionally, Phase 1 discussions with City staff indicated that the City supports exploring site development opportunities and they are particularly supportive of concepts that include housing. The addition of housing on the site can provide a safer and more secure environment for the community while also addressing some of the City's housing needs. However, zoning adjustments and city council direction would be required to accommodate a joint development project at this site. OCTA and the City will increase collaboration efforts should joint development proceed to Phase 2 at the Fullerton Park-and-Ride facility.

Finally, with regard to current economic uncertainties related to the coronavirus pandemic, preliminary discussions with OCTA's consultant for this study 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.

Next Steps

To set expectations for potential development partners, proposed Phase 2 studies would establish site-specific goals through continued stakeholder engagement and appropriate Board approvals. These efforts would also include consideration of best practices to develop a recommended approach for engaging in public-private partnerships. In addition to advancing joint development opportunities at the Fullerton Park-and-Ride facility, the results from Phase 2 may help to set standards and precedents for any future consideration of joint development at other OCTA-owned sites.

Summary

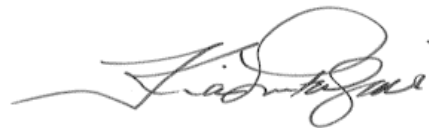
OCTA has completed a Phase 1 joint development study of the Fullerton Park-and-Ride facility (Attachment D) to evaluate financial viability for potential joint development. Findings show that joint development is feasible based on analysis of a set of conceptual scenarios that require further analysis and refinement. Joint development at the facility could provide significant value to OCTA, customers, the City, and community. With Board direction, a Phase 2 study will be initiated to develop site-specific goals and parameters for developers and gauge the interest of prospective developers.

Attachments

- A. Joint Development Policy and Procedures
- B. Site Context
- C. Concepts & Pro Forma Reports
- D. Fullerton Park-and-Ride Joint Development Study Report

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