

PARK 101

PHASE 3 Study



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The Park 101 Phase 3 Study is prepared for the Southern California
Association of Governments and the City of Los Angeles
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OUTLINE OF THE REPORT

CHAPTER 1 – VISION + OPPORTUNITY

Overall vision and potential opportunities of the Park 101 project, as well as the critical issues and next steps towards implementation, which are supported by documentation and information in the following chapters.

CHAPTER 2 – BACKGROUND OVERVIEW

Brief background on the history of the Park 101 project, as well as a summary of recent and future planning efforts within and surrounding the Park 101 project area.

CHAPTER 3 - CALTRANS PROJECT STUDY REPORT (PSR) UPDATE

Recommended actions necessary to update and conclude the 2000 Caltrans Supplemental Project Study Report (PSR) and entitlements for the first phase of construction with and without widening the 101 Freeway and incorporate the City's and Metro's plans for the Union Station and the surrounding area.

CHAPTER 4 – OPPORTUNITY SITES

Overview of market-supported land uses and overall program potential, as well as a high-level review of area socio-economic trends and recent development activity. The chapter also presents the potential development on adjacent parcels if Caltrans, Metro, and the City vacate certain streets and remove the adjacent freeway on- and off-ramps for private development. This section also provides a residual land value analysis that contributes to the financing plan.

CHAPTER 5 – POTENTIAL PROGRAMMING

Conceptual design of potential programming if the park is built above the freeway.

CHAPTER 6 - FINANCE STRATEGY

Summary of federal, state, local, and philanthropic funding sources for the Park 101 project, as well as identification of three recommended financing scenarios.

CHAPTER 7 – STAKEHOLDER OUTREACH

Summary of stakeholder outreach conducted throughout the Phase 3 Study process with high-level stakeholder and community groups.

CHAPTER 1

VISION + OPPORTUNITY



VISION + OPPORTUNITY

INTRODUCTION

Park 101 is a proposed freeway cap park that is poised to reconnect Downtown Los Angeles and create a vibrant urban district for residents, workers, and visitors. The future Park 101 district would unify downtown's historic core north of the freeway with the civic, cultural, and financial centers to the south. It will create much-needed open space in a park poor community, and it will unlock development opportunities to enhance the vibrancy of Downtown. The district will serve as an anchor for sustainability by incorporating green infrastructure improvements, and it will create a vital link between Southern California's largest urban center transportation corridors and the Southern California's regional transit network. Park 101 presents an opportunity to remake an uninviting and autocratic space by transforming it into a cohesive, sustainable, people-oriented urban center.

LOCATION

Park 101 will be constructed in Downtown Los Angeles above the 101 Freeway. Its central feature will be a 3.8-acre linear freeway cap park stretching North Hill Street on the west and North Los Angeles Street on the east. The Park 101 district encompasses the urban areas surrounding the park, including the El Pueblo de Los Angeles Historical Monument, Civic Center, and Union Station.

RECONNECTING COMMUNITIES

Park 101 will connect Los Angeles' historic cultural center to the city's civic, cultural, and financial areas. By transforming a series of disjointed and unwelcoming freeway overpasses into a cohesive and inviting public open space, the park stands to weave together downtown's major nodes, linking the El Pueblo de Los Angeles Historical Monument and Union Station to the north of the park, to the city's Civic Center and Financial District to the south. In addition, Park 101 will connect the neighborhoods and communities that surround the park by facilitating easier access to Chinatown and Little Tokyo.

UNLOCKING DEVELOPMENT OPPORTUNITIES

Park 101 will capitalize on the thriving downtown real estate market by creating opportunities to transform publicly-owned land into community assets. Building the park will necessitate the consolidation of nearby inefficient and outdated freeway ramps, creating an opportunity to develop these sites with community-serving retail, residential, and office uses. Collectively, over 6 acres of developable land may become available, with room to accommodate nearly 800 housing units, 60,000 square feet of retail space, and 150,000 square feet of office space. These potential development sites present a unique opportunity to advance local greenhouse gas reduction goals by locating housing, jobs, and open space near high-quality transit.

Exhibit 1-1: Park 101 Proposed Freeway Caps



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ADVANCING SUSTAINABILITY

By implementing green infrastructure improvements, Park 101 promises to promote sustainable stormwater management and may help mitigate the environmental justice issues that plague this area. Park 101 will achieve these goals by developing a district-wide filtration and water treatment system that allows the surrounding community to filter, capture, and store stormwater locally. In addition, the park may incorporate infrastructure that relies, in part, on a “natural systems-based approach to filter polluted air” from automotive traffic. The park structure will also act as a sound buffer to eliminate the noise pollution. By incorporating these elements, the Park 101 district will serve as a model and testing ground for sustainable development.

CONNECTING SUSTAINABLE TRANSPORTATION NETWORKS

Park 101 will facilitate seamless connections to local and regional transportation networks, creating a more inviting environment that encourages residents, workers, and visitors to walk, bike, and use transit to access key destinations. The district will enhance pedestrian and bicycle access to Union Station, which serves as a major transit hub for local, regional, and inter-city bus lines, as well as Metro Rail, Metrolink, Amtrak, and future California High Speed Rail service. Area improvements may include traffic calming measures, attractive pedestrian paths and paseos, and enhanced bikeways, as well as human-scale signage and wayfinding materials to facilitate access to transit and alternative transportation services (e.g., bike share, car share, and ride hailing services). These transportation enhancements stand to reinforce Park 101’s commitment to sustainability by providing viable alternatives to single-occupant vehicle trips.

Park 101 is a unique opportunity to simultaneously advance Los Angeles’ open space, sustainability, community development, and transportation goals. By reimagining and repurposing the space above the 101 Freeway, this project has the potential to become a thriving community asset that celebrates Los Angeles’ thriving cultural and civic institutions. The district’s focus on connecting communities, advancing environmental sustainability, and providing much needed public space sends a clear message that this space, once dominated by cars, now puts people first.

EXECUTING THE VISION (CRITICAL ISSUES + NEXT STEPS)

Although the vision for Park 101 is simple – reconnecting communities by bridging over the 101 Freeway with a park consisting of four blocks – executing the vision will require action on multiple fronts by different sets of stakeholders. This section outlines a strategy to move the project from concept to implementation along four parallel tracks: (1) Environmental review and project approvals; (2) Community engagement; (3) Governance; and (4) Financing.

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TRACK #1: ENVIRONMENTAL REVIEW AND PROJECT APPROVALS

Park 101 will require approval from Caltrans to use the airspace above the 101 Freeway to build and operate a park and to close the on- and off-ramps between Alameda Street on the east to Hill Street on the west. Presently, there is not a clear pathway for Caltrans to approve the use of Caltrans right-of-way for the project.

A long-awaited technical memorandum by Caltrans District 11 exploring best practices for freeway cap parks did not address Caltrans' process for project approval and airspace right-of-way. This impacts the Park 101 project, which would consolidate the on- and off-ramps in the immediate vicinity of the park in order to create developable land that can then be ground-leased for a mix of residential, office, and commercial uses. These development opportunity sites would revitalize the area and generate revenue that can be used to pay for operations and maintenance of the freeway deck and park. The closure of the on- and off-ramps could potentially affect transportation operations on the 101 Freeway, and it is therefore unclear how Caltrans should evaluate this request.

Caltrans District 7 staff appears to be receptive to the concept of a freeway cap park on the 101 Freeway, but needs clear direction from State Caltrans officials on how to address the issue using the airspace above the freeway, as well as evaluate the elements of the Park 101 proposal. Working collaboratively with Caltrans District 7 to resolve the technical and process issues posed by the proposal by moving forward through the typical project development process is recommended.

At the same time, we strongly urge the City of Los Angeles and the Friends of Park 101 to use the process as a learning opportunity that can surface issues where clarification from the Legislature or the California Transportation Commission may be advisable. The Southern California Freeway Cap Coalition, led by the Southern California Association of Governments (SCAG), has provided a valuable forum to raise issues and obstacles common to most of the freeway cap projects being proposed, such as the use of airspace and Caltrans right-of-way. In particular, working closely with State legislators who are members of the Assembly and Senate Transportation Committees and who have freeway cap parks proposed for their districts to develop legislation that can address areas of uncertainty is recommended.

Step 1: Designate a Lead Agency to work with Caltrans on an updated Project Development Support.

The Lead Agency would work with Caltrans to prepare a Project Initiation Document (PID). The PID would likely take the form of a substantial update to the Project Study Report/Project Development Support (PSR/PDS) that was prepared in March 2003, and supplemented in October 2009. **Chapter 3 – Caltrans PSR Update** specifies the recommended actions necessary to update the PSR/PDS. The new PSR/PDS would revise the project scope to include the single-phase four-block freeway cap in this feasibility report, as well as updated cost estimates and schedule.

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Step 2: Enter into a Cooperative Agreement with Caltrans to prepare the Project Initiation Document.

In order to expedite the preparation and review of the PID, we recommend that the Lead Agency enter into a Cooperative Agreement with Caltrans. Under this arrangement, the Lead Agency would agree to prepare the PID (by hiring a consultant) and Caltrans would agree to review and provide comments on the document. The Lead Agency would also agree to reimburse Caltrans for the cost of staff time in reviewing the PID. (See Track #4 Financing in this section.)

The City of Los Angeles Department of Transportation (LADOT) is best positioned to serve as the Lead Agency to work with Caltrans in preparation of the PID. Caltrans is accustomed to working with LADOT, and LADOT has entered into Cooperative Agreements with Caltrans in the past.

Step 3: Complete the PSR/PDS and move to Project Approval & Environmental Document (PA&ED) phase.

Once completed, the PSR/PDS will be used to gain approval for the project studies to move into the Project Approval & Environmental Document (PA&ED) phase. The PSR/PDS will be used to estimate and program the capital outlay support costs necessary to complete the studies and work needed during the PA&ED phase. During this phase, Caltrans will identify additional technical studies required to be completed prior to or as part of the California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA) review.

Step 4: Complete environmental analysis and secure project approval.

Approval of the use of the airspace and right-of-way for a park, closure of the on- and off-ramps, and the leasing of the opportunity sites (see **Chapter 4 – Opportunity Sites**) made available by closing the adjacent freeway ramps will likely require preparation of a joint Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) to comply with CEQA and NEPA. Caltrans would likely be the Lead Agency for this activity. Certification of the EIR/EIS must be completed prior to project approval.

Step 5: Work with area legislators to seek clarification on right-of-way and ground lease issues, if necessary.

As Park 101 moves through the PID, environmental review, and project approval process, the City and Friends of Park 101 need to work with State Legislators to draft legislation that would provide guidance to Caltrans on how to respond to requests to use the airspace and right-of-way for a freeway cap park. In addition, legislation may be required to provide Caltrans clear authorization to allow District 7 to ground lease or convey the site of former on- and off-ramps to a Joint Powers Authority (JPA) or a Public Finance Authority (PFA) to construct and operate Park 101. (See Track #3: Governance section below).

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TRACK #2: COMMUNITY ENGAGEMENT

A critical element of moving Park 101 forward will be to continue to build a strong and active constituency that feels invested in seeing the Park come to fruition. The Friends of Park 101 represent the leading edge of this effort. They will be pivotal in continuing active outreach to influential individual stakeholders and to the diverse web of organizations and associations whose members work, live, and improve the neighborhoods in and around the project area. **Chapter 7 – Stakeholder Outreach** contains a list of community stakeholders engaged as part of this Phase 3 Study, along with recommendations for next steps for ongoing community engagement. The steps outlined below represent a high-level summary of those recommendations.

Step 1: Implement a Community Engagement Plan.

The Community Engagement Plan should develop targeted and consistent messaging as the foundation of the outreach effort in collaboration with Friends of Park 101. This plan should feature creative community engagement ideas as a vehicle for public outreach and involvement, as well as a robust social media strategy to keep Park 101 on the community's radar.

Step 2: Host community design and programming workshops.

An important way to broaden the constituency for Park 101 and build consensus around its future is to hold well-publicized workshops where participants envision the activities and programming of Park 101, such as cultural, musical, and artistic programs, children's activities, and more. This could be conducted in the form of planning charrettes, tactical urbanism and pop-up events, visioning sessions, etc. These sessions should be aimed at engaging the growing downtown residential population, both long-time residents and newcomers. The goal is to activate interest and support while garnering meaningful input.

Step 3: Brief and engage real estate developers.

This influential segment of the business community is a natural constituency for Park 101. Briefings with real estate developers can build excitement about the potential development opportunities surrounding the project area and help to grow a base for raising private funds that can contribute to the cost of preparing the various planning and environmental review documents. Briefings should address the financial feasibility of Park 101 and the potential value capture methods of financing its construction through the formation of an Enhanced Infrastructure Financing District (EIFD) or Community Revitalization and Infrastructure Authority (CRIA). In addition, briefings should highlight the important role that a community has played in realizing similar projects in other cities (e.g., Klyde Warren Park in Dallas).

Step 4: Continue to engage high-level stakeholders and public officials.

Elected officials at all levels of government and key agency staff should be regularly updated and briefed as community design workshops and developer briefings grow the

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constituency for Park 101 and a consensus begins to form around the improvements and programming it should contain. The Friends of Park 101 may wish to sponsor fact-finding trips for key officials and stakeholders to visit Klyde Warren Park in Dallas to see a tangible example of how a freeway cap park completely transformed a downtown area of similar size and condition as the Park 101 site. Regular and concise updates charting the progress of Park 101 will also help to build momentum.

TRACK #3: GOVERNANCE

The Park 101 District Governance Analysis White Paper, prepared by SCAG in 2012, described four potential governance models for the Park 101 project: (1) Single Lead Entity, such as a public agency or a developer, (2) Joint Powers Authority; (3) Public-Private Partnerships; and (4) Inter-Agency Development Agreements. As the project progresses through planning, environmental review, design, construction, and operational phases, the governance structure may shift and change. The steps outlined below are a suggested approach to managing the governance issue through the life of the project.

Step 1: Designate a single City agency to enter into a Cooperative Agreement with Caltrans for the PID process.

As noted in Track #1, LADOT may be best positioned to act as the Lead Agency working with Caltrans throughout the PID and environmental review process. It is critical that LADOT or the Department of City Planning (Park 101's early and steadfast proponent) immediately begin to engage with Caltrans on the PID process to continue the momentum of Park 101, even as the groundwork is being laid for the formation of a Joint Powers Authority (JPA), as recommended in Step 3 below. The Friends of Park 101 will play an important role in garnering the funds to pay for the PID and the environmental review documents through grants, private fundraising, and advocacy at the City and other agencies with potential funding sources for this effort.

Step 2: Participate in the Union Station/Civic Center coordinated planning efforts.

In October 2016, the Metro Board of Directors approved a motion to create a Union Station/Civic Center Exploratory Task Force to coordinate planning and infrastructure investments in and around Union Station and the Civic Center. In February 2017, SCAG awarded Metro a Sustainability Planning Grant to develop a shared vision plan for the area as part of this effort. The Los Angeles Department of City Planning, LADOT and the Friends of Park 101 should actively engage in the coordinated planning process called for in the Metro Board motion to ensure that Park 101 is included as one of the catalytic projects being coordinated. In particular, Park 101 can promote the vision of a transit-oriented community as a critical pedestrian and bicycle path to Union Station and the Civic Center. Moreover, the development sites made available by closing the freeway ramps present valuable opportunities to increase the amount of transit-oriented affordable housing in the area. This coordinated planning effort is likely to explore mechanisms to capture the value created by public investment in the area. These value capture mechanisms will be critical to financing the construction of Park 101 and providing the affordable housing needed to ensure that

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the benefits of public investment in the area are equitably shared.

Step 3: Promote the formation of a Joint Powers Authority to oversee the planning and development of Park 101.

A JPA should be established as the governing body to oversee the planning and development of Park 101. Los Angeles has successfully used this type of entity in the past for planning major civic improvements involving multiple jurisdictions. Most notably, in 2003 the County of Los Angeles, the City of Los Angeles and the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) formed a JPA to oversee the design and development of Grand Park and the Grand Avenue development plan. The Grand Avenue JPA has resulted in the development of the 12-acre Grand Park, the mixed-income Emerson residential tower, and The Broad contemporary art museum. Future phases include a Frank Gehry-designed mixed-use development with 429 residential units, 215,000 square feet of retail, and a 305-room Equinox Hotel.¹

The JPA could set forth the ownership and management responsibilities for the park, the freeway deck, and the development opportunity sites (see **Chapter 4 – Opportunity Sites**). For example, the City of Dallas owns Klyde Warren Park, while the Texas Department of Transportation owns the freeway deck. For Park 101, Caltrans would likely own the freeway deck, the City of Los Angeles could own the Park, and the JPA could ground lease or acquire the development opportunity sites from Caltrans and then manage the process of soliciting proposals for private transit-oriented mixed-use and mixed-income development on the sites. The JPA could also play a pivotal role in establishing an EIFD or CRIA in the Union Station/Civic Center area. (See Track #4: Financing below.)

The following entities should be considered as potential members of the JPA:

- **City of Los Angeles** – The City of Los Angeles Planning Department was the early proponent of the Park 101 District concept, the City has authority over the land use and streets within the project boundary, and LADOT is well-positioned to move ahead with Caltrans on processing a PID while the JPA is being formed.
- **County of Los Angeles** – The County owns properties in the surrounding area, which could directly benefit from the project. Additionally, should an EIFD be formed to fund the project, the County's contribution of its share of tax increment will be key to funding construction of the Park and the development of affordable housing in the Park 101 District.
- **Caltrans** – Caltrans is responsible for the 101 Freeway and the freeway ramps, making it the central player in any discussion of the Park. Caltrans was an early proponent of the initial Park 101 studies.
- **Metro** – The Park 101 project further enhances the surrounding street improvements (e.g., bicycle and pedestrian facilities) that Metro has outlined in its Connect US Action Plan (formerly the Union Station and 1st/Central Station Linkages Study). Additionally,

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Metro has been the driving force behind the effort to coordinate planning and infrastructure investments in and around Union Station and the Civic Center. Including Metro in the JPA could create opportunities to achieve mutually beneficial project funding.

Step 4: Explore public-private partnerships for funding and operating Park 101.

Public-private partnerships have been crucial in the development, financing, operation and maintenance of high-quality, transformative parks over the last few decades. From Bryant Park and the High Line in New York, to the Olympic Sculpture Garden in Seattle, Klyde Warren Park in Dallas, and Los Angeles' own Grand Hope Park and Grand Park, private non-profit organizations have played pivotal roles in creating and maintaining significant public parks. Learning from these successful examples, the Friends of Park 101 can sponsor community engagement and planning event activities, lead fundraising efforts to pay for the initial design and PID process, and advocate for the formation of the JPA. Once the Park is constructed, the Friends of Park 101 could also be responsible for operating and maintaining the Park, following the model of Klyde Warren Park, where the Woodall Rodgers Park Foundation plays this role.

TRACK #4: FINANCING

Seeking funding opportunities for the Park 101 project will consist of monitoring the development of the guidelines for recent sales tax initiatives for parks and transportation improvements, and actively pursuing grant applications.

Step 1: Monitor and participate in public deliberations regarding Measure M guidelines.

Los Angeles County voters approved the Los Angeles County Traffic Improvement Plan (Measure M) in November 2016 to fund a variety of transportation projects and programs, including transit and highway projects and local street improvements. Measure M could provide potential funds for first-last mile and active transportation projects in the project area. Metro will release the draft guidelines for public review and comment in late April of 2017. We recommend that the Lead Agency and the Friends of Park 101 monitor and participate in the public deliberations regarding the development of the Measure M guidelines to ensure that the funding allocation and distribution would benefit the Park 101 project.

Step 2: Monitor and participate in public deliberations regarding Measure A guidelines.

Los Angeles County voters passed the Safe, Clean Neighborhood Parks & Beaches Measure of 2016 (Measure A) in November 2016 to protect, enhance, and maintain neighborhood parks, open space, trails, beaches, natural habitat and rivers, creeks, and streams. Measure A would generate approximately \$94 million per year for parks countywide. Study Areas identified as having "High" or "Very High" park needs in the Needs Assessment, which

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includes the Park 101 area, will be eligible for the funds that are allocated to each Study Area. It is recommended that the Lead Agency and the Friends of Park 101 monitor and participate in the public deliberations regarding the development of the Measure A guidelines to ensure that the funding allocation and distribution would benefit the Park 101 project.

Step 3: Advocate for the inclusion of Park 101 in Metro's Long Range Transportation Plan.

Metro's Long Range Transportation Plan (LRTP) is a blueprint for how Metro plans to spend its anticipated revenues in the upcoming decades. Metro anticipates adopting its updated plan in 2017. We recommend that the Lead Agency and the Friends of Park 101 monitor and participate in the public comment period throughout the development of the updated LRTP to ensure that the transportation improvements and the freeway deck for the proposed Park 101 project are included in the LRTP for future funding needs.

Step 4: Fundraise for Caltrans PSR/PDS report and environmental review.

Friends of Park 101 is planning a gala in mid-2017 to raise funds for the Caltrans PSR/PDS report and environmental review. It is recommended that the Friends of Park 101 work with the Lead Agency and the high-level stakeholders identified in **Chapter 7 – Stakeholder Outreach** to plan and promote the fundraising event.

Step 5: Advocate for the formation of an EIFD or CRIA.

The closure of the freeway ramps will create and enhance development opportunity sites on publicly-owned land that can be leased to generate funds for the operation and maintenance of the Park 101 project. Furthermore, adoption of an EIFD or CRIA in the area can capture a portion of the increased property values realized as a result of Park 101 to help pay for the park's construction costs (see **Chapter 6 – Finance Strategy**). The process of forming the EIFD would occur concurrently with the environmental planning phase. The JPA shall identify key participants in the formation of a Public Finance Authority (PFA) as the governing board for the EIFD. The PFA must comprise at least five (5) members, with a majority of the members representing the affected taxing entities (or taxing entity) that participate(s) in the district, as well as at least two members from the public. The PFA would also define the EIFD boundary. Below are the key actions to establishing an EIFD:

- Establish the PFA.
- Adopt resolution of intention to establish an EIFD.
- Prepare an Infrastructure Financing Plan.
- Conduct a public hearing before approving the adoption of the financing plan.
- Adopt resolution of formation to adopt the financing plan and create the EIFD.

Step 6: Advocate for the inclusion of Park 101 in a potential Union Station/Civic Center Transformative Climate Communities grant application.

In 2016, the State Legislature appropriated \$140 million to the Office of Planning and Research for the Strategic Growth Council (SGC) to administer the Transformative Climate

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Communities (TCC) grants program (AB 2722). SGC also announced that the City of Los Angeles will receive \$35 million of the funding allocation. The program provides competitive grants to specified eligible entities for the development and implementation of neighborhood-level transformative climate community plans that include greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities. It is recommended that the Lead Agency and the Friends of Park 101 advocate for the inclusion of the Park 101 project in the Union Station/ Civic Center grant application for the TCC grants program. SGC released the draft scoping guidelines for the program for public comment and is anticipated to release the finalized guidelines in late April of 2017.

Step 7: Pursue grant applications.

The Lead Agency should begin monitoring the deadlines for grant funding opportunities that are outlined in **Chapter 6 – Finance Strategy**. Grant programs include the Federal Transportation Investment Generating Economic Recovery (TIGER) grant program, the State cap-and-trade Urban Greening Grant, and various philanthropic grants.

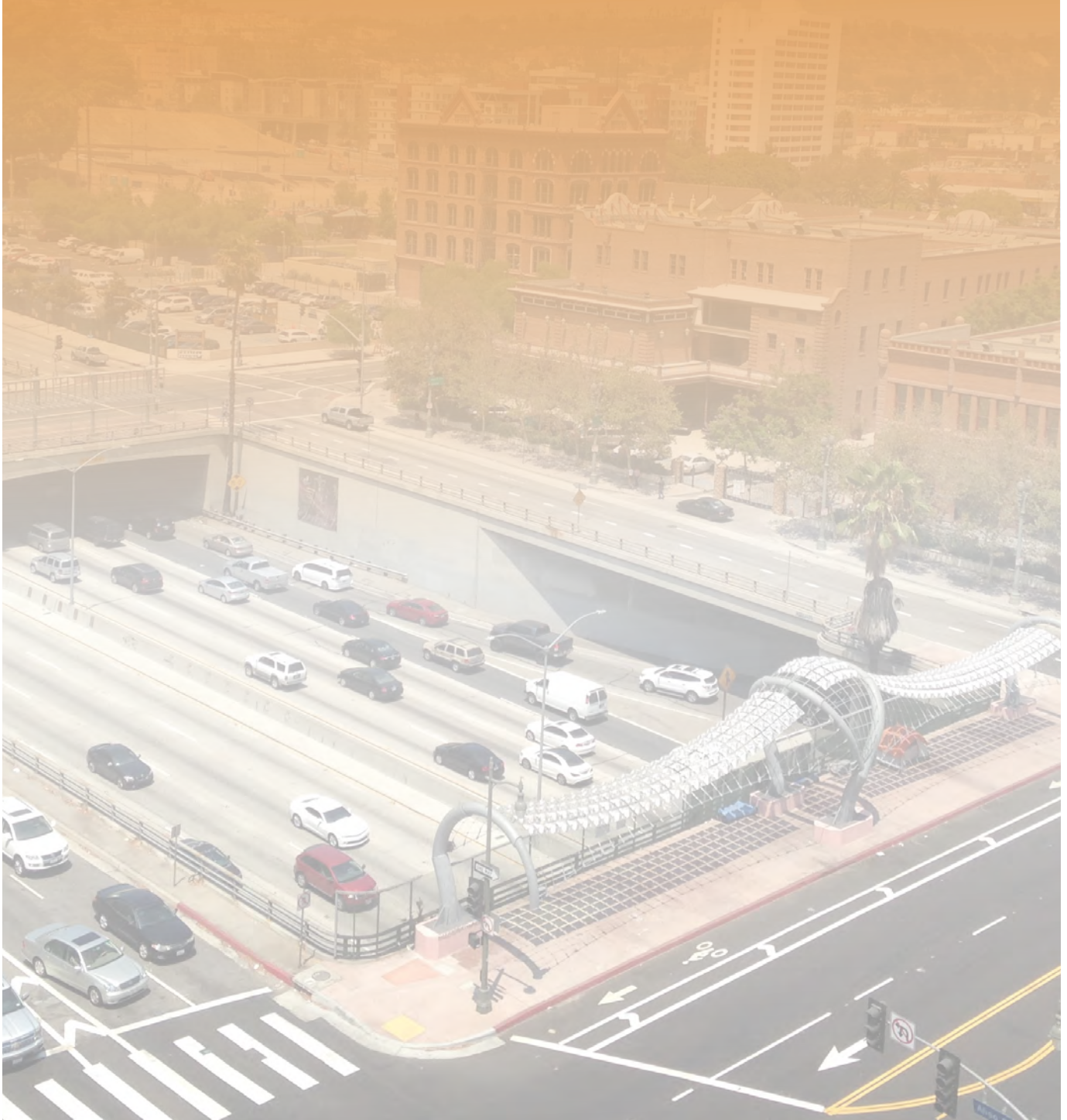
TIMELINE

Figure 1-2 outlines the timeline of the aforementioned critical issues and action steps towards implementing the project in the near term.

Exhibit 1-2: Park 101 Critical Issues and Next Steps Timeline

Critical Issues and Next Steps	2017				2018				2019			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Track #1: Environmental review and project approvals												
Designate a Lead Agency to work with Caltrans on an updated Project Development Support												
Enter into a Cooperative Agreement with Caltrans to prepare the Project Initiation Document												
Complete the PSR/PDS and move to Project Approval & Environmental Document (PA&ED) phase												
Complete Environmental Analysis and Secure Project Approval												
Work with area legislators to seek clarification on right of way and ground lease issues, if necessary												
Track #2: Community Engagement												
Implement a Community Engagement Plan												
Host community design and programming workshops												
Brief and engage real estate developers												
Continue to engage high-level stakeholders and public officials												
Track #3: Governance												
Designate a single City agency to enter into a Cooperative Agreement with Caltrans for the PID process												
Participate in the Union Station/Civic Center coordinated planning efforts												
Promote the formation of a Joint Powers Authority to oversee the planning and development of Park												
Explore public-private partnerships for funding and operating the Park												
Track #4: Financing												
Monitor and participate in public deliberations on Measure M Guidelines												
Monitor and participate in public deliberations regarding Measure A Guidelines												
Advocate for the inclusion of Park 101 in Metro's Long Range Transportation Plan												
Fundraise for Caltrans PSR-PDS report and environmental review.												
Advocate for the formation of an EIFD or CRIA												
Advocate for inclusion of Park 101 in a potential Union Station/Civic Center TCC grant application												
Pursue grant applications												

CHAPTER 2 BACKGROUND OVERVIEW



BACKGROUND OVERVIEW

BACKGROUND

The Park 101 District concept originated in June 2008 as part of an EDAW (now AECOM) Student Summer Internship Program planning charrette, partnership of the City of Los Angeles Departments of City Planning, Transportation, Community Redevelopment Agency, and local elected officials. It explored solutions to reconnect the city's historic core north of the Hollywood Freeway (U.S. 101 Freeway) with the civic, cultural, and financial centers to the south. The Park 101 District is located in Downtown Los Angeles and extends along the 101 Freeway from Grand Avenue on the west to the Los Angeles River on the east. The District's northern boundary is Cesar Chavez Boulevard and its southern boundary is First Street. The District's key feature, the proposed Park 101 Freeway Cap Park project, is a visionary urban design solution that aims to build a deck, or "cap," over the freeway to provide a beautiful open space amenity and pedestrian-friendly environment extending one-half mile over the freeway. The concept was adopted by the City Council and incorporated into the City's General Plan.

In a city that's becoming more dense, finding areas to build parks and create public spaces has become increasingly difficult due to the limited land available. Several cities have used the area above freeways to provide communities with more open space, local and regional connectivity, and pedestrian access. Park 101 aims to achieve the same goals by bridging the space over the 101 Freeway to connect government organizations (City Hall, United States District Courts) on the south with the cultural center on the North (El Pueblo, Olvera Street, Chinatown). Currently, the 101 Freeway separates the historic and civic core, creating an unpleasant pedestrian environment in Downtown. The Park 101 cap park will provide much-needed open space in the increasingly dense Downtown and improve pedestrian and bicycle linkages in and around



View from Broadway looking southeast towards Spring Street



View from Broadway looking east



View from Los Angeles Street

BACKGROUND OVERVIEW

Little Tokyo, Civic Center, Chinatown, El Pueblo Historic Monument, and Union Station, the region's largest transit hub.

PREVIOUS PARK 101 STUDIES

Various studies were spearheaded by the City of Los Angeles Department of City Planning, in collaboration with the Department of Transportation and local elected officials, through funding provided by the Southern California Association of Governments' (SCAG) Compass Blueprint Demonstration Project Program. In 2010, AECOM completed the **Park 101 District Economic Feasibility Study Report** (Park 101 Phase 1 Study), which broadly defined the project, tested its economic viability, and identified the next steps toward final project definition, approvals, and construction. In 2012, Iteris prepared the **Park 101 District Traffic Scoping Report** (Park 101 Phase 2 Study), also funded by SCAG, to determine if there were fatal flaws associated with the traffic circulation changes incorporated into the Park 101 District Plan vision. The fatal flaw traffic analysis demonstrated that the removal of some of the loop ramps in the Park 101 District Plan area should not present a fatal flaw to the potential approval of the project. SCAG also released the **Park 101 District Governance Analysis White Paper** in 2012, which presented a comprehensive analysis of the governance options for the Park 101 project in order to allow agencies to effectively coordinate efforts for the development of the Park 101 District.

The location of Park 101 is also at an exciting epicenter of emerging public transportation growth as Metro expands its Gold Line, continues construction on the Regional Connector, expands the Purple Line, and develops the Southern California Regional Interconnector Project, which will help increase the efficiency and frequency of riders on Metro's lines. These dramatic improvements will bring more people to the epicenter of the City's public transit system, shifting the need to drive to the ability to access public spaces and connectivity with ease, as well as contribute to reducing vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions produced by residents and visitors in the project area.

Park 101 would also serve the expanding densely populated neighborhoods near Downtown that lack adequate open green space for parks and recreation to families, residents, businesses, employees, and tourists alike. Additionally, it may also provide growth opportunities and jobs for the local economy by creating new land available for development, as well as enhance the value of surrounding properties. The goal is to ensure that the Park 101 proposal will become a reality and take part in the City's on-going efforts to revitalize the Downtown area.

RECENT AND FUTURE PLANNING EFFORTS

Many activities have occurred since the Park 101 District Phase 1 and Phase 2 Studies were completed in 2008 and 2010, respectively. The following relevant planning documents and projects have been recently completed or are currently underway in the surrounding area in which the Park 101 project can further planning efforts and sustainable policies, as well as capitalize on recent and future investments:

BACKGROUND OVERVIEW

PLANNING DOCUMENTS AND REPORTS

Union Station Master Plan (2014)

The Union Station Master Plan (USMP) is a long range plan that establishes the framework for transforming Los Angeles Union Station into a world-class transportation facility. The USMP encompasses 50 acres just east of Park 101 and identifies 3.25 million square feet of new transit-oriented residential, office, and hotel uses. Metro is currently in the process of certifying the USMP through a Program EIR.

Connect US Action Plan (2015)

The plan, formerly the LA Union Station and 1st/Central Linkages Study, was developed to improve historical and cultural connections in Downtown Los Angeles by enhancing pedestrian and bicycle travel options through and between communities. At the center of the study is access to Los Angeles Union Station, a regional transportation hub for numerous rail, bus, and shuttle services, and the future Regional Connector station at 1st and Central.

Los Angeles Sustainability City pLAN (2015)

The City's Sustainability Plan is a roadmap that focuses on challenges facing the City's environment, economy, and equity, which includes improving air quality, investing in multi-modal transportation, and supporting livable neighborhoods.

Los Angeles Comprehensive Countywide Parks and Recreation Needs Assessment (2016)

This assessment documents the existing parks and recreation facilities in cities and unincorporated communities and uses this data to determine the scope, scale, and locations of park need in Los Angeles County. The results of the Parks Needs Assessment would help inform planning and decision-making of future funding.

SCAG Regional Transportation Plan and Sustainable Communities Strategy (2016)

In 2016, SCAG adopted the 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The RTP/SCS is a long-range visioning plan that balances future mobility and housing needs with economic, environmental, and public health goals. The plan also outlines more than \$556.5 billion in transportation system investments through 2040.

Civic Center Master Development Plan (currently underway)

The plan covers a portion of the Civic Center core bordering Little Tokyo and the Historic Core area just south of Park 101. The plan focuses on the reuse of City properties for municipal uses, as well as opportunities to redevelop some of the sites for residential uses, economic development, cultural amenities, and public open space.

Caltrans Freeway Cap Best Practices & SR-94 Cap Park Study (currently underway)

Caltrans District 11, in coordination with SANDAG and the City of San Diego, are working with a consultant team to study recent developments and best practices for freeway caps, along with potential pros, cons, and funding sources. The study will assess the best practices of freeway cap projects and engage the community to develop a vision that considers both the opportunities and challenges for a cap over State Route 94 (SR-94).

BACKGROUND OVERVIEW

Los Angeles Central City Community Plan Update (currently underway)

The Park 101 District is located within the Central City Community Plan, a part of the Land Use Element of the City's General Plan. The City of Los Angeles Department of City Planning is currently updating Downtown's Central City Community Plan as part of the department's New Community Plan Program. The updated plans will describe a vision for Downtown's future and include policies, plans, and programs that frame the City's long-term priorities. The plan will also be included as part of the first phase of the re:code LA project, which is the City's process to revise its outdated zoning code. The City anticipates completing the updated plan in early 2018.

INFRASTRUCTURE AND DEVELOPMENT PROJECTS

Metro Countywide Bike Share Pilot Program (launched 2016)

In 2016, Metro launched the County's pilot bike share program in Downtown Los Angeles. The program features up to 1,000 bikes and 80 stations throughout Downtown, including hub stations located near the Park 101 project area at the Union Station, Chinatown, and Civic Center area.

Union Station Metro Bike Hub (slated for completion 2017)

Metro is planning to launch a bike hub located on the westside of Union Station. The hub will open in Fall 2017 with up to 100 secured bike parking spaces. The facility will be designed to scale up to accommodate 300 bicycles and will include a retail bicycle shop with repair services.

LA Plaza de Cultura Village Project (slated for completion 2018)

The project, located on the corner of Spring Street and Cesar E. Chavez Avenue, includes the area just north of Park 101. The project will include 355 apartments, including 20 percent priced at affordable rates, and more than 47,000 square feet of restaurant and retail space. Construction within the plan area is currently under way. The project also features a commercial kitchen to hold culinary classes and broadcast demonstrations of Mexican cooking.

Metro Regional Connector Transit Project (slated for completion 2020)

The Regional Connector extends from the Metro Gold Line Little Tokyo/Arts District Station to the 7th Street/Metro Center Station in Downtown Los Angeles, allowing passengers to transfer to the Blue, Expo, Red and Purple Lines, bypassing Union Station. The 1.9-mile alignment will serve Little Tokyo, the Arts District, Civic Center, the Historic Core, Broadway, Grand Avenue, Bunker Hill, Flower Street, and the Financial District.

Los Angeles Streetcar (slated to launch 2020)

The Los Angeles Streetcar project will serve as a circulator within Downtown and improve access to areas including Broadway and the Historic Core, South Park, Bunker Hill, Civic Center and Grand Park, the Convention Center and LA Live, and the Fashion District. A draft EIR was published for public comment in June 2016. Construction on the streetcar is anticipated to begin in 2018 and the project is slated to launch in 2020.

BACKGROUND OVERVIEW

California High Speed Rail (slated for completion at Union Station 2029)

Union Station will be the Los Angeles Station for the California High-Speed Rail (HSR). The proposed HSR will run from San Francisco to the Los Angeles basin in under three hours at speeds capable of over 200 miles per hour by 2029. The California High Speed Rail Authority is currently working with Metro and the City of Los Angeles to invest in planning efforts surrounding the Union Station area to promote supportive uses and infrastructure, as well as capture the value created by the future HSR station.

PARK AND RECREATIONAL PROJECTS

Grand Park (completed 2012)

Grand Park is a 12-acre park that stretches over four blocks from Grand Avenue to Spring Street in Downtown Los Angeles. One of the largest parks in the County, the park features multi-use spaces and lawns for all sizes and types of events, celebrations, and activities for the entire community. Under the direction of the County, The Music Center oversees and operates Grand Park.

Spring Street Park (completed 2013)

The 0.7-acre park in Downtown Los Angeles located on Spring Street between 4th and 5th Streets, includes walking paths, an open lawn, seating, children's play elements, native landscaping, and a smart irrigation system. The park is also part of the City's 50 Parks initiative, which aims to create more public space in densely populated neighborhoods and communities that lack sufficient open space and recreational services.

1st and Broadway Civic Park (slated for completion 2019)

The City purchased the 1.9-acre site from the State in 2013 for development of the new park. The site is located adjacent to Grand Park. The project is also part of the City's 50 Parks initiative. The park is currently under construction and plans to incorporate uses that bring life to the area, such as restaurants and public art installations.

Pershing Square Renew (planning phase)

In 2013, Councilmember Jose Huizar formed the Pershing Square Task Force with the goal of "re-envisioning" the Pershing Square park. Community workshops and a design competition were launched in 2015. Agence Ter was selected as the winner to re-design the park to execute the community's vision.

Other Planned Freeway Cap Parks

There are several freeway cap projects in Los Angeles County currently in the planning process. Space 134 is a proposed 24-acre freeway cap park in Glendale over the 134 Freeway from Central Avenue to Glendale Avenue. Hollywood Central Park is a proposed 38-acre park and recreational facility above the Hollywood Freeway. An environmental impact report is currently underway for the Hollywood project.

Caltrans District 11 is currently coordinating with the San Diego CA Association of Governments (SANDAG), the City of San Diego, and a consultant team to study recent developments and assess the best practices of freeway cap projects, as well as engage the

BACKGROUND OVERVIEW

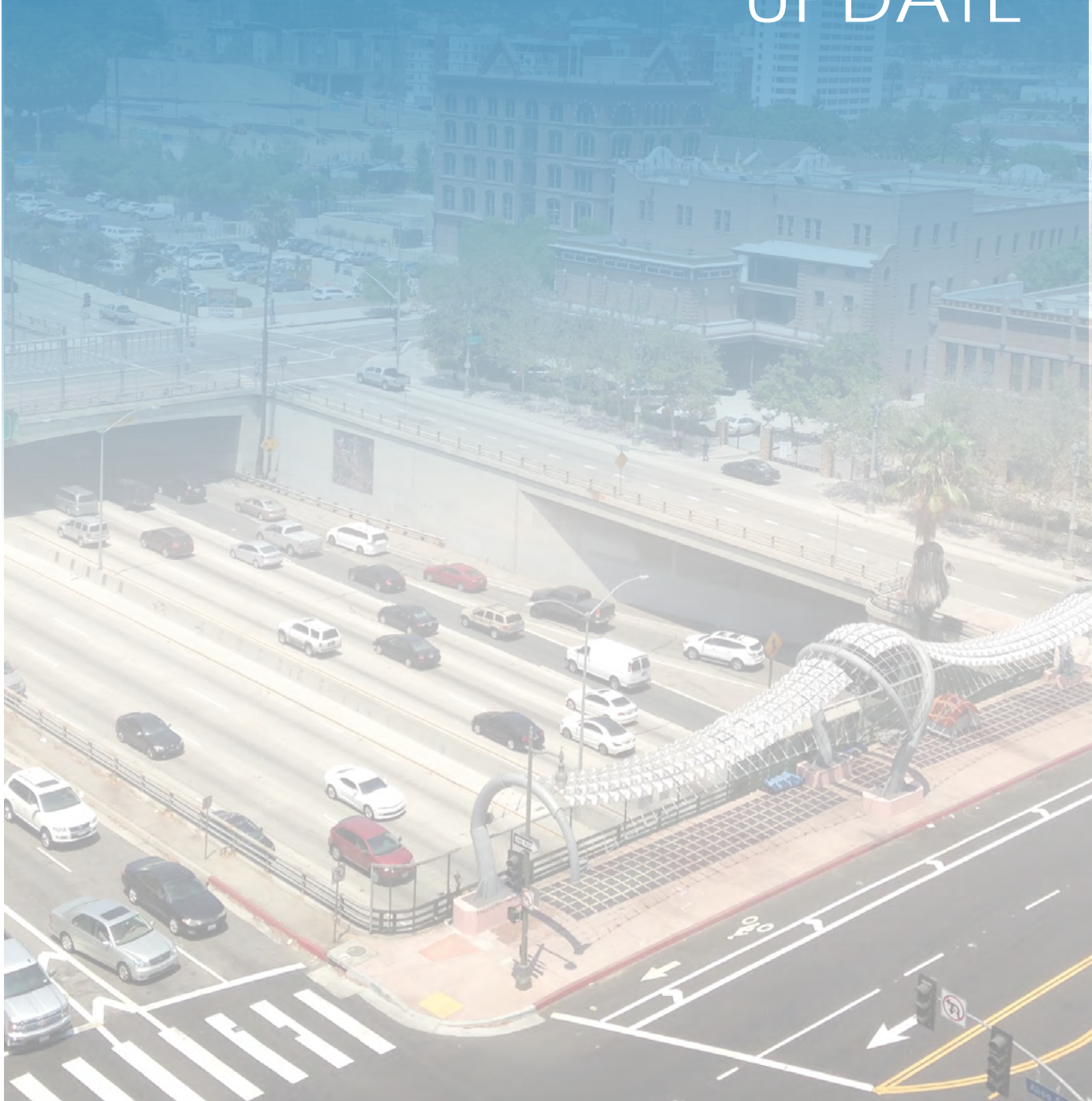
community to develop a vision for the proposed freeway cap park over State Route 94 (SR-94).

ONGOING AND CURRENT PARK 101 EFFORTS

The Friends of Park 101 is a non-profit organization comprised of local business and community leaders, which was formed to promote the creation of the Park 101 Freeway Cap project. The organization aims to help secure funding for the overall Park 101 District, facilitate outreach to stakeholders and organizations in order to secure additional and continued support for Park 101, and lobby for agency support in regard to technical advancement.

In 2016, SCAG funded the next phase study for the project (Park 101 Phase 3 Study) to evaluate funding strategies, conduct outreach to obtain feedback and recommendations for the park from community stakeholders, analyze the potential for development, and provide the next steps to move the project from the conceptual phase to the environmental review and design phase. This report is the result of the SCAG Sustainability Planning grant program.

CHAPTER 3 CALTRANS PROJECT STUDY REPORT UPDATE



BACKGROUND

The purpose of this section is to identify the actions necessary to update the Project Study Report/Project Development Support (PSR/PDS) that was previously developed and approved by Caltrans in 2003. Review of the following four project-related documents include:

- **PSR/PDS on Route 101 from Los Angeles Street Overcrossing to Main Street Overcrossing, 07-LA-101-K.P. 1.1-1.6 (PM 0.7-1.0), Caltrans, March 2003 (hereafter referred to as the 2003 PSR/PDS)** – This document provides a description of the proposed reconstruction of the Los Angeles Street and Main Street Overcrossings and construction of a pedestrian park bridge over United States Route 101 (U.S. 101) between Los Angeles and Main Streets.
- **Supplemental PSR/PDS to Request Programming for Capital Support on Route 101 between Los Angeles Street Overcrossing and Main Street Overcrossing, Caltrans, October 2009 (hereafter referred to as the 2009 Supplemental PSR/PDS)** – This document provides a cost update to the preliminary capital costs provided in the 2003 PSR.
- **Park 101 District Feasibility Study, AECOM, August 2010** – This document presents the preferred plan for the Park 101 District project.
- **Park 101 District Phase 2 Project Traffic Scoping Report, Iteris, June 2012** – This document summarizes the results of the fatal flaw traffic analysis of the Park 101 Phase 2 Study.

Additionally, the following documents that could impact the 2003 PSR and 2009 Supplemental PSR were reviewed:

- **Metro's Union Station Master Plan** – This document discusses Metro's planned modifications to Union Station in the future.
- **Transportation Concept Report (TCR) for U.S. 101²** – This document discusses the planned concept until 2035 for the portion of U.S. 101 located within the Caltrans' District 7 limits.

VALIDITY OF 2003 PSR/PDS AND 2009 SUPPLEMENTAL PSR/PDS

Based on the review of the background documents listed above, the following deficiencies in the 2003 PSR and 2009 Supplemental PSR were observed:

1. **Applicable to the Project's Initial Phase Only** – The Park 101 District aims to build a deck/cap over U.S. 101 to provide an open space amenity and pedestrian-friendly environment extending one-half mile over the freeway between Grand Avenue and the Los Angeles River. The initial phase shall begin with an approximate 400-foot deck between Los Angeles and Main Streets. The 2003 PSR/PDS was developed for the initial phase of the project only; it discusses the proposed one-block cap between Los Angeles Street and Main Street, but not the half-mile cap proposed between Grand Avenue and the Los Angeles River as identified in Park 101 Phase 1 Study. Hence, the 2003 PSR/PDS and 2009 Supplemental PSR/PDS documents are applicable to the initial phase of the project only.

CALTRANS PSR UPDATE

- 2. Inconsistent with the 2013 Transportation Concept Report (TCR)** – Alternatives 1 and 2 evaluated as part of the 2003 PSR/PDS were developed based on the TCR for U.S. 101 that was prepared by Caltrans in August 1999. The 1999 TCR identified the recommended facility for the portion of U.S. 101 located within the study area as eight mixed-flow lanes and two high-occupancy vehicle (HOV) lanes. Under existing conditions, this freeway segment has eight mixed-flow lanes (four in each direction). As such, the designs for Alternatives 1 and 2 in the 2003 PSR/PDS were developed assuming the freeway would have to be widened to accommodate two new HOV lanes in the future. However, the TCR for U.S. 101 was updated in July 2013, recommending the maintenance of the existing layout of eight mixed-flow lanes until 2035. Therefore, the designs of Alternatives 1 and 2 used in the 2003 PSR/PDS are conservative and inconsistent with the latest TCR for U.S. 101.
- 3. Inconsistent with the Park 101 Phase 1 Study Preferred Plan** – Alternatives 1 and 2 evaluated as part of the 2003 PSR/PDS considered that the existing northbound U.S. 101 loop on-ramp from Los Angeles Street (shown in **Exhibit 3-1**) would be eliminated and the existing northbound U.S. 101 on-ramp from Alameda Street (shown in **Exhibit 3-1**) would be either realigned or reconfigured. However, the preferred plan for the Park 101 District, developed as part of the Park 101 Phase 1 Study, recommends consolidating the on- and off-ramps at the east and west ends of the Park 101 District. Ergo, the majority of the 16 existing freeway ramps located within the study area, including the northbound U.S. 101 on-ramps from Los Angeles and Alameda Streets, are recommended to be eliminated as illustrated in **Exhibit 3-2**. As such, the assumption included as part of Alternatives 1 and 2 in the 2003 PSR/PDS that the northbound U.S. 101 on-ramp from Alameda Street would either be realigned or reconfigured is inconsistent with the Park 101 Phase 1 Study's preferred plan.
- 4. Inconsistent Overcrossing Design** – Alternatives 1 and 2 of the 2003 PSR/PDS assumed that the Los Angeles Street Overcrossing would be widened from six travel lanes (three lanes in each direction) to accommodate seven travel lanes. However, since the 2003 PSR/PDS development, road diet was performed along Los Angeles Street between Alameda Street and 1st Street to reduce the number of travel lanes from six to four (two in each direction) and buffered bike lanes were provided in each direction. Hence, the future design of the Los Angeles Overcrossing assumed in the 2003 PSR/PDS is inconsistent with its current geometric layout. Additionally, the goal of the Park 101 project is to create a pedestrian-friendly environment between Grand Avenue and the Los Angeles River. Widening the overcrossing to accommodate additional travel lanes would encourage motorized transportation and not help in creating a pedestrian-friendly environment. Thus, the future design of the Los Angeles Street Overcrossing assumed in Alternatives 1 and 2 of the 2003 PSR/PDS is inconsistent with the overall goal of the Park 101 project.

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Exhibit 3-1: Existing Northbound U.S. 101 On-Ramps from Los Angeles and Alameda Streets

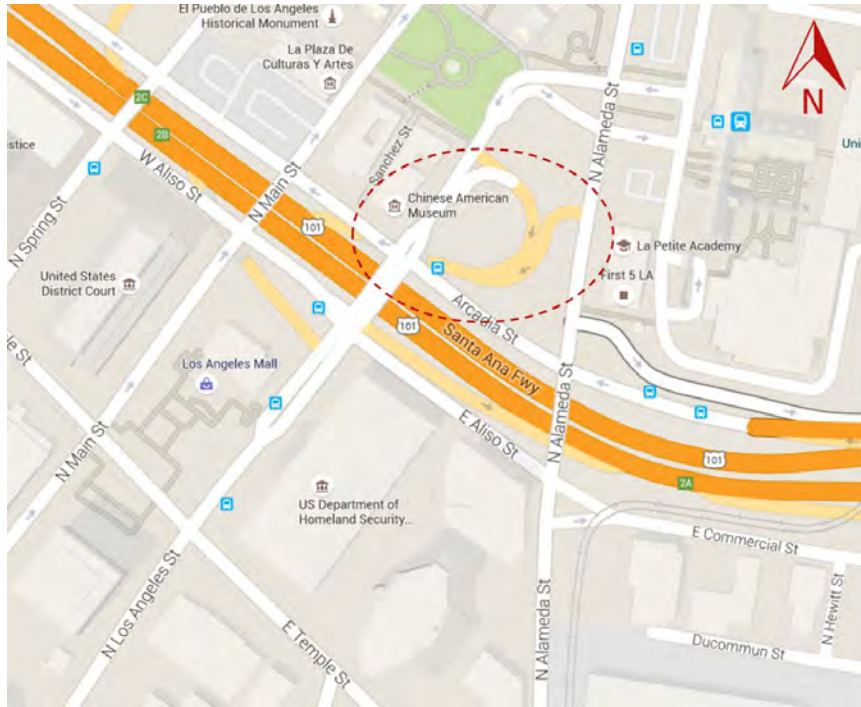
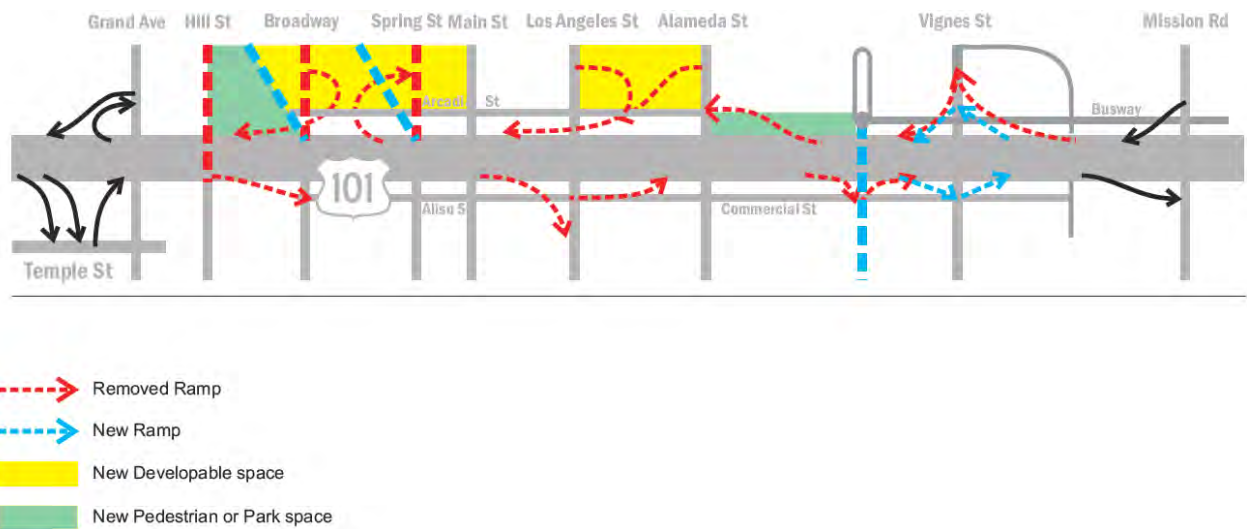


Exhibit 3-2: Park 101 Phase 1 Study Preferred Plan's Freeway Recommendations



Source: Park 101 District Phase 2 Project Traffic Scoping Report

CALTRANS PSR UPDATE

5. **Old Cost Estimates** – The project cost estimates provided in the 2009 Supplemental PSR/PDS are in 2009 dollars. These cost estimates are outdated and are not in current dollars. Additionally, these cost estimates reflect old design assumed for Alternatives 1 and 2 in the 2003 PSR/PDS. Any changes to the designs to account for the design inconsistencies discussed above would alter the project cost estimate.
6. **Outdated Traffic Analysis** – Since the 2003 PSR/PDS completion, improvements were performed to roadways within the study area as follows:
 - a. Los Angeles Street between Alameda Street and 1st Street – The number of travel lanes were reduced from six to four and two buffered bike lanes were provided in each direction.
 - b. Main Street near the U.S. 101 Overcrossing – The number of travel lanes were reduced from four to three and a bike lane was provided.

In addition, many roadway improvements are being studied by Metro as part of the Connect US Action Plan to improve connectivity to the expanded Union Station in the future. The exact details of the planned roadway improvements are unavailable, since the Connect US Action Plan is currently being developed. Some of the objectives of the Connect US Action Plan are to improve pedestrian and bicycle linkages between Union Station and the neighborhoods, create connections between Union Station and surrounding neighborhoods by means of a primary route, and develop a plan for enhancing access on foot and bicycle between the 1st/Central Station, Little Tokyo, and the Arts District. Hence, it is expected that alternate lane configurations would be developed for roadways present in the vicinity of Union Station, including Los Angeles, Main, and Alameda Streets. Also, traffic analysis conducted in the 2003 PSR/PDS was based on 2002 traffic data, which is more than 10 years old. Since the traffic analysis reported in the 2003 PSR/PDS is based on outdated roadway configurations and old traffic data, that analysis does not reflect current conditions and is thus outdated.

6. **Outdated Accident Analysis** – Accident analysis conducted as part of the 2003 PSR/PDS was based on accident data collected between 1999 and 2001. This data is now over 15 years old. Also, due to the roadway improvements performed within the study area, traffic safety may have improved in recent years, thereby rendering the 2003 PSR/PDS accident analysis outdated.
7. **Exclusion of Detour Routes for Bicycle Traffic** – As mentioned above, since the completion of the 2003 PSR/PDS, bike lanes were provided along Los Angeles Street and Main Street Overcrossings. However, the 2003 PSR includes detour plans for vehicular traffic, but not for bicycle traffic during the construction phase.

CALTRANS PSR UPDATE

RECOMMENDATIONS TO UPDATE 2003 PSR/PDS AND 2009 SUPPLEMENTAL PSR/PDS

The updated PSR/PDS should be developed based on the latest set of preparation guidelines for a PSR provided in Appendix L of the Caltrans' Project Development Procedures Manual (PDPM). The following recommendations are proposed to update the 2003 PSR/PDS and 2009 Supplemental PSR/PDS documents:

- The designs of the two project alternatives evaluated in the 2003 PSR/PDS (Alternatives 1 and 2) should be reviewed and updated to ensure their consistency with the 2013 U.S. 101 TCR, the preferred plan developed for the Park 101 Phase 1 Study, existing roadway configuration of the Los Angeles Street and Main Street Overcrossings, and the roadway improvements studied by Metro as part of the Connect US Action Plan.
- The project alternatives' designs were developed using the metric system in the 2003 PSR/PDS. Those designs should be checked for consistency with the latest Caltrans and City design standards, which are in imperial units.
- Traffic and accident analyses should be updated using the most recent traffic data, accident data, and roadway configurations. Also, traffic analyses under future conditions should be revised to incorporate roadway improvements currently planned within the study area as part of the Connect US Action Plan and any other relevant projects.
- The transportation management plan should be reviewed and updated to incorporate the roadway improvements conducted within the study area since the completion of the 2003 PSR/PDS. Additionally, detour routes for bicycle traffic should be developed to avoid/minimize impacts to bike traffic during the construction phase.
- The project alternatives should be designed to provide ventilation in the tunnel below the proposed U.S. 101 cap.
- The section discussing other neighboring projects that would require coordination has to be updated. Currently, the future concurrent projects include the Union Station Master Plan, the Connect US Action Plan, and the Downtown Los Angeles Streetcar project.
- The Environmental Determination and Environmental Issues section has to be revised based on any changes to the designs of the project alternatives and the updated analyses suggested above.
- The Funding/Scheduling section in the 2003 PSR/PDS has to be updated.

In addition, since the 2003 PSR/PDS and the 2009 Supplemental PSR/PDS are applicable to the Park 101 project's initial one-block phase between Los Angeles Street and Main Street. It is recommended to include the expansion of the initial phase to four blocks between Los Angeles Street and Hill Street in either an updated PSR/PDS or create a entirely new PSR/PDS for the expansion.

CHAPTER 4 OPPORTUNITY SITES



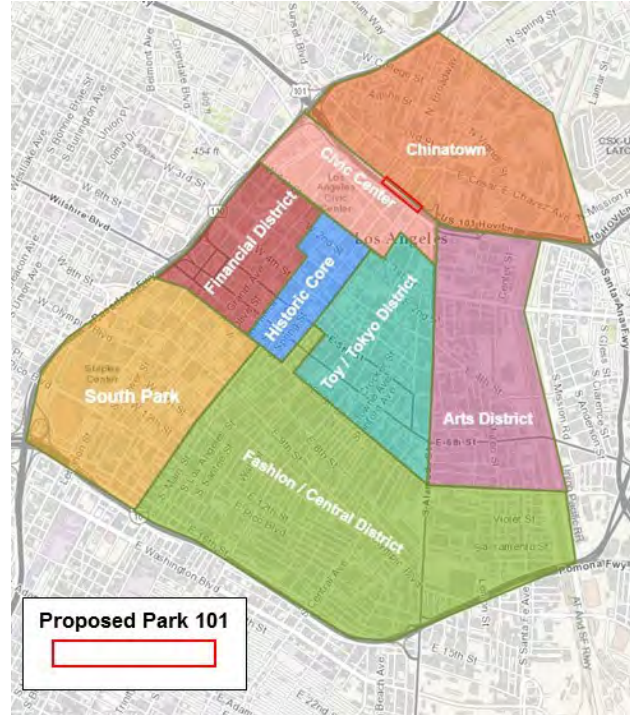
DOWNTOWN LOS ANGELES MARKET CONTEXT

After nearly 50 years of redevelopment false starts, Downtown Los Angeles has arrived, arguably, as the financial, commercial, and cultural heart of the City of Los Angeles. The primary catalysts for this renaissance were construction of the Staples Center and the adoption of the Adaptive Reuse Ordinance, both in 1999. Since then, with pauses after 9/11 and during the Great Recession between 2008 and 2012, Downtown Los Angeles has seen a great quantity of development activity in all land use categories.

Notable projects since 1999 include the Staples Center, LA Live!, Disney Concert Hall, the Broad Museum, the Central Cathedral, and Grand Park. Thousands of new residential units have also sprung up throughout Downtown, both from new construction and from the adaptive reuse of historic office and industrial buildings. These projects will soon be joined by a number of other megaprojects currently under construction, including Metropolis, Mack Urban, Oceanwide Plaza, Wilshire Grand, The Bloc, and City Market, as well as many more smaller developments.

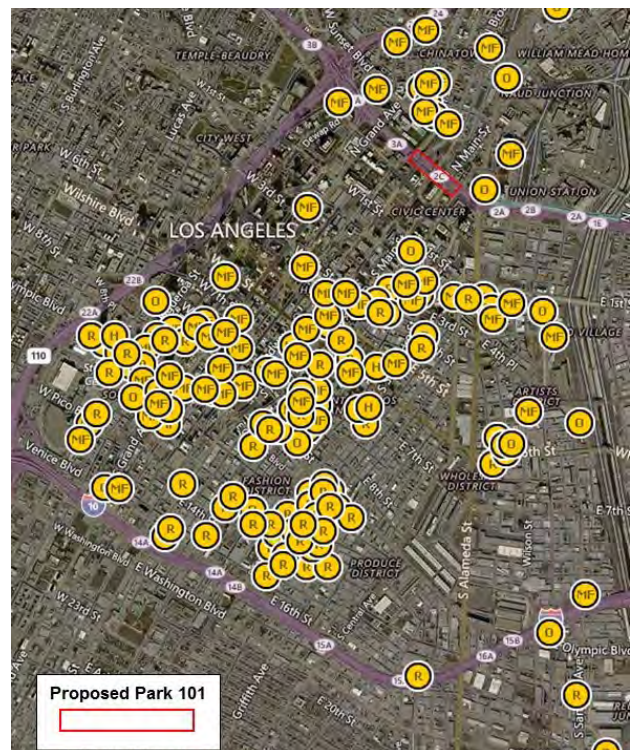
While Downtown’s South Park neighborhood has seen the greatest volume of development, due mainly to the wide availability of large vacant and underutilized lots, new development has been widely distributed throughout Downtown. (For an overview of Downtown Los Angeles neighborhoods, see the reference on **Exhibit 4-1**.) As shown in the map of new development since 2000 in **Exhibit 4-2**, there is a notable gap in the Civic Center area near the proposed Park 101, which is attributable to the high concentration of public uses and superblock parcels. It is expected, however, that Park 101 and several other significant planning efforts taking place in the area will stimulate development. The most notable of these initiatives are as follows:

Exhibit 4-1: Downtown Los Angeles Neighborhood Districts



Source: DCBID, Economic & Planning Systems, Inc.

Exhibit 4-2: New Residential, Retail, Office, and Hotel Development 2000-2016



Source: CoStar, Economic & Planning Systems, Inc.

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- The Union Station Master Plan encompasses 50 acres just east of Park 101. The Plan, which envisions 3.25 million square feet of new transit-oriented residential, office, and hotel uses, is currently going through the CEQA approval process.
- The El Pueblo Plan (La Plaza de Cultura Village) includes the area just north of Park 101 and anticipates a program of 425,000 square feet of multifamily, restaurant, and retail space. Mixed-use construction within the plan area is currently under way.
- The Civic Center Master Plan covers a portion of the Civic Center core bordering Little Tokyo and the Historic Core area just south of Park 101. The Master Plan focuses on development of City-owned sites for both public and private uses.
- The Grand Avenue Project, while not directly adjacent to Park 101, is near enough and significant enough that it should influence overall development activity in the area. The project, which was approved prior to the Recession, is under construction and will ultimately include one million square feet of hotel, apartments, residential condominiums, and restaurant and retail space.

RESIDENTIAL MARKET

Development activity has been greatest in the residential land use category. As shown in **Exhibit 4-3**, residential inventory in Downtown increased by almost 24,000 units since 1999, a growth of 206 percent. With nearly 11,000 units currently under construction, residential inventory is expected to increase 31 percent in the near-term, and the 14,700 proposed units could increase inventory an additional 32 percent. This has led to a population of approximately 60,000 today, with potential for more than 100,000 if the proposed units are built.

As the Downtown population has grown, area demographics have shifted, and residents are now considerably more affluent than the City average. Respondents to a survey conducted by the Downtown Center Business Improvement District (DCBID), shown in **Exhibit 4-4**, claim a median income of almost \$97,000, more than twice the City average. Furthermore, at 76 percent of those surveyed, Downtown residents are more than twice as likely to have a bachelor's degree than the City average. The same survey also indicated a generally high level of satisfaction with Downtown Los Angeles and a strong desire by respondents to live and shop near where they work. This suggests that as the population grows, so also will demand for new office and retail space.

HOTEL MARKET

The Los Angeles County lodging market in general has experienced strong growth in recent years due to income recovery following the Great Recession, expansion in technology- and creativity-driven industries, continued strength in international trade centered on the Ports of Los Angeles and Long Beach, and record-breaking tourism.

This growth has been even more strongly realized in the Downtown market, with its growing drawing power as a convention and entertainment destination. As shown in **Exhibit 4-5**, between 2010 and a forecasted 2016, occupancy improved from 66.5 percent to 77.6 percent and the average daily room rate (ADR) increased from \$123 to \$201, an average

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annual growth rate of 8.5 percent. Consequently RevPAR (revenue per available room) grew even faster by an average annual rate of 11.6 percent.

During this period, 760 new rooms were added, expanding Downtown inventory by 11 percent. According to the DCBID, there are 2,515 rooms under construction and 3,978 proposed, which would increase existing inventory by 34 percent and 40 percent, respectively.

Exhibit 4-3: Downtown LA Residential Unit and Population Growth Since 1999

	Before 1999	Since 1999	Current Inventory	Under Construction	Total When Complete	Proposed
Market Rate Rental	2,426	15,311	17,737	8,979	26,716	11,431
Condos	829	4,807	5,636	2,001	7,637	3,068
Affordable	8,371	3,776	12,147	0	12,147	253
Total	11,626	23,894	35,520	10,980	46,500	14,752
Population¹	26,000	34,739	60,739	18,776	79,515	25,226

(1) Before 1999 population from ESRI/Census (for year 2000); estimated population since 1999 = units *1.8 residents/unit @ 95% occupancy

Source: DCBID, Q116; ESRI/Census

Exhibit 4-4: Downtown LA Demographic Profile

Item	Live in DTLA ¹	Live and Work in DTLA ¹	Los Angeles ²
Median Age	38	37	35
Median HH Income	\$96,600	\$99,900	\$46,500
Education (Bachelor's Degree or Higher)	76%	80%	31%
Experience with DTLA			
Outstanding	62%	58%	N/A
Average	37%	32%	N/A
Poor	1%	4%	N/A
Attitude Re: Neighborhoods			
Like convenience of shopping near home	92%	90%	N/A
Important to live close to work	70%	91%	N/A
Like convenience of shopping near work	66%	83%	N/A

(1) From DCBID 2015 Downtown Los Angeles Survey Report, based on 576 respondents who "Live in DTLA" and 772 respondents who "Work in DTLA."

(2) From SCAG Local Profiles Report, based on 2014 data

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Exhibit 4-5: Downtown LA Hotel Rooms, Occupancy, ADR, and REVPAR, 2010-2016F

Year	Rooms	Change	Occu- pancy	ADR	Change	REVPAR	Change
2010	6,705	N/A	65.5%	\$123	N/A	\$81	N/A
2011	7,621	13.7%	67.6%	\$141	14.5%	\$95	18.1%
2012	6,681	-12.3%	74.1%	\$157	11.5%	\$117	22.2%
2013	6,495	-2.8%	76.0%	\$166	5.7%	\$126	8.4%
2014	7,159	10.2%	75.8%	\$179	7.5%	\$136	7.3%
2015E	7,435	3.9%	76.8%	\$190	6.3%	\$146	7.7%
2016F	7,465	0.4%	77.6%	\$201	6.0%	\$156	7.0%
CAAG	1.80%			8.50%		11.60%	

(1) Compound Annual Growth Rate

(2) Average Daily Rate

(3) Revenue per available room (=occupancy x ADR)

Source: PKF Consulting, CBRE Hotels, and EPS (which combined PKF's Downtown 1 and Downtown 2 categories)

OFFICE MARKET

While Downtown residential and hotel inventory has grown considerably, office development has lagged, as the office market is still recovering from the Great Recession. As shown in **Exhibit 4-6**, 2015 was the first year of positive net absorption since 2007. As shown in **Exhibit 4-7**, vacancy, which peaked in 2013, is finally trending down. Steadily appreciating rents, however, have grown to the point that new office space is now being considered.

Even before the Recession, Downtown office inventory grew slowly: 1.4 million square feet completed since 1996 represents 4 percent of total Downtown Class A inventory, and nearly all of this construction occurred before 2005. The current construction pipeline of 1,126,141 square feet, which comes mostly from the new Federal Court House (600,000) and the Office Plaza at Wilshire Grand (356,000), will increase inventory by another 3 percent.

A review of employment between 2002 and 2014, as shown in **Exhibit 4-8**, shows that Downtown net employment growth of 17 percent largely kept pace with the City's 18 percent growth. Both Downtown and the City saw big declines in goods-producing industries (20 and 25 percent declines respectively), but Downtown's manufacturing decline was especially pronounced with a 53 percent loss of employment. Some of this decline, along with declines in transportation and warehousing, can be attributed to the adaptive reuse conversion of Downtown industrial space for residential uses. Other significant declines in Downtown employment were in the educational services, retail, finance and insurance, and professional management industry sectors. These declines were largely off-set by a large increase in public administration and smaller increases in healthcare, arts and entertainment, and accommodation and food services.

The implication of this shift in the employment mix is that through 2014, Downtown maintained

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its role as a major employment center with a growing proportion of jobs dedicated to serving the growing residential and visitor populations. However, analysts generally believe that Downtown job and office growth will pick up as employers seek to locate closer to Downtown's attractive mix of educated and high-income residents, government offices, and amenities.

Exhibit 4-6: Downtown LA Office Absorption, Deliveries, and Vacancy Since 1996

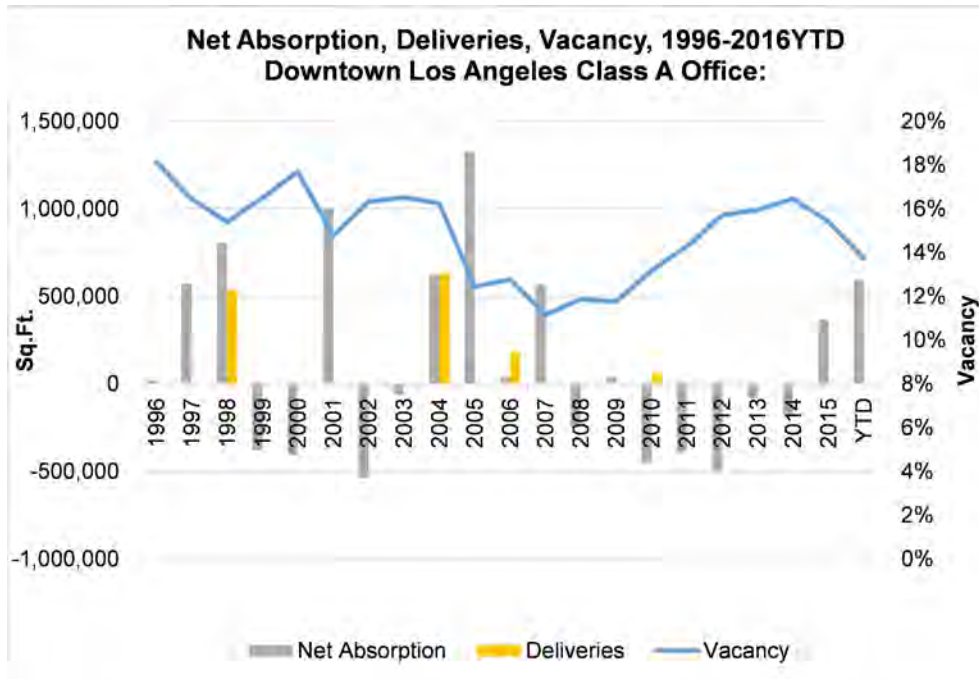
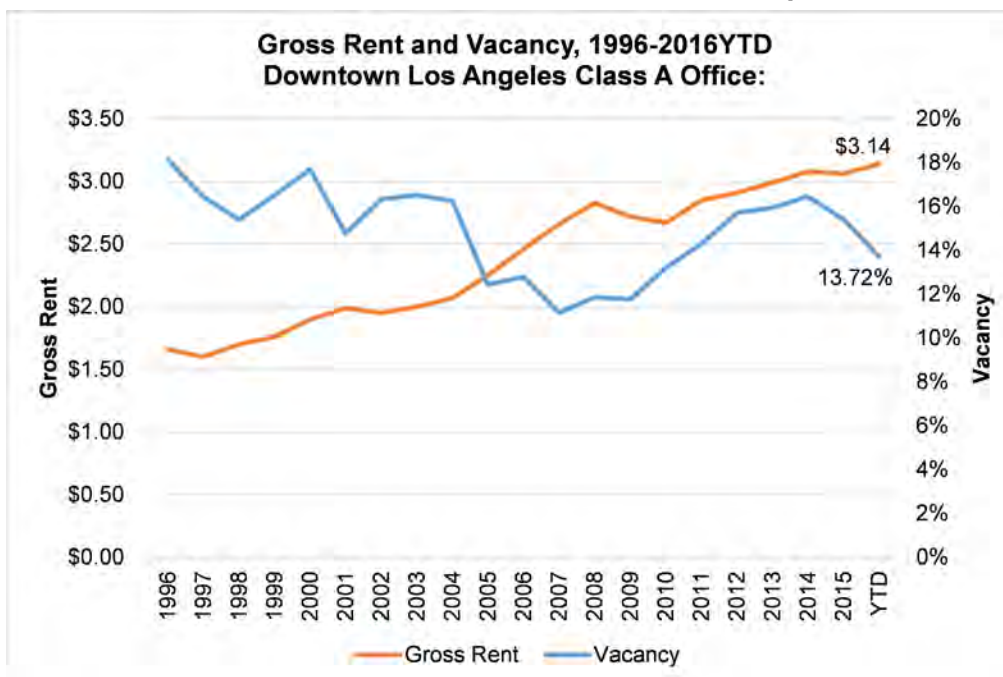


Exhibit 4-7: Downtown LA Office Rent and Vacancy Since 1996



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Exhibit 4-8: Downtown vs. City of Los Angeles Employment, 2002-2014

Item	Downtown Los Angeles				City of Los Angeles			
	2014		2002-14 Change		2014		2002-14 Change	
	#	Share	#	%	#	Share	#	%
All Jobs	294,844	100%	42,069	17%	1,739,637	100%	270,042	18%
By NAICS Industry Sector								
<u>Goods-Producing Industries</u>								
Agriculture, Forestry, Fishing and Hunting	101	0%	17	20%	2,577	0%	(32)	-1%
Mining, Quarrying, and Oil and Gas Extraction	215	0%	206	2289%	1,115	0%	118	12%
Utilities	13,272	5%	2,110	19%	16,015	1%	2,275	17%
Construction	2,063	1%	(340)	-14%	39,735	2%	(1,004)	-2%
Manufacturing	6,657	2%	(7,573)	-53%	98,317	6%	(54,668)	-36%
Subtotal	22,308	8%	(5,580)	-20%	157,759	9%	(53,311)	-25%
<u>Service-Producing Industries</u>								
Wholesale Trade	17,906	6%	3,407	23%	79,496	5%	5,828	8%
Retail Trade	8,261	3%	(1,523)	-16%	151,289	9%	12,399	9%
Transportation and Warehousing	3,169	1%	(2,594)	-45%	66,138	4%	(7,936)	-11%
Information	7,886	3%	1,590	25%	118,205	7%	22,783	24%
Finance and Insurance	16,927	6%	(2,758)	-14%	67,999	4%	(6,312)	-8%
Real Estate and Rental and Leasing	3,364	1%	(63)	-2%	36,926	2%	4,217	13%
Professional, Scientific, and Technical Services	29,349	10%	2,814	11%	133,054	8%	15,848	14%
Management of Companies and Enterprises	7,471	3%	(1,716)	-19%	22,247	1%	(11,124)	-33%
Admin. & Support, Waste Mgmt. and Remediation	11,767	4%	1,752	17%	107,944	6%	11,895	12%
Educational Services	6,984	2%	(35,703)	-84%	142,291	8%	43,088	43%
Health Care and Social Assistance	16,570	6%	8,099	96%	278,456	16%	129,513	87%
Arts, Entertainment, and Recreation	13,331	5%	1,484	13%	38,766	2%	7,133	23%
Accommodation and Food Services	18,726	6%	8,446	82%	154,875	9%	38,584	33%
Other Services (excluding Public Administration)	5,714	2%	(8,934)	-61%	67,114	4%	(25,094)	-27%
Public Administration	105,111	36%	73,348	231%	117,078	7%	82,531	239%
Subtotal	272,536	92%	47,649	21%	1,581,878	91%	323,353	26%

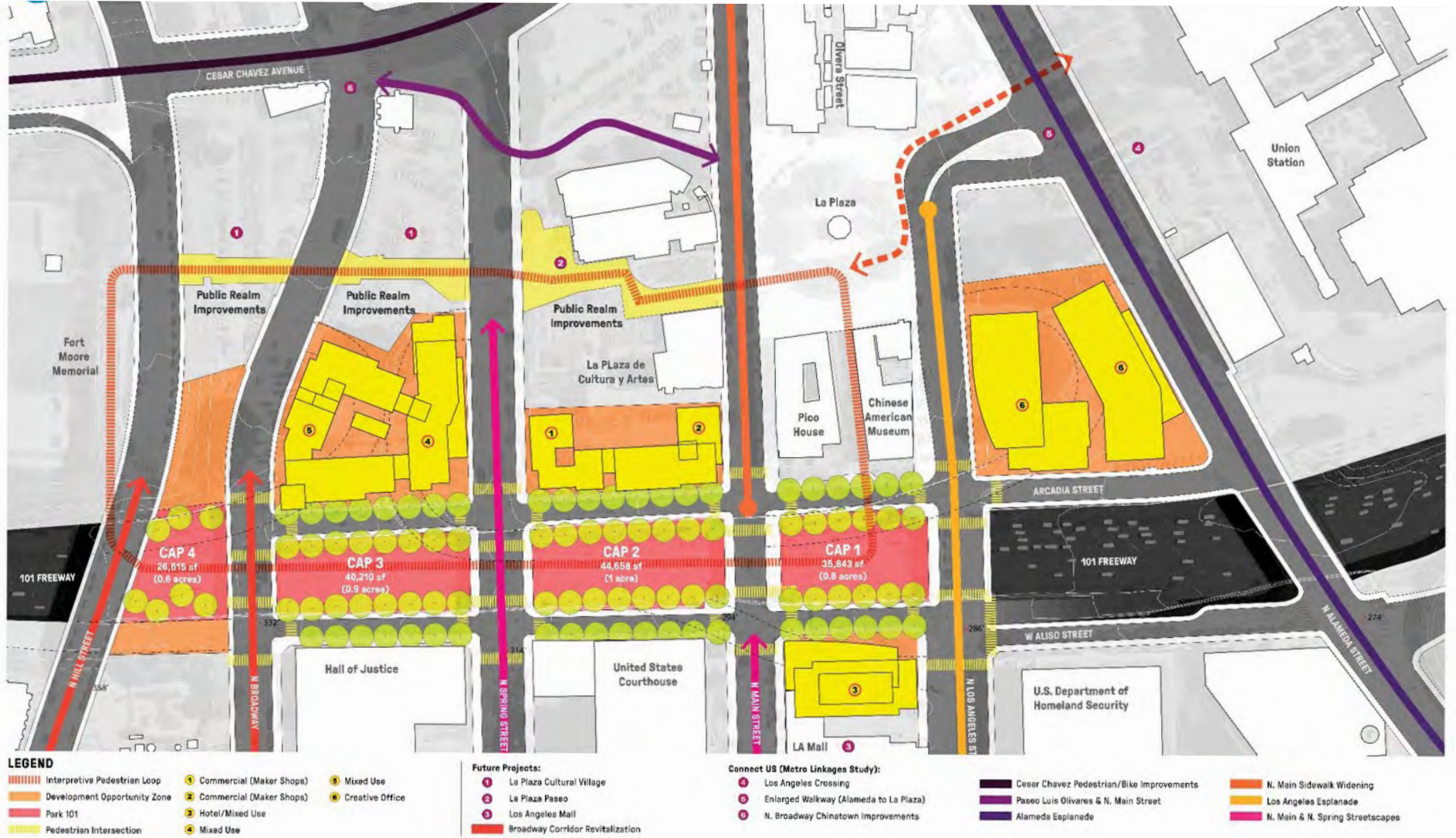
Source: LEHD On the Map/US Census

LAND PLAN AND DEVELOPMENT PROGRAM

The Consultant Team identified six publicly-owned parcels (Opportunity Sites) adjacent to the proposed Park 101 right-of-way that may become suitable for development if the park is built (see **Exhibit 4-9**). The parcels could be reasonably combined into four distinct opportunity sites for which the Consultant Team has proposed a development program that addresses a range of regulatory, density, market, and usage criteria. An important goal for the proposed uses is to leverage the unique park-adjacent location and proximity to Civic Center, Union Station, and El Pueblo to generate land value that could help justify the project and provide funds to help finance construction and/or other public uses. The proposed uses total nearly 700 housing units, 70,000 square feet of retail, and 150,000 square feet of office space, as follows:

- **Parcels 1 and 2** are situated in front of La Plaza Cultura between Spring and Main Streets on the northern side of the proposed park. Totaling just under one acre in size, the opportunity site is programmed for a five-story residential-over-retail project that would front the park.

Exhibit 4-9: Proposed Opportunity Site Development Program Plan



Source: SWA Group

OPPORTUNITY SITES

- **Parcel 3** is located between Main and Los Angeles Streets on the southern side of the proposed Park 101. The 1.5-acre site currently encroaches on the existing LA Mall; therefore, the proposed 26-story residential tower assumes redevelopment of the entire site.
- **Parcels 4 and 5** occupy a 1.9-acre site between North Broadway and Spring Street and would support a 16-story residential-over-retail development.
- **Parcel 6** is located between the Chinese American Museum and Union Station on 2.27 acres of land that would partially be reclaimed by removing the existing Alameda and Los Angeles Street 101 on-ramp. A four-story office-only use that would benefit from proximity to Union Station and Civic Center is proposed for the site.

The assumed densities are generally consistent with other Downtown Los Angeles projects, although the 26-story residential tower on Parcel 3 would create a new landmark alongside the park. A massing study for the proposed development program is shown in **Exhibit 4-10** and program parameters are summarized in **Exhibit 4-11**.

LAND VALUE ESTIMATE

LAND TRANSACTION COMPARABLES ANALYSIS METHODOLOGY

Transactions of comparable and/or analogous land parcels can provide a market-sensitive indicator of a property's value as a development site. Land sale prices reflect the full spectrum of a site's unique attributes: size, locational quality, state of entitlements, potential development density, allowable uses, and site-specific construction costs, among others. Reviewing actual land sales provides important information on how the marketplace is valuing developable land.

As a land valuation tool, the accuracy of the "comparables" approach is limited by the size of the set and the recency of the transactions in it, the similarity of transaction site physical conditions to that of the subject property, and whether buyers' intended uses match that for the subject properties. In selecting recent land comps for review, Economics & Planning Systems, Inc. (EPS) filtered a set of all Downtown "land" transactions (as defined by CoStar) that occurred Downtown since 2012 by excluding sites intended for adaptive re-use and/or hotel development and mega-project sites such as those for Metropolis and Oceanwide Plaza. This resulted in a final comparable set comprising 41 separate transactions broken out into 6 neighborhood sub-areas, which are summarized in **Exhibit 4-12**.

Transaction land value in the comp set varies based on location and characteristics specific to the properties and their envisioned development, but the overall median land value per square foot comes to \$325 (roughly \$14 million per acre) and \$70,300 per buildable unit.

RESIDUAL LAND VALUE ANALYSIS METHODOLOGY

Residual land value analysis is based on static development pro formas for each of the proposed development parcels and uses, which contain assumptions regarding development costs, stabilized revenues under current market conditions, and a typical

Exhibit 4-10: Proposed Opportunity Site Development Program Massing



OPPORTUNITY SITES

Exhibit 4-11: Proposed Opportunity Site Development Program Summary

Item	Parcels 1 + 2	Parcel 3	Parcels 4 + 5	Parcel 6
Proposed Use	Multi-Family Mixed-Use	Multi-Family Mixed-Use	Multi-Family Mixed-Use	Office
Program				
Site AC	0.98	1.50	1.92	2.27
Residential Units	96	382	299	0
Retail Sq. Ft.	23,524	17,889	26,807	0
Office Sq. Ft.	0	0	0	148,941
Parking				
Type	Subterranean	Subterranean	Subterranean	Subterranean
Spaces	123	402	336	100
Spaces/Unit	1.00	1.00	1.02	N/A
Spaces/1,000 commercial sf.	1.00	1.00	1.00	0.60
Building Envelope and Density				
Stories	5	26	16	4
FAR	3.1	6.7	4.3	1.7
DUAC	98	255	156	0

Source: John Kaliski Architects, Economic & Planning Systems, Inc.

Exhibit 4-12: Downtown Los Angeles Land Transaction Comps 2012-2016

Subdistrict	Size of Set ¹	Site AC		Proposed DU/AC		Price/Proposed		Price/Land Sq.Ft.	
		Avg.	Median	Avg.	Median	Avg.	Median	Avg.	Median
Arts District	5	3.7	1.2	N/A ²	N/A	N/A	N/A	\$222	\$245
Central City East/Fashion District	9	0.9	0.7	652	652	\$74,300	\$74,300	\$307	\$325
Chinatown	2	0.5	0.5	N/A	N/A	N/A	N/A	\$284	\$284
Historic Core/Financial District	2	1.2	1.2	264	264	\$60,800	\$60,800	\$420	\$420
South Park	20	1.3	1.0	230	217	\$71,200	\$70,300	\$369	\$338
Toy District/Little Tokyo	3	0.7	0.2	139	139	\$80,400	\$80,400	\$620	\$257
All	41	1.4	0.9	283	217	\$71,500	\$70,300	\$354	\$325

Notes

(1) The Comp Set includes land transactions in Downtown Los Angeles that occurred between 2012 and July 2016. The initial set was refined to include only sites intended for ground-up development/redevelopment for residential or mixed-uses. Mega-projects with a hotel component were also excluded.

(2) N/A = insufficient or incomplete data

Sources: CoStar, Economic & Planning Systems, Inc.

OPPORTUNITY SITES

rate of return to compensate the developer for time and assumed risk. Residual land value is computed as the capitalized value at stabilization of the proposed development less construction costs, given the estimated performance of the proposed uses.

All cost and revenue assumptions used in the analysis are based on 2016 market rates, except where noted. While the timing of development for the proposed uses is likely to extend far into the future, current rates provide a consistent basis for understanding economic relationships. A discussion of key assumptions follows below.

- Residential rents are based on the asking rents of several recently constructed mid-rise and high-rise projects in Downtown Los Angeles shown in **Exhibit 4-13**, which indicate average rents of \$3.40 per square foot for mid-rise buildings and \$3.55 for high-rise buildings.
- Office rents are derived from the survey shown in **Exhibit 4-7**, which indicate a current average Downtown Class A gross rent of \$3.14 per square foot from an inventory entirely composed of older buildings. For the development pro forma, a gross rent of \$3.61 per square foot is used, reflecting a 15 percent premium for new construction.
- Capitalization rate assumptions are based on EPS expectations that “going-in” cap rates for valuations will exceed by 1.5-2.5 percent the “exit” cap rates from CBRE: 2H2015 Cap Rates survey for Class A office, Class A multifamily, and “High Street” retail. The assumptions are based on the average of ranges provided by CBRE.
- Vertical construction costs assumptions were prepared by John Kaliski Architects based on RS Means for the nearest zip code. Hard costs include union labor and 14 percent General Contractor's overhead and profit.

Exhibit 4-13: Multifamily Rent Comps

Project	Address	Neighborhood	Built	Stories	Site AC	RBA Sq.Ft.	Units	FAR	DU/AC	Rent/Sq. Ft.
Mid-Rise										
Wakaba	232 E 2nd St.	Little Tokyo	2016	7	1.74	210,000	241	2.8	139	3.20
Da Vinci	909 W Temple St	Civic Center	2015	6	6.45	579,172	287	2.1	45	3.20
8th & Grand	770 S Grand Ave.	Financial District	2015	7	4.00	577,000	700	3.3	175	4.41
Jia Apartments	639 N Broadway	Chinatown	2014	6	2.70	374,766	280	3.2	104	<u>2.87</u>
Mid-Rise Average										3.40
High-Rise										
8th+Hope	801 S Hope St.	Financial District	2014	22	0.82	300,000	290	8.4	353	3.57
APEX The One.	900 S Figueroa St	South Park	2012	30	1.20	466,200	267	8.9	222	3.46
Watermarke Tower	705 W 9th St.	South Park	2010	35	0.66	254,326	215	8.8	324	<u>3.63</u>
High-Rise Average										3.55
All Comps Average										3.48

Source: CoStar, property websites, Economic & Planning Systems Inc.

OPPORTUNITY SITES

- Threshold developer returns on vertical costs may vary widely from project to project, depending on land use type, perceived risks, and the investment philosophy and time horizon of particular developers. The developer returns assumed in the analysis are based on developer interviews and EPS's experience with similar product types and risk profiles. For residential uses, the analysis assumes a 13 percent return on cost for mid-rise projects, a 15 percent return on cost for high-rise projects, and a 10 percent return on cost for office uses.

For a summary of key assumptions used in the pro forma analyses, see **Exhibit 4-14**.

ESTIMATED LAND VALUE

The residual land value and transaction comps methodologies yield a range of between \$72 and \$94 million (equivalent to between \$248 and \$325 per land square foot) of potential land value from the four opportunity sites, as shown in **Exhibit 4-15**.

- Residual land value calculations yield the lowest value in the range of roughly \$72 million, equivalent to \$10.8 million per acre and \$248 per square foot. The Site 6 program of office space yields the lowest value, as achievable office rents appear to generate building value only marginally above construction costs, while the high-rise building envisioned for Site 3 yields the highest value, reflecting Downtown's strong residential market.
- Per-residential unit transaction comps generate the next-highest land value of roughly \$83 million in total land value for the four sites, equivalent to \$12.4 million per acre and \$285 per square foot.
- Application of the \$325 per-square-foot land transaction comp value, the median value from the surveyed set of 41 recent transactions yields the highest estimated land value, equivalent to \$14 million per acre.
- The \$72 million to \$94 million range represents the estimated value of the land itself, but the newly constructed buildings would have even greater value. At prevailing market prices for residential, retail, and office development, the Opportunity Sites are estimated to have a total market value of roughly \$475 million. Because none of the parcels are currently on the tax roll, the full value of this new development represents net new assessed value on which tax increment financing may be based (refer to **Chapter 6 - Finance Strategy** for estimated tax increment financing generated from the Opportunity Sites).

OPPORTUNITY SITES

Exhibit 4-14: Key Assumptions for Financial Feasibility Analysis

Item	Sites 1 + 2	Site 3	Sites 4 + 5	Site 6
	5-Story MF w/ Ground Retail and Subterranean Parking; 60' high	26-Story MF w/ Ground Retail and Subterranean Parking	16-Story MF w/ Ground and Roof Retail and Subterranean Parking	4 -Story Type B Office Above 1- story (Semi-) Subterranean Parking
Program Parameters				
Site Acres	0.98	1.50	1.92	2.27
Floor Area Ratio (FAR)	3.1	6.7	4.3	1.7
Units	96	382	299	0
Dwelling Units/Acre (DUAC)	98	255	156	0
Commercial Sq.Ft.	23,524	17,889	26,807	148,941
Key Assumptions				
Rent¹				
MF Market Rate Rent	\$3.40	\$3.55	\$3.55	NA
Retail Rent	\$2.60	\$2.60	\$2.60	NA
Office Rent (Gross)	NA	NA	NA	\$3.61
Parking Space/Month	\$100	\$100	\$100	\$200
Cap Rates²				
Residential	5.50%	5.50%	5.50%	NA
Retail	7.00%	7.00%	7.00%	NA
Office	NA	NA	NA	7.00%
Parking	7.00%	7.00%	7.00%	7.00%
Tenant Allowance	\$40	\$40	\$40	\$40

Notes

(1) Multifamily rent assumptions are derived from current market comparables of recently constructed projects; retail rent assumptions from CoStar, based on DTLA averages; office rent derived from CoStar averages and validated by broker interviews.

(2) Cap Rate assumptions are based on EPS expectations that "going-in" cap rates for valuations will exceed by 1.5-2.5% the "exit" cap rates from CBRE: 2H2015 Cap Rates survey for Class A office, Class A multifamily, and "High Street" retail. Assumption is based on the average of the range provided by CBRE.

Source: Economic & Planning Systems, Inc.

OPPORTUNITY SITES

Exhibit 4-15: Land Value Estimates

Valuation Basis	Sites 1 + 2	Site 3	Sites 4 + 5	Site 6	Total
	5-Story MF w/ Ground Retail and Subterranean Parking	26-Story MF w/ Ground Retail and Subterranean Parking	16-Story MF w/ Ground and Roof Retail and Subterranean Parking	4 -Story Type B Office Above 1- story (Semi-) Subterranean Parking	
Residual Land Value					
Parcel Value	\$12,808,000	\$31,021,000	\$27,449,000	\$804,000	\$72,080,000
/Acre	\$13,130,000	\$20,680,000	\$14,290,000	\$350,000	\$10,810,000
/Site Sq.Ft.	\$301	\$475	\$328	\$8	\$248
<i>RLV % of Total Costs</i>	23%	15%	17%	1%	18%
Transaction Comp: \$70,300/Unit ¹					
Parcel Value	\$6,750,000	\$26,850,000	\$21,020,000	\$28,170,000	\$82,790,000
/Acre	\$6,920,000	\$17,900,000	\$10,940,000	\$28,170,000	\$12,420,000
/Site Sq.Ft.	\$159	\$411	\$251	\$285	\$285
Transaction Comp: \$325/Sq.Ft.					
Parcel Value	\$13,810,000	\$21,240,000	\$27,200,000	\$32,110,000	\$94,360,000
/Acre	\$14,160,000	\$14,160,000	\$14,160,000	\$14,160,000	\$14,160,000
/Site Sq.Ft.	\$325	\$325	\$325	\$325	\$325

(1) While Site 6 is programmed for office use, for the purpose of illustrating the residential unit transaction comp valuation basis, it is valued here as though programmed for residential uses using the average per-square-foot land value of Sites 1+2, 3, and 4+5.

Source: Economic & Planning Systems, Inc.

CHAPTER 5: POTENTIAL PROGRAMMING



POTENTIAL PROGRAMMING

THE POTENTIAL

The initial phase of Park 101 will encompass a total of 3.8 acres of programmable space along four capped portions of the 101 Freeway between North Hill Street on the west and North Los Angeles Street on the east (see **Exhibit 5-1**). The four capped portions are divided between the following proposed programs: the Mercado, the Plaza, LA Courtyards, and the Hill (see **Exhibit 5-2**).

THE LOOP

The primary open space of Park 101 is comprised of four capped portions along the 101 Freeway. However, Park 101 has the unique ability due to its geographic location to help seemingly disparate cultural resources and neighborhoods tap into and create a larger network of open spaces connected by pedestrian pathways called The Loop (see **Exhibit 5-3**). The Loop serves as a mechanism to physically reconnect the El Pueblo historical district, Union Station, Chinatown, and Fort Moore, as well as intelligently anticipate future projects, including Park 101, the Union Station Master Plan, La Plaza Cultura Village, the Historic Paseo, Metro Linkages Study projects, the Broadway Corridor Revitalization, and the Los Angeles Mall.

As more visitors arrive to Los Angeles by rail, this pedestrian-friendly circuit acts as a magnet, drawing newly deposited visitors out of Union Station and into a series of spaces that serve multiple functions: to provide a contextual narrative to elevate the historic importance of the birthplace of Los Angeles; to provide adaptable areas for cultural-historic programming, such as seasonal cultural-historic events; to connect the Civic Center and Downtown Los Angeles to El Pueblo; and to promote walkability in Los Angeles. The pedestrian circuit will also serve as an exercise path for local residents and workers .

CAP #1 – THE MERCADO

Cap #1 generates 0.8 acres of park space. Los Angeles derives much of its beauty from the cultural diversity that has helped shape and characterize the City. A constant sequence of historic-cultural events occurs throughout the year, but there has always been potential to better accommodate these events. By building upon the location and axis created by Olvera Street, La Plaza, and Sanchez Street, The Mercado's large adaptable space creates an effortless connection to El Pueblo and beyond to host a variety of annual events and seasonal festivals normally held nearby, such as Día de Los Muertos, Chinese New Year, Cinco de Mayo, and Taste of Italy.

CAP #2 - THE PLAZA

Cap #2, known as The Plaza, is more than one acre in area, and is intended to create an intimate setting through the use of an allée of trees encircling the block, pulling adaptable open space away from the roadways bounding it in on all four sides, and providing a setting for citywide events, or respite from the urban surroundings.

POTENTIAL PROGRAMMING

CAP #3 - LA COURTYARDS

Cap #3 creates an additional 0.9 acres of parkland. The physical conditions of the space and the intended adjacent mixed use developments inform programs such as a small children's playground and large outdoor amphitheater complete with a stage for cultural and historic performances, accompanied by designated shaded seating, and a shade pavilion (see **Exhibit 5-4** for a rendering).

CAP #4 - THE HILL

Cap #4 provides 0.6 acres of open space in the area now known as Fort Moore hill. The site has played an important role through many eras of Los Angeles history: as a high ground to escape the floodplain zone that would periodically inundate the area along the Los Angeles River, to a strategic high point during the Mexican War of Independence and Mexican-American War. By capping this portion of the 101 Freeway, not only does The Hill restore some of the site's natural integrity, but programmatically serves as a passive park space for potential adjacent residential developments identified in this study. Multiple viewing decks and terraced seating profit from the elevation change from 358' above mean sea level (amsl) at North Hill Street to 332' amsl along North Broadway, directing views towards the Los Angeles River and East Los Angeles beyond.

Exhibit 5-1: View of Park 101 from Los Angeles Street



Source: SWA Group

Exhibit 5-2: Proposed Park 101 Programming and Opportunity Sites on Adjacent Parcels



THE HILL

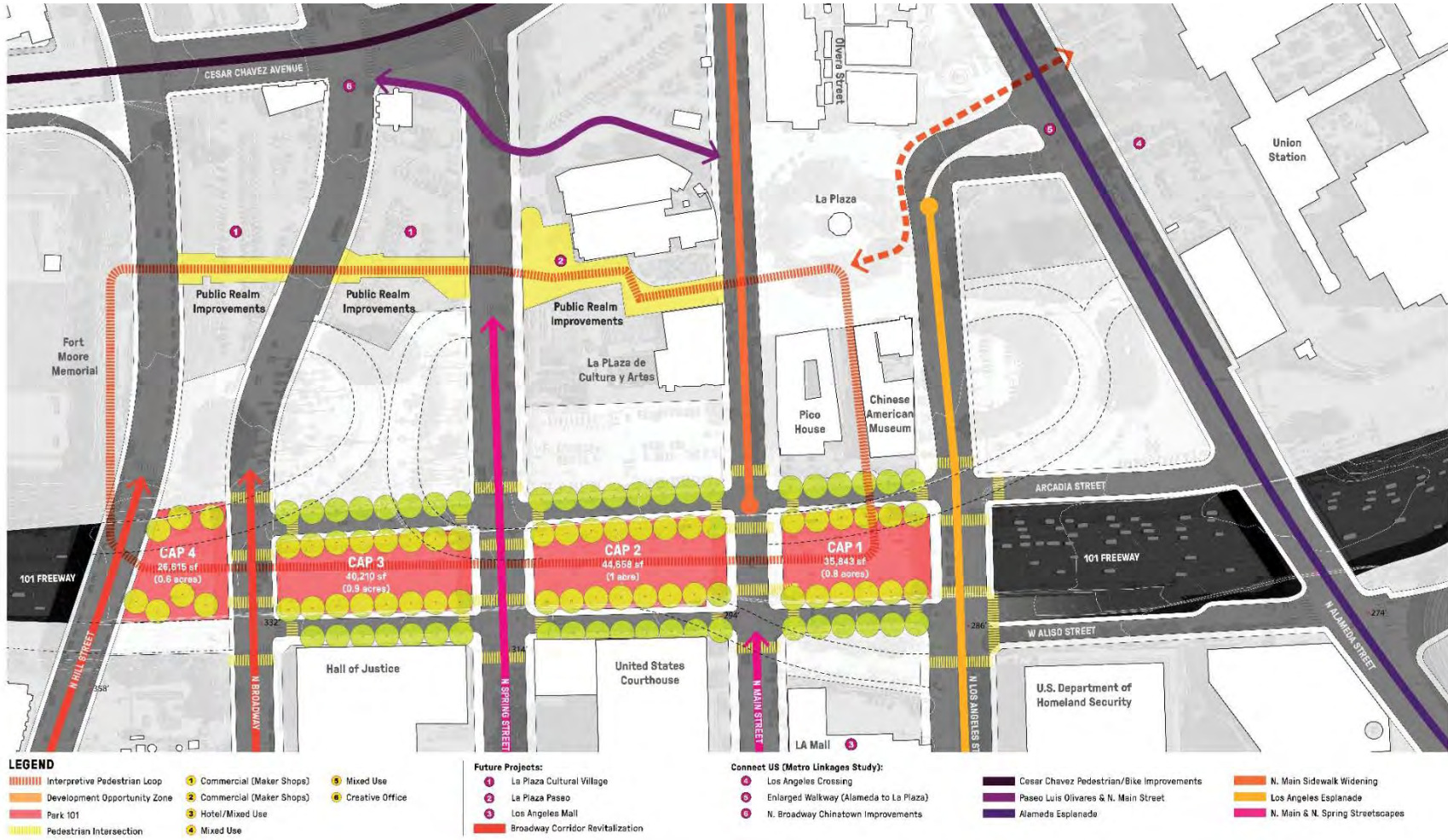
LA COURTYARDS

THE PLAZA

THE MERCADO

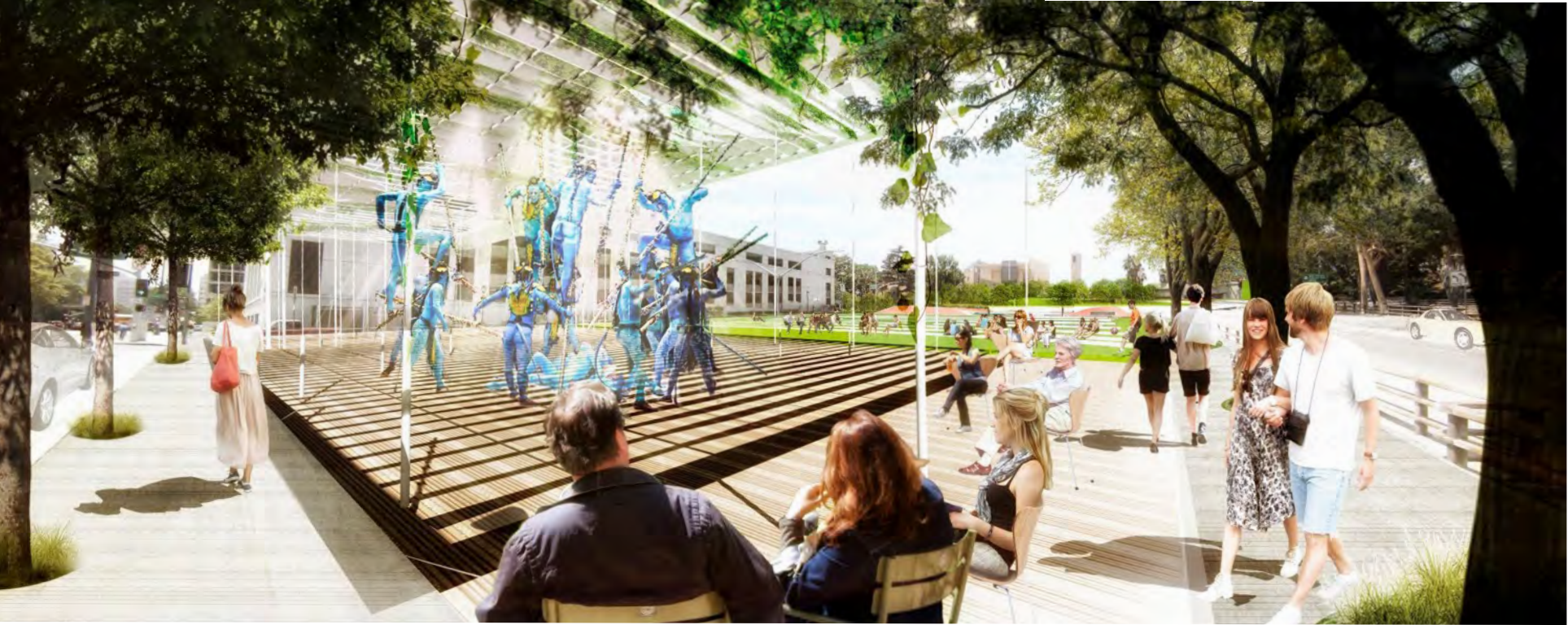


Figure 5-3: The Loop



Source: SWA Group

Exhibit 5-3: Courtyard Located Between N. Broadway and N. Spring Street



Source: SWA Group

CHAPTER 6

FINANCE

STRATEGY



INTRODUCTION

The Park 101 project would bring social, environmental, and economic benefits to an underserved neighborhood in Downtown Los Angeles that the California Environmental Protection Agency (CalEPA) designates as a “disadvantaged community”. Building an infrastructure deck above the 101 Freeway creates the opportunity to develop land currently dedicated to transportation facilities into public and community-serving uses that will promote access and connect the historical and cultural cores with the Civic Center. In addition, converting existing freeway on- and off-ramps into developable parcels will facilitate the revitalization of the area through the construction of much-needed housing. This project also further enhances the surrounding street improvements (e.g., bicycle and pedestrian facilities) that Metro outlined in its Connect US Action Plan. Additionally, developing a park on top of the deck addresses the high park need downtown where vacant land is scarce. The aforementioned benefits make the Park 101 project eligible for a variety of funding sources, including transportation planning grants, cap-and-trade funding, active transportation grants, local park funding, and more.

This section identifies the potential funding opportunities for the Park 101 project along with a Capital Mapping Funding Matrix, as well as three recommended funding scenarios to finance the predevelopment and construction for the single phase four-block freeway cap park.

PROJECT COSTS AND FUNDING NEEDS

Financing the entire Park 101 project would include the components outlined in **Exhibit 6-1**. The final project cost will vary depending upon further refinement of the design concept and on-site programming.

Exhibit 6-1: Park 101 Freeway Cap Funding Needs

Category	Potential Funding Sources
Predevelopment (CEQA, Planning, Design)	State, Local, Philanthropic
Deck Infrastructure	Federal, State, Local
Park Landscape and Street Improvements	Federal, State, Local
Programming and Operations and Maintenance	Local, Philanthropic

PARK 101 FREEWAY CAP PROJECT COSTS

Preparation of the Caltrans PSR/PDS update and the environmental documents are estimated at \$1.5 million. The estimated rough order of magnitude cost for design and construction of the single phase four-block freeway cap project is approximately \$183 million, as shown in **Exhibit 6-2**.

Exhibit 6-2: Estimated Costs

Freeway Cap	Quantity	Units	Unit Cost	Total Cost
Cap Park Structure	147,226	s.f.	\$800.00	\$ 117,780,800
Cap Park Landscaping	147,226	s.f.	\$ 75.00	\$ 11,041,950
Street Improvement	3,750	l.f.	\$800.00	\$ 3,000,000
Total Construction Hard Costs				\$ 131,822,750
Construction Hard Cost Contingency @ 10% Total Hard Costs				\$ 13,182,275
GC, O & P @ 17.5% of Total Hard Costs & Contingency				\$ 25,375,879
A & E @ 7.5% of Total Hard Costs, Contingency and GC, O & P				\$ 12,778,568
Total Costs				\$ 183,159,472

Source: John Kaliski Architects

ASSUMPTIONS FOR COSTS

The costs detailed below do not include land value, re-ramping the 101 Freeway, ventilation and other mechanical equipment, demolition of existing curbs, civil engineering along curbs and roadways, park programs and events, administration and maintenance of the park, or adjoining parcel development. The assumptions for the costs for the structure, landscape, and street improvement costs for the Park 101 project are listed below:

- **Structural Cost** - The structural cost assumption is based on the BEACH+TOWN project in Ventura. However, the removal of the freeway ramps, as well as more sturdy structures in Park 101, must be considered. Therefore, the estimated costs are elevated by 15 percent while also including another 10 percent for contingency. The total estimate structural cost is \$800 per square feet.
- **Landscape Cost** - The landscape cost assumption is based on the costs from the proposed Santa Monica Memorial Park Freeway Cap project, which was estimated at \$75 per square feet based on case studies of various freeway parks and other parks.
- **Street Improvement Cost** - The street improvement cost assumption is based on the detailed construction cost estimate sheet from the Santa Monica Memorial Park Freeway Cap project, which specified unit costs for trees, lighting, and paving. This estimate includes the planting of street trees and installing lights on all sidewalks within the project boundary where there is a lack of such infrastructure presently. Using the figures in the cost estimate, the estimated street improvement costs is approximately \$800 per linear feet.

FINANCING MECHANISMS FOR FREEWAY PARKS

Several urban park projects involving reuse of freeway caps and underutilized commercial or public space have been developed since the late 1970s. Various case studies, such as those presented in the Park 101 Phase 1 Study indicate that these projects fall into three broad categories, as further defined below: 1) Mitigation Projects; 2) Public-Private Partnership Projects; and 3) Publicly Funded Projects.

FINANCE STRATEGY

- **Mitigation Projects** - These are park projects created a significant amount of time after freeways/roadways were built as a means to revitalize neighborhoods negatively affected by transportation infrastructure. Mitigation parks are often primarily funded by federal or state agencies, but can also include public/private partnerships. Examples include:
 - Lake Place Park & Leif Erikson Park (Duluth, MN) – Public Funding
 - Seattle Freeway (Seattle, WA) – Public Funding
 - Millennium Park (Chicago, IL) – Public/Private Funding
 - Olympic Sculpture Park (Seattle, WA) – Public/Private Partnership
- **Public/Private Partnership (P3) Projects** - These are park projects in which the private sector takes a strong role in park planning, development, funding, and operation. Typically, joint committees of public and private entities are created to guide the development and operation of the park and may include setting up an endowment to assure the long-term maintenance and active operation of the park independent of local government budgets. Examples of P3 park projects include:
 - Millennium Park (Chicago, IL)
 - Olympic Sculpture Park (Seattle, WA)
 - Seattle Freeway Park (Seattle, WA)
- **Publicly Funded Projects** - These are park projects primarily paid for through public (federal, state, and local) funds and which may involve minimal to no private sector funds. Publicly funded projects tend to be part of new freeway/roadway construction and are characterized by passive green spaces, with limited active programming and budgets. The local government's General Fund typically supports maintenance and operation costs. Examples include Teralta Park in San Diego, CA and Margaret T. Hance Park in Phoenix, AZ.

Case studies of park projects indicate some likely overlap between mitigation projects, public-private partnerships, and publicly-funded projects. However, in nearly all cases, joint funding and leveraging between local, state, and federal agencies is essential.

Cities have used a combination of state and federal funding sources to fund the construction of the concrete deck above the freeway. Federal funds are typically the primary source of funding for the deck infrastructure, with the city financing the park improvements.³ For example, the Federal Highway Administration (FHWA) funded approximately 92 percent of the infrastructure for the Margaret T. Hance Park (Phoenix, AZ).⁴ Funding sources for on-going maintenance and programming include local government and non-profits. For example, the local General Fund is a primary funding source for on-going maintenance and operation costs, such as for the Teralta Park (San Diego, CA) and Margaret T. Hance Park (Phoenix, AZ). In Los Angeles, former County Supervisor Gloria Molina established the non-profit organization Grand Park Foundation to raise private funds to supplement public funds for Grand Park's operating budget specifically allocated for programming. For parks offering a high level of activity or programming during operation, the sustained engagement of the private sector in the years after construction can be essential to keep the park vibrant, updated, and well-maintained for the community and visitors.

CAPITAL MAPPING (FUNDING MATRIX)

The financing structure to design and construct the envisioned Park 101 project would require access to capital from various funding sources. It is now typically the case that obtaining financing for large, complicated development projects can no longer rely on a single source of investment, whether public or private. To reduce risk for investors and assure adequate capital is available to launch a project successfully, the financing for the project will involve a patchwork of grants, debt, and equity committed by several sources. A consideration in developing a funding strategy for the Park 101 project is to examine the multiple ways in which the project can be framed or “branded” to align with funders’ priorities. For example, highlighting how the project’s extension of pedestrian and bicycle trails will help to connect and revitalize the surrounding neighborhoods in which walkable access is currently obstructed by the existing freeway. This could position the project competitively for funding sources such as the Active Transportation Planning Grant, Living Cities, and Cap-and-Trade Greenhouse Gas Reduction Fund.

ASSUMPTIONS FOR ACCESSING FUNDING

Accessing grant, equity, or loan capital from public (federal, state, regional, or local) and philanthropic funders assumes the following criteria will be met:

- For grants, the lead applicant will be a city or county agency, a Community Development Corporation (CDC), or a nonprofit organization. For debt capital, such as Program Related Investments, philanthropic entities may work in partnership with for-profit businesses as part of a wider area collaboration or consortium that includes nonprofit organizations that provide specialized services as a public benefit.
- Total project funding will consist of leveraged capital from multiple sources, both public and private.
- The project will have multiple benefits, including local jobs creation, improved public health/safety, environmental (greenhouse gas reduction, water quality) or other economic development benefit, based on other proven models or best practices, with measurable outcomes and long-term positive results.
- A feasibility study is underway or completed (or a planning grant is available to accomplish this upfront analysis). Project phases will be distinct and reflected in the project plan (e.g., planning, predevelopment, construction, operations, and maintenance).
- Project concepts will have strong evidence of community buy-in/support and engagement.
- Project readiness for funding and capacity to perform within a defined timeframe is evident.
- Funding priorities, strategies, and project eligibility criteria of targeted government and philanthropic organizations should be reviewed annually through published guidelines and notices of funding availability.

The Capital Mapping Funding Matrix presented in **Exhibit 6-3** identifies a list of public agencies and organizations as potential partners that may contribute to the Park 101 project. Most of

FINANCE STRATEGY

the organizations identified in the Capital Mapping Funding Matrix have a history of investing in community development and revitalization projects in the greater Los Angeles region or State of California. The entities selected are those whose missions will encompass one or more of these priority areas: community development; sustainable communities; urban parks and green space; environmental mitigation; and health designed into land use. As part of the initial evaluation and screening process for reviewing the revenue sources, the Consultant Team assessed the relative applicability of each funding source. The assessment applies a straightforward scoring system:

- High applicability = 3
- Moderate applicability = 2
- Low applicability = 1

The funding amounts shown in the chart are based either on (a) actual award caps set by the agency which tend to not change annually or (b) on comparable projects (i.e., grant award average). Additionally, the chart does not include funding for programming and operations and maintenance as the estimated costs would require further refinement of the project.

The funding availability and criteria for the grant programs outlined in this chapter and **Exhibit 6-3** are based on the grant program guidelines for FY 2016-17, which vary each year.

POTENTIAL FUNDING OPPORTUNITIES

Outlined in this section is additional information on potential federal, state, local, philanthropic, and other funding sources that could be available for the project depending on the formation of strategic partnerships, finalized grant program guidelines, funding availability, and voter approval. In previous case studies, cities have used a combination of state and federal funding sources to fund the construction of the concrete deck above the freeway. As a large-scale, phased infrastructure project, Park 101 will require intensively leveraged funding from diverse sources at each stage of development. Federal and state programs are contingent upon legislative approval cycles or the outcome of ballot measures subject to public vote.

FEDERAL SOURCES

FIXING AMERICA'S SURFACE TRANSPORTATION ACT (FAST ACT)

The previous Federal Surface Transportation Program, MAP-21, expired in 2015. On December 4, 2015, President Obama signed into law Public Law 114-94, the Fixing America's Surface Transportation Act (FAST Act). The FAST Act funds surface transportation programs—including, but not limited to, Federal-aid highways—at over \$305 billion for FY2016-2020. Only states may apply for grants funded by the FAST Act. Funding under FAST may be used by states to provide leverage to regional projects funded by other sources. Caltrans administers the following relevant programs from the following FAST Act programs:

Exhibit 6-3: Capital Mapping Funding Matrix

Capital Source ¹		Applicability Rating	Design + Planning	Deck Infrastructure	Park + Street Improvements	Total
A. Federal Sources	U.S. DOT TIGER Discretionary Grants	2		\$20,000,000		\$20,000,000
	National Endowment for the Arts - Our Town Grants	3			\$500,000	\$500,000
	Subtotal		\$0	\$20,000,000	\$500,000	\$20,500,000
B. State Sources	Affordable Housing and Sustainable Communities Program (AHSC)	2		\$8,000,000		\$8,000,000
	CA Dept HCD Housing-Related Parks Program	2			\$150,000	\$150,000
	CA Transportation Commission Active Transportation Program	3		\$4,000,000		\$4,000,000
	Cal FIRE Urban and Community Forestry Program	2			\$300,000	\$300,000
	Caltrans Sustainable Transportation Planning Grant	2	\$500,000			\$500,000
	Natural Environment Enhancement and Mitigation Program	1		\$500,000		\$500,000
	Land and Water Conservation Fund (LWCF)	3			\$1,000,000	\$1,000,000
	Prop. 1 – Storm Water Grant Program (SWGPP)	1			\$1,000,000	\$1,000,000
Subtotal		\$500,000	\$12,500,000	\$2,450,000	\$15,450,000	
C. Local Sources	City Parks Dedication and Fee Program (Quimby Fees)	3		\$10,000,000	\$5,000,000	\$15,000,000
	Subtotal		\$0	\$10,000,000	\$5,000,000	\$15,000,000
D. Value Capture Financing	EIFD Tax Increment Value - Existing Land Uses	3		\$48,000,000		\$48,000,000
	EIFD Tax Increment Value - Opportunity Sites	3		\$14,250,000		\$14,250,000
	Subtotal		\$0	\$62,250,000	\$0	\$62,250,000
E. Philanthropic & Corporate	ArtPlace America	1			\$200,000	\$200,000
	Annenberg Foundation	1	\$100,000	\$10,000,000		\$10,100,000
	California Community Foundation	3	\$100,000			\$100,000
	California Endowment	3	\$250,000			\$250,000
	California Wellness Foundation	2	\$100,000			\$100,000
	Friends of Park 101	3	\$250,000			\$250,000
	Kresge Foundation	1	\$250,000			\$250,000
	Irvine Foundation	2			\$250,000	\$250,000
	LA Funders Collab./SmartGrowth Funders Network	1	\$1,000,000			\$1,000,000
	Living Cities (multiple foundations)	1	\$500,000	\$2,000,000		\$2,500,000
	Surdna Foundation	3	\$100,000		\$500,000	\$600,000
Subtotal		\$2,650,000	\$12,000,000	\$950,000	\$15,600,000	
F. Other Funding	Community Development Block Grants (CDBG)	N/A	<i>Varies</i>			
	Los Angeles County Traffic Improvement Plan (Measure M)	N/A	<i>Pending Final Guidelines</i>			
	Metro Community Infrastructure Partnership Program (CIPP)	N/A	<i>Dependent on formation of program</i>			
	Safe, Clean Neighborhood Parks & Beaches Measure (Measure A)	N/A	<i>Pending Final Guidelines</i>			
	Transformative Climate Communities Program (TCC)	N/A	<i>Pending Final Guidelines</i>			
	Urban Greening Grant (UGG) Program	N/A	<i>Pending Final Guidelines</i>			
ESTIMATED TOTAL FUNDING			\$3,150,000	\$116,750,000	\$8,900,000	\$128,800,000

Note:

1. Funding does not include operations and maintenance cost. The funding amounts shown in the chart are based either on (a) actual award caps set by the agency which tend to not change annually or (b) on comparable projects, i.e., grant award average. Funding availability and criteria are based on grant program guidelines for FY 2016-17, which vary each year.

Surface Transportation Block Grant Program (STBG)

The FAST Act converts the long-standing Federal Surface Transportation Program into the Surface Transportation Block Grant Program (STBG), which funds projects that preserve or improve conditions and performance on any Federal-aid highway, bridge projects on any public road, facilities for non-motorized transportation, transit capital projects, and public bus terminals and facilities. The program also has a set aside for Transportation Alternative (TA) projects, which include a variety of smaller-scale transportation projects, such as pedestrian and bicycle facilities, recreational trails, community improvements, and environmental mitigation related to stormwater and habitat connectivity.

Congestion Mitigation and Air Quality Improvement (CMAQ)

The program provides a flexible funding source to state and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. The program funds projects that improve traffic flow (e.g., closing the on/off ramps in the Park 101 project area could improve the traffic flow on the freeway), as well as non-recreational bicycle transportation and pedestrian improvements that provide a reduction in single-occupant vehicle travel (e.g., first and last mile connections to and from the Union Station). Funding is also available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards (NAAQS) for ozone, carbon monoxide, or particulate matter (PM), nonattainment areas, and for former nonattainment areas that are now in compliance, which are referred to as maintenance areas.

Metro receives an annual apportionment of CMAQ program dollars. It is therefore recommended that the City secure a commitment from Metro to allocate around 5 to 10 percent of the \$138 million annually received from the CMAQ program for this project.

U.S. DOT TIGER DISCRETIONARY GRANTS

The TIGER discretionary grant program focuses on capital projects that generate economic development and improve access to reliable, safe, and affordable transportation for urban and rural communities. Planning, preparation, or design of capital projects may be funded as part of the overall construction project. Applicants must detail the benefits their project would deliver for five long-term outcomes: safety; economic competitiveness; state of good repair; quality of life; and environmental sustainability. The Department of Transportation (DOT) also evaluates projects on innovation, partnerships, project readiness, benefit cost analysis, and cost share. To date, the DOT has funded 16 Bicycle and Pedestrian projects averaging \$13 million (4.7 percent of overall TIGER funding).

In 2016, the Sports & Exhibition Authority of Pittsburgh and Allegheny County received \$19 million in TIGER grants to construct a cap connector structure over the I-570 crosstown highway to improve the connection between downtown and the Hill District. The project also includes transportation improvements, such as bus stops, bikesharing stations, pedestrian signals, and walkway improvements. Metro also secured funding from the TIGER grant for several street improvements to enhance connectivity to Union Station near the Park 101 project area. The

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Park 101 project could be eligible for up to \$20 million to fund the construction of the deck infrastructure under the program.

NATIONAL ENDOWMENT FOR THE ARTS – OUR TOWN GRANTS

The National Endowment for the Arts (NEA) is an independent federal agency that supports the opportunity to participate in the arts and funds creative placemaking projects that contribute to the livability of communities and place the arts at their core. One of NEA's grant programs, the Our Town Grants, offer support for Arts Engagement, Cultural Planning, and Design Projects that represent the distinct character and quality of their communities. These projects require a partnership between a non-profit organization and a local government entity, with one of the partners being a cultural organization. The art installation at the Park 101 project would be eligible for grant funding under this program. The Friends of Park 101 could work in partnership with cultural and arts organizations in the area such as El Pueblo de Los Angeles Historical Monument and LA Plaza de Cultura y Artes to craft an installation at the Park that would feature the distinct cultural history of the district. The project could be eligible for up to \$500,000 to fund the park improvements under this grant program.

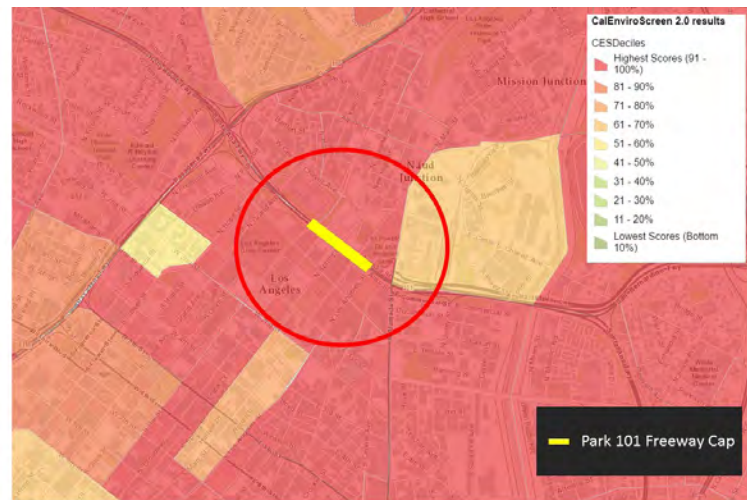
STATE SOURCES

CAP-AND-TRADE PROGRAM

In 2006, California established the nation's benchmark for greenhouse gas (GHG) emission reductions with the passage of AB 32, the "California Global Warming Solutions Act" (Chapter 488, Statutes of 2006). AB 32 required the California Air Resources Board (CARB) to develop a scoping plan, including direct regulations, performance-based standards, and market-based mechanisms to achieve the targeted levels of GHG emission reductions. The State Legislature allocates a continuous appropriation of 60 percent of the annual cap-and-trade auction proceeds to public transit, affordable housing, sustainable communities, and high-speed rail. The remaining 40 percent is available for annual appropriation by the State Legislature. In August 2016, Governor Brown announced a cap-and-trade expenditure plan agreement for unallocated cap-and-trade proceeds to be distributed among various programs that reduce greenhouse gas emissions (GHG) that benefit disadvantaged communities.

One of the key elements of the cap-and-trade allocation program is the legislative requirement contained in SB 535 that 25 percent of the revenues must be invested to benefit "disadvantaged communities" (DACs) and an additional 10 percent be invested directly in DACs. Provisions of SB 862 require the California Environmental Protection Agency (CalEPA) to develop guidelines addressing how state agencies will incorporate DACs into the allocation of cap-and-trade revenues. CalEPA developed a methodology, known as the CalEnviroScreen, which designated the area surrounding the Park 101 project area as a disadvantaged community (see **Figure 6-4**). Some programs may prioritize projects that benefit disadvantaged communities or set aside a certain allocation of funding for projects located within a disadvantaged community.

Exhibit 6-4: Map of Designated SB 535 Disadvantaged Communities



Source: CalEnviroScreen 2.0

Within the statewide cap-and-trade program, the Park 101 project may qualify for the following programs:

Affordable Housing and Sustainable Communities (AHSC) Program

The Affordable Housing and Sustainable Communities (AHSC) program provides grants and loans for projects that reduce GHG emissions by increasing transit ridership, active transportation (walking/biking), affordable housing near transit stations, preservation of agricultural land, and local planning that promotes infill development and reduces the number of vehicle miles traveled. The program requires the project to be located within ½-mile from a transit station—the closest transit station within a ½-mile radius from the 101 Freeway is Union Station. The Park 101 project could qualify under the Integrated Connectivity Project category, which requires a sustainable transportation infrastructure component, as well as transportation-related amenities in the project area.

The Consultant Team identified the potential for multi-residential development on the adjacent parcels within the Park 101 project area (see **Chapter 4 - Opportunity Sites**). Future development projects in the project area may qualify for funding of transportation infrastructure improvements under the Transit Oriented Development project category, if they include an affordable housing development or housing-related infrastructure component along with transportation-related amenities or sustainable transportation infrastructure. The developer could partner with a local agency, such as the City or Metro, to develop an affordable housing project on-site with supporting transportation infrastructure. The Park 101 project could be eligible for up to \$8 million to fund the construction of the deck infrastructure under this program.

CAL FIRE Urban and Community Forestry Program

The purpose of the California Department of Forestry and Fire Protection (CAL FIRE) Urban and Community Forestry Program is to promote the expansion and better management of urban forests to help improve the quality of urban environments and the quality of life of urban residents with a focus on reducing GHG emissions and serving environmental justice communities. Funding for the grant program varies from year to year and is based on the availability of funding and approval of budgets for each fiscal year. The draft 2016-17 grant guidelines for the program are currently available. The Park 101 project would be eligible for the grant funding to finance tree planting and green innovations within and surrounding the park of up to \$300,000 under this program.

CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT - HOUSING-RELATED PARKS PROGRAM

The California Department of Housing and Community Development (HCD) Housing-Related Parks Program provides grants for the creation of new parks or rehabilitation or improvements to existing parks based on the numbers of bedrooms in newly constructed rental and ownership units restricted for low- and very low income households in the area. Bonus grants are also awarded for projects constructed as infill projects, or park projects which serve disadvantaged communities or within park deficient communities. The Program does not use a competitive process to award funds and all cities and counties that meet the eligibility requirements outlined in the grant guidelines will be funded. Funding from this program can be provided towards building the Park 101 project if housing projects that include very low and low-income housing units are constructed within the Park 101 District. In 2014, the City of Los Angeles received approximately \$612,000 in grants for park development through the construction of 161 units built for very low and low-income households.⁵ The Park 101 project could be eligible for up to \$150,000 to fund the park improvements under this program

CALIFORNIA TRANSPORTATION COMMISSION - ACTIVE TRANSPORTATION PROGRAM (ATP)

In 2013, Governor Brown signed legislation creating the Active Transportation Program (ATP), which consolidates existing federal and state transportation programs, including the Transportation Alternatives Program (TAP), Bicycle Transportation Account (BTA), and State Safe Routes to School (SR2S), into a single program with a focus to make California a national leader in active transportation. The 2017 ATP fund is estimated at a total of \$612 million statewide. There is a designated amount for the SCAG region, totaling \$26 million, with \$6.5 million targeted for DACs. In August 2016, the State Legislature appropriated \$10 million of unallocated state cap-and-trade proceeds to the Caltrans for the ATP. This program could provide potential funding opportunities for the bicycle and pedestrian improvements surrounding the Park 101 project. Metro successfully secured ATP funding in the last two cycles for the Cesar Chavez Streetscape Improvements and Alameda Esplanade Streetscape projects, which are located north of the 101 Freeway. The Park 101 project could be eligible for up to \$4 million to fund street improvements under this program.

CALTRANS SUSTAINABLE TRANSPORTATION PLANNING PROGRAM

The Caltrans Sustainable Transportation Planning Grants program provides grants that support the agency's mission to provide a safe, sustainable, integrated, and efficient transportation system to enhance California's economy and livability. The grants are for transportation planning-related activities, not for the development of environmental documents or actual construction. The program includes the highly competitive Sustainable Communities Grant, which funds transportation planning studies that identify and address mobility deficiencies in the multimodal transportation system, encourage stakeholder collaboration, involve active public engagement, integrate Smart Mobility 2010 concepts, and ultimately result in programmed system improvements, as well as achieve the Caltrans mission and overarching objectives. Examples of Sustainable Communities grant project types relevant to the Park 101 project include bike and pedestrian safety enhancement plans, complete streets plans, and studies that evaluate accessibility and connectivity of the multimodal transportation network. The Park 101 project could be eligible for up to \$500,000 to fund planning studies under this program.

LAND AND WATER CONSERVATION FUND (LWCF)

The Land and Water Conservation Fund (LWCF) program provides funding to cities, counties, eligible districts, and State agencies for acquisition and development projects to create outdoor recreational resources. Under provisions of State law (Public Resource Code §5099.12), the program is administered by the California Department of Parks and Recreation. In 2016, the State Department recommended approximately \$8 million in grant funding for local projects. However, the State also announced that due to the \$24.7 million total in local agency grant requests received for the 2016 application cycle, it does not anticipate conducting a 2017 local agency application cycle at this time. However, the Park 101 project would be eligible for funding from this program in future cycles. The City of La Cañada Flintridge applied for a \$286,000 grant through this program to fund its freeway cap park, which is now the Memorial Park.⁶ The Park 101 project could be eligible for up to \$1 million to fund the park improvements under this program.

NATURAL ENVIRONMENT ENHANCEMENT & MITIGATION PROGRAM

The Natural Environment Enhancement & Mitigation Program (EEM) Program encourages projects that produce multiple benefits which reduce GHG emissions, increase water use efficiency, reduce risks from climate change impacts, and demonstrate collaboration with local, state, and community entities. The Park 101 project could be eligible for up to \$500,000 to fund the deck infrastructure under this program.

PROPOSITION 1 - STORM WATER GRANT PROGRAM (SWGPP)

Proposition 1 (Prop 1) authorized \$7.5 billion in general obligation bonds for water projects, including surface and groundwater storage, drinking water protection, and ecosystem and watershed protection and restoration. The California State Water Board administers the Storm Water Grant Program and provides funding for the implementation of multi-benefit

stormwater management projects, such as green infrastructure, rainwater and stormwater capture projects, and stormwater treatment facilities. This program could provide funding for the stormwater management component for the overall Park 101 District as it incorporates tree canopies and native vegetation within the urban project area, in combination with sustainability, equity, connectivity, safety, or other quality of life issues. The Park 101 project could be eligible for up to \$1 million to fund the park improvements and green stormwater infrastructure under this program.

LOCAL SOURCES

CITY PARKS DEDICATION AND FEE PROGRAM (QUIMBY AND FINN FEES)

The City of Los Angeles requires some residential developers to set aside land for park development or pay an in-lieu fee for park improvements within the area. The City collects park and recreation facility fees on a per unit basis for residential subdivision projects (Quimby In-Lieu Fee) and for multi-family residential projects requiring a zone change (Finn Fee). Between 2003 and 2013, the City generated approximately \$161 million in park fees.⁷ The revenue generated from these fees can only be used to acquire new parkland and/or fund park improvements, which serve residents of the residential development that dedicated the land or paid the fees. These funds cannot be used to offset staff operation and maintenance costs, to purchase materials and supplies, or to purchase replacement equipment.

In September 2016, the Los Angeles City Council unanimously approved an ordinance to update the Quimby fee, as well as create a parks mitigation fee for non-subdivision residential projects. However, affordable housing units are exempt from the fees. The updated ordinance also expanded the radius around the project area to up to ten miles in which the collected fees can be spent. The new ordinance would generate an additional \$30 million annually for the City's parks budget. Additionally, Governor Brown signed into law AB 1191 (Nazarian) in 2015, which allows the City to use over \$15 million in collected interest generated from Quimby Fees to be used for park development.

Quimby funds were also the primary source of funding for the 1st and Broadway Civic Center Park (1.96-acre park), which is currently under construction and located adjacent to Grand Park. Councilmember José Huizar secured approximately \$25.5 million in Quimby funds for acquisition, site preparation, design, and construction since 2013 for the project.⁸ The Lead Agency and advocates for the Park 101 project should begin engaging with City Council District 14 to encourage the City's Department of Recreation and Parks to prioritize and set aside future Quimby funds to help finance the Park 101 project. With strong political support and local advocacy, it may be possible to secure a similar funding amount as the 1st and Broadway Civic Center project. However, the funding amount is dependent on the amount of park fee revenue generated in the surrounding area, as well as how much of it is already earmarked for other park improvements in Downtown.

The program summary of the development opportunity sites adjacent to the Park 101 project (see **Chapter 4 – Opportunity Sites**), proposes 516 market-rate multi-family dwelling

units are built on these properties. Not including affordable housing units, this development opportunity could generate an estimated \$2.5 million in park fee revenue in lieu of land with the updated Quimby fees. This estimated fee revenue could be contributed towards the construction of the Park 101 project.

VALUE CAPTURE FINANCING

The City of Chicago generated \$95 million in tax increment financing (TIF) to partially fund the \$490 million Millennium Park.^{9 10} In Dallas, the Klyde Warren Park Public Improvement District was formed to generate funding towards the maintenance and programming costs for the 5.2 acre Klyde Warren Park. Although tax increment financing through redevelopment agencies ended in California in 2012, other value-capture methods such as the formation of an EIFD or the use of an updated version of a Benefit Assessment District can be explored to help finance the Park 101 project.

LAND SECURED FINANCING

California's land-secured funding districts can finance a wide range of infrastructure improvements that generate direct and measurable benefits to specific properties. The districts require (resident) voter or landowner approval. In the case of assessment districts, majority landowner approval is typically required. In the case of a Community Facilities District (CFD), a two-thirds voter approval is needed in areas that have more than 12 residents (landowners can approve special taxes in areas with 12 or fewer residents). The owners or users of real estate pay assessments or special taxes. By adding to the cost of ownership, the assessment or tax may affect the price a buyer is willing to pay for a home or commercial property, in which case the cost incidence is shared with the builder, land developer, or landowner.

Land-secured financing provides a well-established method of securing relatively low-cost tax exempt, long-term, fixed rate, fully-assumable debt financing. However, there can be challenges associated with establishing measurable and specific benefits to particular properties. In addition, land-secured financing adds financing costs (e.g., cost of issuance and program administration). Further, the financing capacity of a district may be limited in early phases of development and it may be necessary to rely on other sources of infrastructure funding during initial years. Finally, while land-secured financing has been widely used in greenfield development where landowner approval is the norm, achieving a two-thirds voter approval in infill areas typically is a barrier to use of the tool.

Community Facilities Districts

The Mello-Roos Community Facilities Act of 1982 (authorized by Section 53311 et. seq. of the Government Code) enables the formation of a Community Facilities District (CFD) by local agencies, with two-thirds voter approval (or landowner approval when there are fewer than 12 registered voters in the proposed district), for the purpose of imposing special taxes on property owners. The resulting special tax revenue can be used to fund capital costs or operations and maintenance expenses directly, or they may be used to secure a bond

issuance, the proceeds of which are used to fund capital costs. Because the levy is a tax rather than an assessment, the standard for demonstrating the benefit received is lower, thus creating more flexibility. Despite limited use in populated infill areas, CFDs have become the most common form of land-secured financing in California.

Special Benefit Assessment Districts

Special benefit assessment districts are a way of creating a property-based assessment upon properties that benefit from a specific public improvement. The formation of assessment districts requires majority approval of the affected property owners. Benefit assessments can fund a wide range of infrastructure improvements so long as a direct and measurable benefit can be identified for the benefiting properties. There are numerous forms of special benefit assessments in the California statutes, including the Municipal Improvement Act of 1913, Lighting and Landscape Maintenance Districts, and others. However, in 1996, Proposition 218 effectively curtailed the use of Assessment Districts in California by limiting the methods by which local governments may exact revenue from taxpayers without their consent. In addition, recent court rulings (*Silicon Valley Taxpayers' Assn., Inc. v. Santa Clara County Open Space Authority*, 44 Cal. 4th 431 (Cal. 2008)) have further tightened the requirements for demonstration of "special benefit" thus further reducing the flexibility and utility of assessment districts.

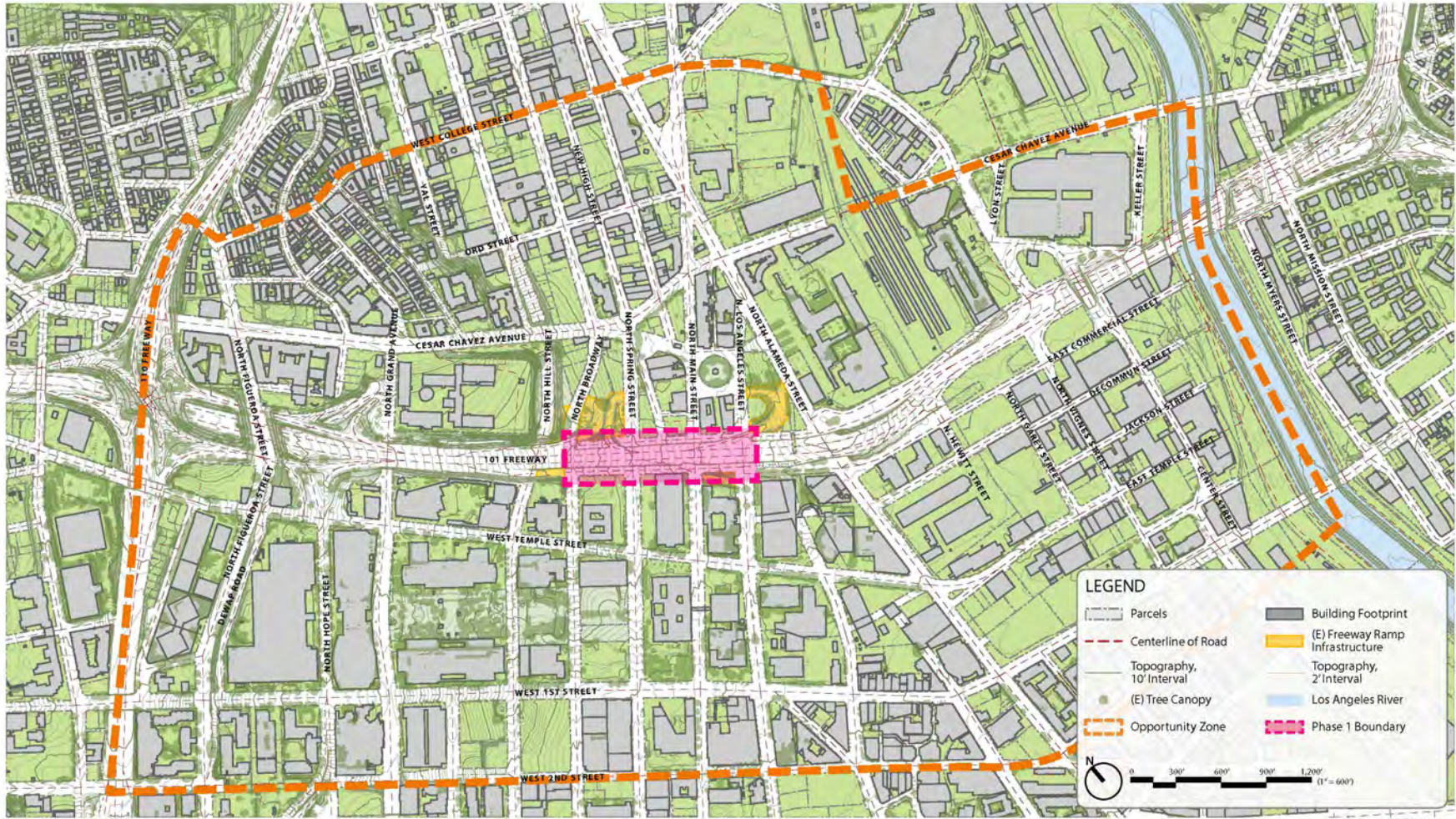
TAX INCREMENT FINANCE (TIF)

The Consultant Team identified an "Opportunity Zone" around Park 101 that extends from the 110 Freeway on the west to the Los Angeles River on the east, and from West College Street on the north to 2nd Street south of the 101 Freeway (See **Exhibit 6-5**). Within this area there are roughly 1,900 distinct parcels that jointly sum to \$1.6 billion in taxable assessed value as of tax year 2014. The City or County could form a TIF district to generate funding for the Park 101 project. Due to recent legislation, there are two new tools that can be utilized to capture tax increment revenue as a replacement for redevelopment agencies. One is a Community Revitalization Investment Area (CRIA) and the second is an Enhanced Infrastructure Financing District (EIFD). While similar in their use of incremental tax revenue to fund infrastructure projects, each tool has its own rules for formation, structure, and use of funds.

Community Revitalization and Investment Authority (CRIA)

The passage of AB 2 (Alejo and Garcia) in 2015 allows local government officials to establish a Community Revitalization and Investment Authority (CRIA) and use property tax increment revenues to revitalize disadvantaged communities through: planning and financing infrastructure improvements and upgrades; economic development and revitalization activities; and developing affordable housing via tax increment financing based, in part, on the former community redevelopment law. A CRIA may be started by a city, county, or city and county on its own, or through a joint powers agreement between participating taxing entities (County or special districts must opt in). As such, the formation and structure of a CRIA requires substantial coordination among the participating taxing

Exhibit 6-5: Park 101 Opportunity Zone



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entities and jurisdictions, who agree to invest a portion of their tax increment revenue to finance improvements within the district. Members of the public are also part of the CRIA's governing body. The governing board will be charged with implementing a community revitalization and investment plan that outlines the planned improvements and identifies financing mechanisms. A revitalization and investment plan should include a description of the deteriorated or inadequate infrastructure within the area and a program for the construction or repair of said infrastructure.

A CRIA can only be established in an area with low-income residents, relatively high unemployment, elevated crime rates, and insufficient or deteriorated infrastructure. Specifically, 80 percent of the land calculated by census tracts in the Plan area must meet the following conditions: (a) median household income is less than 80 percent of statewide annual median income; and (b) meet three of the four conditions: (1) 3 percent higher unemployment than the statewide median; (2) 5 percent higher crime rate than the statewide median; (3) the presence of deteriorated or inadequate infrastructure; and (4) deteriorated commercial or residential structures, including a former military base. Although the overall Downtown Los Angeles market is performing well in terms of development activity and employment (refer to the Downtown Los Angeles Market Context section in **Chapter 4 - Opportunity Sites**), the area within the boundaries outlined in the Opportunity Zone in **Exhibit 6-5** meets the criteria for CRIA formation.

The tool creates a new opportunity to redirect property taxes otherwise accruing to the city General Fund to fund infrastructure projects. However, similar to EIFDs, the CRIA may only utilize the local government's share of property tax (along with other agencies who agree to forgo their share of tax increment). The school district and community college district's share of tax increment may not be diverted to a CRIA. Further, the net revenue received is subordinate to any remaining redevelopment obligations. Similar to the former redevelopment law, at least 25 percent of property tax increment revenues generated by a CRIA must be deposited into a separate Low and Moderate Income Housing Fund and used by the authority to increase, improve and preserve the community's supply of housing for low and moderate income families. CRIAs are also permitted to acquire interests in real property and exercise eminent domain. However, eminent domain authority must be used within the first 12 years of plan adoption.

To adopt an AB 2 community revitalization plan, the CRIA must hold three separate hearings. If there is a majority protest, the CRIA must terminate proceedings. A majority protest exists if protests have been filed representing over 50 percent of the combined number of property owners and residents in the area (who are at least 18 years of age). If between 25 percent and 50 percent of the combined number of property owners and residents in the area who are at least 18 years of age file a protest, then an election must be held. If an election is required, a majority vote is required to adopt the revitalization plan. Further, a provision in AB 2 calls for the CRIA to conduct a protest hearing every ten years after its formation. If between 25 percent and 50 percent of residents and property owners file protest, the authority must not initiate any new projects until an election of property owners and residents is held. If over 50 percent file protest, then the CRIA must cease its activities and can only collect tax increment for the purpose of paying off existing bonds.

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However, there is no voter requirement to issue debt with a CRIA, a significant advantage over an EIFD which requires a 55 percent vote of property owners to issue debt.

In 2016, the passage of AB 2492 (Alejo) made several additional improvements to AB 2, and the approval of AB 806 (Dodd and Frazier) provides additional flexibility to local communities seeking to expand economic development.

The CRIA can be a potential investment tool that requires cross-jurisdictional collaboration to achieve a shared vision for a specific area. For Park 101, this financing tool can potentially be used to fulfill the broad vision described in **Chapter 1 - Vision + Opportunity**.

Enhanced Infrastructure Financing Districts (EIFD)

The passage of SB 628 (Beall) allows cities, counties, or cities and counties to establish an Enhanced Infrastructure Financing District (EIFD) to finance public facilities, development, and projects of community-wide significance through the formation of a Public Financing Authority (PFA), deemed to be independent from individual cities and counties. As with a CRIA, the County and other taxing entities may opt in while school districts cannot participate. However, unlike a CRIA, transit authorities and water districts may opt in.

The PFA is directly responsible for developing and adopting an Infrastructure Financing Plan (IFP) that will guide its activities. Under the statute, the PFA has broad authority to finance improvements through a variety of mechanisms, including the use of tax increment financing. However, as with a CRIA, the net revenue received is subordinate to any remaining redevelopment obligations. Like with former redevelopment law, the PFA can exercise eminent domain for environmental remediation. However, EIFD funds must then be used for clean-up (pursuant to Polanco Redevelopment Act). The PFA may also apply for and receive grants. The PFA may finance public facilities and infrastructure; the purchase, construction, or rehabilitation of any real property; community facilities (parks, childcare, recreational, open space); highways, streets, parking, and transit facilities; brownfields restoration or environmental mitigation; low/moderate income housing rental/ownership as part of mixed-use development; industrial development; commercial construction; projects implementing a Sustainable Communities strategy; transit priority projects; replacement housing and relocation assistance; and facilities outside of district boundaries, if a tangible connection can be determined.

While the statute does not require specific criteria for drawing the boundaries of a district as with the CRIA, an EIFD does require approval by every local taxing entity that will contribute its property tax increment. A city or county can form an EIFD through adoption of a resolution. Unlike the CRIA, no voter approval is required for formation. However, a 55 percent voter approval is required to issue tax-increment backed bonds.

EIFD revenues can be used for a wide range of capital investments, but they cannot finance on-going maintenance and operations. While SB 628 does not require that a certain percentage of the tax increment generated in the district be dedicated for affordable housing production, if mixed-use projects are funded, housing must have an affordable component. The bill also does not preclude a city or county from mandating such an

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expenditure as part of the financing plan; in fact, an EIFD can be established solely for affordable housing.

Formation of an EIFD for Park 101 could be an important first step in financing the deck infrastructure construction and/or the park improvements. The Los Angeles City Council approved a motion in 2015 directing key City agencies to explore the feasibility of creating an EIFD along the Los Angeles River to support the restoration and maintenance of the river and river-adjacent communities. The Park 101 project can benefit from the extensive research and analysis that has already been conducted by the City as a result of this motion.

Formation of a Park 101 EIFD would enable the participating taxing entities to capture the value generated by the creation of the park and invest it in the surrounding area. Experience in other cities indicates that adjacent property values rise with the construction of this type of public amenity. For example, in the case of Klyde Warren Park in Dallas, adjacent commercial rents and property sales increased by 60 to 100 percent in the four years since the park opened. The Park 101 PFA would also be able to leverage its tax increment financing with other federal, state, and regional grant sources. This would attract more investment to the area that has not seen much investment, job generation, population growth as other areas in downtown Los Angeles.

Local Financing Authority Barriers

There are several barriers to forming either a CRIA or an EIFD. Raising sufficient funds would require the involvement of multiple taxing entities with overlapping boundaries to agree on a common goal. Both financing mechanisms require the cooperation of all participating taxing entities. As more jurisdictions participate, the more difficult it may be for all entities to cooperate and come to a general consensus on investment priorities. Each of these districts also requires the initiating entities to develop a strategic framework to garner support among local residents and municipal governing bodies, communicate a clear justification and purpose for the entity, and produce a defensible forecast of the area's capacity for generating tax increment revenue.

Although each tool comes with its own barriers and risks, the EIFD may be the more appropriate tool for the Park 101 project area. Unlike with the CRIA, there is no limit on the geographic bounds of an EIFD. Further, although a majority vote is needed to issue bonds for an EIFD, there is no vote required for formation or continuance of the EIFD. Based on the Park 101 project goals and the more stringent regulations associated with establishing a CRIA, an EIFD may be the preferred financing mechanism to fund the construction and improvements associated with the Park 101.

PROJECTED TAX INCREMENT FINANCE (TIF) VALUE FROM EIFD

Projected TIF Revenue from Existing Land Uses

As shown in **Exhibit 6-6**, if the City and County were to establish an EIFD, the Consultant Team conservatively estimates that roughly \$64 million in bond proceeds could be generated towards construction of the Park 101. This amount represents the net present value calculation of the approximate bond value of the tax increment.

The calculation assumes that tax increment grows only as a result of escalation capped at 2 percent annually under Proposition 13. This calculation does not assume that properties are re-sold and thus re-assessed or that any new development occurs in this dynamic area. Both of these assumptions yield extremely conservative revenue projections. The cash flow duration is assumed to be 45 years, which is the period permitted by SB 628 for bonds issued under an EIFD. The calculation assumes a discount rate of 6 percent, based on conversations with underwriters about likely interest rates for an EIFD-backed bond. (These underwriters believe, however, this rate could fall once the EIFD financing mechanism becomes better understood.) Note that the calculation assumes that 100 percent of the tax increment is made available for project costs and does not deduct issuance fees or a set-aside for debt coverage, which would be required for actual bond issuance and would lower estimated net yield slightly. However, given the conservative nature of the revenue projections, it is likely that these omitted deductions would be largely or more than offset by real increases in assessed values and associated tax increment.

The PFA could dedicate the full amount of \$64 million in potential tax increment directly towards construction of the Park 101 project under an EIFD. If the PFA requires at least 25 percent set-aside for community benefits (i.e., affordable housing, homelessness, etc.) as part of the EIFD plan, then approximately \$48 million could be dedicated towards the construction of the Park 101 project.

Exhibit 6-6: EIFD Tax Increment Value - Existing Land Uses

Tax Rate Area	Number of Parcels	Taxable Assessed Value 2014	Tax Allocation Factor		Total Taxes (2014)			NPV of 45-Year Tax Increment ¹		
			City	County	City	County	Total	City	County	Total
0	263	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0
4	689	\$397,530,171	0.262762	0.24456	\$1,044,559	\$972,198	\$2,016,756	\$6,120,619	\$5,696,619	\$11,817,238
5	544	\$276,779,880	0.327053	0.427886	\$905,218	\$1,184,303	\$2,089,521	\$5,304,146	\$6,939,457	\$12,243,603
9	59	\$226,714,138	0.326973	0.427808	\$741,294	\$969,902	\$1,711,196	\$4,343,634	\$5,683,168	\$10,026,801
46	326	\$552,436,341	0.326973	0.427808	\$1,806,319	\$2,363,368	\$4,169,687	\$10,584,175	\$13,848,218	\$24,432,393
211	20	\$125,529,730	0.327053	0.427886	\$410,549	\$537,125	\$947,674	\$2,405,623	\$3,147,296	\$5,552,919
Total/Avg²	1901	\$1,578,990,260	0.310828	0.381693	\$4,907,938	\$6,026,896	\$10,934,834	\$28,758,197	\$35,314,758	\$64,072,955

(1) Assumes discount rate of 6.0%

(2) Average tax allocation factor reflects weighted average for entire Opportunity Zone.

Sources: Los Angeles County Auditor-Controller; Economic & Planning Systems

Projected TIF from Opportunity Sites

In **Chapter 4 - Opportunity Sites**, the Consultant Team identified six Opportunity Sites that are likely to be newly developable as a result of the reconfiguration of freeway ramps and other infrastructure alongside the Park 101 site. These sites have been conceptually programmed with residential, retail, and office uses. The Consultant Team conducted a market and feasibility analysis to estimate the value of these newly developable sites if sold or leased to a private developer. Collectively, the Opportunity Sites sum up to 6.67 acres that can accommodate nearly 800 housing units, 60,000 square feet of retail space, and 150,000 square feet of office space. Based on comparable land transactions as well as the feasibility analysis, the Opportunity Sites are estimated to be worth between \$72 and \$94 million, with the bulk of this value attributable to the residential development (refer to **Exhibit 4-15** in **Chapter 4 - Opportunity Sites**). This figure does not include any revenues associated with development on top of the park itself, which may also yield revenues for improvements and/or operations through concessions contracts or other activities, even if permanent private development is not permitted.

The \$72 million to \$94 million range represents the estimated value of the land itself, but the newly constructed buildings would have even greater value. At prevailing market prices for residential, retail, and office development, the Opportunity Sites are estimated to have a total market value of roughly \$475 million. Because none of the parcels are currently on the tax roll, the full value of this new development represents net new assessed value on which tax increment financing may be based.

When the Opportunity Sites are fully built, the projects would yield an estimated \$1.5 million annually to the City and another \$1.8 million to the County in property tax, both in Year 2016 dollars. Conservatively assuming that these projects' values escalate only by 2 percent annually, **Exhibit 6-7** shows that over 45 years the net present value of the tax increment from these projects is estimated at \$19 million if both the PFA direct these revenues to the Park 101 project through an EIFD. Should the PFA dedicate at least 25 percent of the available tax increment towards affordable housing and homeless services or other community benefits, approximately \$14 million could be directed towards the construction of the Park 101 project.

Combining the tax increment of \$14 million generated from the new developable land from the air rights and \$48 million generated from a larger EIFD district would result in a total tax increment amount of \$64 million that could be dedicated towards the Park 101 project.

PHILANTHROPIC AND CORPORATE FUNDING OPPORTUNITIES

Philanthropic funding has been an integral component of recent freeway cap park projects. For example, in 2012, the Friends of Hollywood Central Park received a \$1.2 million donation from the Aileen Getty foundation and \$825,000 from the City of Los Angeles to conduct an environmental impact report for the Hollywood Central Park.¹¹ On a larger scale, the Klyde

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Exhibit 6-7: Estimated Value of Tax Increment from Opportunity Sites

Project	Taxable Assessed Value	Tax Allocation Factor ¹		Total Taxes (Annual, 2016\$)			NPV of 45-Year Tax Increment ²		
		City	County	City	County	Total	City	County	Total
Sites 1+2: 5-Story Multifamily + Retail	\$56,216,247	0.310828	0.381693	\$174,736	\$214,573	\$389,309	\$1,023,620	\$1,257,804	\$2,281,424
Site 3: 26-Story Multifamily + Retail	\$201,261,571	0.310828	0.381693	\$625,577	\$768,201	\$1,393,778	\$3,664,695	\$4,503,103	\$8,167,799
Sites 4+5: 16-Story Multifamily + Retail	\$162,990,001	0.310828	0.381693	\$506,618	\$622,121	\$1,128,739	\$2,967,823	\$3,646,800	\$6,614,623
Site 6: 4-Story Office	\$54,589,916	0.310828	0.381693	\$169,681	\$208,366	\$378,046	\$994,007	\$1,221,416	\$2,215,423
Total (rounded)	\$475,060,000			\$1,480,000	\$1,810,000	\$3,290,000	\$8,670,000	\$10,610,000	\$19,280,000

(1) Tax Allocation Factor reflects weighted average of all taxable parcels in the Opportunity Zone.

(2) Assumes discount rate of 6.0%

Sources: Los Angeles County Auditor-Controller; Economic & Planning Systems

Warren Park (Dallas, TX) was made possible through a public-private partnership, which included approximately \$55 million from private fundraising to the Woodall Rodgers Park Foundation.¹²

Private funding from philanthropic entities presents opportunities to secure early, patient capital in perceived higher-risk projects that serve as a magnet to draw future investments from other sources. For example, identifying specific sources for leveraging funds may increase scoring of a project in government grant competitions. Foundations that are engaged in early project visioning and planning tend to be more favorable to making larger capital investments in later phases (construction). Philanthropic collectives are able to negotiate investments among their members from multiple funders at one time and engage a wide range of diverse foundations established by individual philanthropists and large corporations. This structure simplifies and expedites the fundraising process.

Strategic initiatives by foundations to invest in multi-faceted capital projects are trending toward commitments from philanthropic collectives, such as Living Cities, Smart Growth Funders Network and the LA Collaborative, and ArtsPlace. For Park 101, as an innovative, high-impact project benefiting culturally diverse/disadvantaged neighborhoods and yielding strong economic, health, environmental and "place-making" (community building) benefits, involving philanthropic collectives in the planning phase is highly advisable and feasible. See **Exhibit 6-3** for a list of more funding sources under this category.

Program-related Investments (PRIs) and other low interest/patient capital loans are among the funding mechanisms used by large foundations for specific capital projects. PRIs are debt financing or equity investments providing risk capital, which usually feature extended terms and expect repayment to begin after construction is completed. They are not suitable for early stage planning but can provide sources of capital for environmental review, predevelopment, and design, as well as for development. Occasionally, foundations will be favorable to the borrower matching or leveraging multiple PRIs or grant/loan combinations to create a funding pool for a specific project or area-wide initiative.

LIVING CITIES

Living Cities is a successful and proven collective for smart-growth and sustainable community projects. Founded in 1991, Living Cities harnesses the collective power of 22 of the world's largest foundations and financial institutions to build a new type of urban practice that gets "dramatically better results for low-income people, faster." Living Cities member institutions include:

- The Annie E. Casey Foundation
- AXA Equitable
- Bank of America
- Bill & Melinda Gates Foundation
- Citi Foundation
- Deutsche Bank
- Ford Foundation
- The John D. and Catherine T. MacArthur Foundation
- The JPB Foundation
- JP Morgan Chase & Co.
- The Kresge Foundation
- The McKnight Foundation
- MetLife, Inc.
- Morgan Stanley
- Prudential Financial, Inc.
- Robert Wood Johnson Foundation
- The Rockefeller Foundation
- Surdna Foundation
- W.K. Kellogg Foundation
- Wells Fargo

Affiliate Members:

- The Cleveland Foundation
- The Skillman Foundation

Living Cities "works with selected leaders in cities (innovation partners) to test, adopt, and apply a new type of urban practice aimed at dramatically improving the economic well-being of low-income people." Significant Living Cities initiatives include the National Community Development Initiative, which is a partnership of leading foundations, financial institutions, nonprofit organizations, and the federal government, that are committed to improving the vitality of cities and urban neighborhoods. It funds the work of community development corporations in the largest American cities, engages in national research and policy development related to urban development, and informs national policy discussions related to inner cities. Other initiatives include:

- The Project on Municipal Innovation
- Cradle to Career Innovation, and Prepare (Strive Together)
- Transit Oriented Development, and Connect (LIIF and Enterprise Community Partners)

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In October 2015, Living Cities, with LIIF, also introduced the “Pay for Success Construction Loan.” This is an innovative financing mechanism to provide early capital to development projects as an alternative to grants. The loan has been used for PFS projects in the eastern United States, with Deutsche Bank as an investor.

FRIENDS OF PARK 101

The Friends of the High Line played a significant role in planning design, and financing of improvements of the High Line Park in New York City. Currently, the organization supports approximately 98 percent of the operations and maintenance costs through donations.¹³ The Friends of the Hollywood Central Park non-profit organization hosts annual galas as part of its fundraising efforts for the Hollywood Central Park. For the Park 101 project, the Friends of Park 101 was established as a non-profit organization comprised of local business and community leaders to promote the project and help secure funding for the overall Park 101 district. The organization is currently organizing a fundraising gala in mid-2017 that would go towards funding the predevelopment efforts for the project.

OTHER FUNDING

Aside from the funding sources that are available for Park 101 project, outlined in this section are additional information on potential federal, state, local, philanthropic, and other funding sources that could be available to the project depending on the formation of strategic partnerships, finalized grant program guidelines, funding availability, and voter approval. The Lead Agency should monitor these grant opportunities and participate in public deliberations in the development program guidelines for these opportunities to ensure that funding allocation and distribution benefits the Park 101 project.

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

The Los Angeles Housing and Community Investment Department (HCIDLA) receives its share of CDBG from the Federal Housing and Urban Development Department (HUD) to address a wide range of community development needs, including public facilities, infrastructure, economic development, and more. However, HCIDLA dedicates a portion of the CDBG funds towards infrastructure projects while a larger portion goes to local community service organizations that support low-income households. The City of Seattle used CDBG to fund a portion of the Seattle Freeway Park. The Park 101 project would create a community asset and a catalyst for economic development in a historically underserved area while serving the nearby residents, particularly from the LA Plaza de Cultura Village development that is currently under construction.

LOS ANGELES COUNTY TRAFFIC IMPROVEMENT PLAN (MEASURE M)

Los Angeles County voters approved a sales tax measure (Measure M) in November 2016 to fund a variety of transportation projects and programs, including transit and highway projects and local street improvements. Measure M proposes to increase the countywide

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sales tax by a half-cent and continue the existing Measure R tax after it is set to expire in 2039 until voters decide to change it. The Park 101 project would serve as a bicycle and pedestrian facility that would link to the planned improvements identified in the Union Station Master Plan and the Connect US Action Plan. Measure M could provide potential funds for first-last mile and active transportation projects in the project area. Approximately two percent of the Measure M expenditure plan is dedicated for active transportation projects.

METRO COMMUNITY INFRASTRUCTURE PARTNERSHIP PROGRAM (CIPP)

The Community Investment Partnership Program (CIPP) is an innovative financial tool that would allow cities to participate in a bond pool that would allow a participating city to obtain cash to fund transportation projects exceeding the cities' available annual Local Return revenues. Under the CIPP, a city seeking to obtain upfront cash for eligible highway and transit improvements could request Metro to enter into a financing agreement. Metro or another designated entity would issue bonds and remit bond proceeds to the cities to pay for specified projects.

SAFE, CLEAN NEIGHBORHOOD PARKS & BEACHES MEASURE OF 2016 (MEASURE A)

The Countywide Parks and Recreation Needs Assessment conducted by the Los Angeles County Department of Parks & Recreation in May 2016 identified the Park 101 project area as a "high" priority. Los Angeles County voters approved Measure A in November 2016 to replace funding under Proposition A, which is set to expire in 2019. The measure would add a parcel tax of one-and-a-half cent per square foot of developed property to protect, enhance, and maintain neighborhood parks, open space, trails, beaches, natural habitat, and rivers, creeks, and streams. Measure A would generate approximately \$94 million per year for parks countywide. Study Areas identified as having "High" or "Very High" park need in the Needs Assessment will be eligible for the funds that are allocated to each Study Area.

TRANSFORMATIVE CLIMATE COMMUNITIES (TCC) PROGRAM

In August 2016, the State Legislature appropriated \$140 million to the Office of Planning and Research for the Strategic Growth Council (SGC) to administer the Transformative Climate Communities (TCC) grants program (AB 2722). SGC also recently announced that the City of Los Angeles will receive \$35 million, or 25 percent, of the funding allocation. The program provides competitive grants to specified eligible entities for the development and implementation of neighborhood-level TCC plans that include GHG reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities. The SGC is currently developing the grant distribution guidelines for this program. Creating a sustainability district surrounding the Park 101 project area, including other planning efforts such as the Union Station Master Plan and the Civic Center Master Development Plan, would allow the project area to qualify competitively for this grant. The City should advocate allocating a portion of the TCC program to support the implementation of the Park 101 project.

URBAN GREENING GRANT (UGG) PROGRAM

In August 2016, the State Legislature appropriated \$80 million to the Natural Resources Agency for the Urban Greening Grant program, funded by the Greenhouse Gas Reduction Fund. The grant will fund projects that transform the built environment into places that are more sustainable, enjoyable, and effective in creating healthy and vibrant communities by establishing and enhancing parks and open space, using natural solutions to improving air and water quality and reducing energy consumption, and creating more walkable and bikeable trails. The grants will be awarded on a competitive basis. This program emphasizes, and gives priority to, projects that are proposed by and benefit the State's disadvantaged communities. The Park 101 project could be eligible to apply for this program to help fund the urban greening and landscaping improvements of the park.

RECOMMENDED FUNDING SCENARIOS

A project on the scale of the Park 101 project, which is a key component of larger area revitalization, will require the involvement and investments from public agencies, philanthropies, and businesses to fund all phases of planning and development. A Public/Private Partnership Project structure is therefore envisioned. Funding scenarios to reach a minimum of \$184 million (estimated rough order of magnitude costs for environmental review, planning, design, and construction), based on varying contribution levels from local city/county versus federal and state leveraging (and private investments) are presented below.

RECOMMENDED FUNDING SCENARIOS

The recommended funding scenarios are as follows:

Scenario #1: Capital Mapping Matrix without Tax Increment Financing (TIF)

Scenario #2: Funding Scenario #1 + TIF Revenue Generated from Existing Land Uses

Scenario #3: Funding Scenarios #1 and #2 + TIF Revenue Generated from Opportunity Sites

Exhibit 6-8 shows the funding sources based on current available sources as outlined in the Capital Mapping Funding Matrix (**Exhibit 6-3**). The "Other Funding" category could be covered by potential funding sources that could be made available through pending cap-and-trade programs, finalized grant program guidelines, potential partnerships, and the recent passage of Countywide ballot measures such as Measure A and Measure M. The total overall funding includes the Caltrans PSR/PDS Update, environmental review, design, and construction costs of the project.

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Exhibit 6-8: Overview of Recommended Funding Scenarios

Source	Scenario #1		Scenario #2		Scenario #3	
	Capital Mapping w/o Tax Increment Finance		Scenario #1 + Tax Increment Finance from Existing Land Uses		Scenario #2 + Tax Increment Finance from Opportunity Sites	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Federal	\$20,500,000	11%	\$20,500,000	11%	\$20,500,000	11%
State	\$15,450,000	8%	\$15,450,000	8%	\$15,450,000	8%
Local	\$15,000,000	8%	\$15,000,000	8%	\$15,000,000	8%
Value Capture	\$0	0%	\$48,000,000	26%	\$62,250,000	34%
Philanthropy	\$15,600,000	8%	\$15,600,000	8%	\$15,600,000	8%
Subtotal	\$66,550,000	36%	\$114,550,000	62%	\$128,800,000	70%
Other Funding	\$118,109,742	64%	\$70,109,742	38%	\$55,859,742	30%
Total	\$184,659,742		\$184,659,742		\$184,659,742	

SCENARIO #1:

CAPITAL MAPPING MATRIX WITHOUT TAX INCREMENT FINANCE

Available federal funding sources that would be eligible now for grant funding are outlined in the Capital Mapping Funding Matrix (**Exhibit 6-3**). In this scenario, a higher amount of public funding is envisioned from the state and federal sources because of the greater availability of state grants for parks, urban greening, trails, and other infrastructure. However, this scenario relies highly on other sources of funding that have yet to be determined.

Federal and State Leveraging

Once the Lead Agency is identified for the Park 101 project, the lead agency would also be the applicant for state and federal grants (TIGER, EDA, NEA, etc.). Under the state cap-and-trade program, Governor Brown signed AB 1550 and AB 2722 into law, which provides additional available funding for new state programs that could finance the park and related infrastructure for pedestrian and bike trails and landscaping. Monitoring the release of the final guidelines for these new cap-and-trade programs would provide additional eligible funding opportunities for the project, such as the Transformative Climate Communities and the Urban Greening Grant programs. Other state programs that are typically available annually include the Caltrans Sustainable Transportation Planning Grant and the Caltrans ATP.

Local Contribution

Quimby fee generated revenues are readily available for new park improvements. Measure A and Measure M would also provide additional funding opportunities for the park and street improvements. A more accurate estimate of funds generated from Measure A and Measure M can be determined once the program guidelines are finalized in 2017.

Philanthropy

Some contributions from philanthropic foundations are feasible; however, these would comprise a smaller percentage with the potential to increase donations tied to the amount of programming at the park site. In other words, fundraising for passive park infrastructure is slower and more difficult than for active parks because of perceived public benefits and the range of appeal (capturing public art and cultural events, community branding, or placemaking).

SCENARIO #2:

SCENARIO #1 + TIF REVENUE GENERATED FROM EXISTING LAND USES

Under this funding scenario, Scenario #1 Capital Mapping is combined with TIF revenues generated from existing land uses. It is estimated that the existing land uses could generate approximately \$64 million. It is assumed in this scenario that if the EIFD authority dedicates 25 percent of the TIF revenue towards community benefits, then approximately \$48 million could be dedicated towards the construction of the Park 101 project as shown in **Exhibit 6-8**.

SCENARIO #3:

SCENARIO #1 AND SCENARIO #2 + TIF REVENUE GENERATED FROM OPPORTUNITY SITES

This funding scenario combines Scenario #2 with TIF revenues generated from the opportunity sites. The proposed four identified opportunity sites as a result of the reconfiguration of freeway ramps and other infrastructure alongside Park 101 is estimated to generate approximately \$19 million in TIF financing revenues. It is assumed in this scenario that if the EIFD authority dedicates 25 percent of the TIF revenue towards community benefits, then approximately \$14 million could be directed towards construction of Park 101 as shown in **Exhibit 6-8**. The total TIF revenues in this scenario total \$62 million that could be dedicated towards the Park 101 project.

CHAPTER 7 STAKEHOLDER OUTREACH



STAKEHOLDER OUTREACH

OUTREACH APPROACH

The future Park 101 is located in one of the most transformative areas of the City of Los Angeles. Indeed, the Park, once realized, will serve as the tissue connecting a myriad of current and proposed projects in Downtown ranging from the Union Station Master Plan and Connect US effort, to the Metro Regional Connector that will provide additional transit access to the area, to the ongoing development on Bunker Hill and Grand Avenue. Park 101 would be the catalyst for the urban cohesion of Downtown Los Angeles.

The site is also located in one of the most culturally diverse and rapidly growing communities in the City. The Park would link key areas north of the 101 Freeway (such as El Pueblo, Olvera Street, Chinatown, and Union Station) to areas south of the freeway (such as City Hall, Little Tokyo, and Bunker Hill), as well as communities east of the LA River. Park 101 is also situated in one of the fastest growing residential communities in the City, with thousands of dwellings being built in the Historic Core, Arts District, and South Park. The increase in housing and density of the area, coupled with the changing demographics, is anticipated to increase the number of people who utilize public transit, stimulating a more localized and connected atmosphere. As a result, Park 101 has the potential to provide an accessible public green space and recreational area for a community eager to connect with others and to the City.

Given the geographic, socio-economic and ethnic diversity of the Park 101 project area, as well as the changing demographics of Downtown Los Angeles, public engagement for the project involved a spectrum of stakeholders whose input and support were critical to the project's ultimate realization. Further, the location of the project being adjacent to diverse communities required a targeted approach to address stakeholder groups in the most effective way.

At the project initiation, an outreach approach was developed to build upon past Park 101 stakeholder outreach developed during Phases 1 and 2 of this project, while expanding the outreach to include the new stakeholders who would be influential in moving Park 101 into the future. The stakeholder outreach effort for Phase 3 was designed to solidify key stakeholder engagement at the "treetops" level, with the understanding that future outreach would include engaging the community on a more robust level.

STAKEHOLDER IDENTIFICATION

Key stakeholders were identified for the purposes of high-level public engagement and included opinion leaders in the project area, as well as government and public agencies. High-level stakeholders included elected officials and their staff, select public agencies, and the Friends of Park 101. Meetings with high-level stakeholders were recommended to determine how local opinion leaders would support the park from a community perspective and to determine their interest in serving as project champions, including the pursuit of funding sources. Government and public agencies were included to ensure input on the feasibility of the park on an institutional level whether as potential partners/collaborators, or to address public infrastructure needs and issues. Government and public agency coordination ensured

STAKEHOLDER OUTREACH

that our partners in the public sector, representing key organizations critical to the project's success, were informed and engaged throughout the process.

STAKEHOLDER ENGAGEMENT

The purpose of the stakeholder engagement effort was to provide briefings where the project team would share information with public agencies and elected offices, as well as community groups and developers. Additionally, this approach provided the Consultant Team an opportunity to identify project challenges and opportunities early in the process, and develop appropriate solutions and implementable strategies.

KEY STAKEHOLDERS

The high-level stakeholders included key contacts from elected officials' offices and organizations that either were not involved during Phases 1 and 2 of the project, or required updates during Phase 3. Government and public agency coordination ensured that our partners in the public sector, representing key organizations critical to the project's future, were informed and engaged throughout the process. These briefings represented key opportunities to disseminate current information and to provide a forum where the project team could share information with public agencies and elected offices. A total of 12 key stakeholders were identified, as listed below. These stakeholders were briefed one-on-one by members of the Consultant Team at least once during the stakeholder engagement effort; the offices of Assemblymember Gomez and Supervisor Solis, as well as Metro and Caltrans, received additional briefings. Joint briefings were also held between Caltrans and the Department of City Planning at top management levels.

1. Friends of Park 101, Planning Committee
2. California Assembly District 51, Jimmy Gomez
3. Office of California Assembly District 53, Miguel Santiago
4. Office of California Senate District 24, Kevin de León
5. Office of Los Angeles Mayor Eric Garcetti
6. Office of Los Angeles Council Member District 1, Gil Cedillo
7. Office of Los Angeles Council Member District 14, Jose Huizar
8. General Services Administration (GSA)
9. Office of LA County Board of Supervisors, 1st District, Hilda Solis
10. Los Angeles County Metro (Planning, Innovation)
11. California Department of Transportation, District 7 (Planning, District Director)
12. City of Los Angeles Department of City Planning
13. Los Angeles Department of Transportation

COMMUNITY GROUPS

While the outreach effort for Phase 3 was geared towards key opinion leaders, the outreach effort also targeted community stakeholders – the organizations working, living, and participating in the neighborhoods in and around the project area. These stakeholders were

STAKEHOLDER OUTREACH

identified and briefed in their capacity as part of the Citizen Advisory Committee for the Civic Center Master Plan effort, with the recognition that this would be a preliminary informational update prior to more robust outreach in the project's next phase. The stakeholders included in this outreach approach included community organizations, as listed below.

1. Arts District Business Improvement District
2. Chinatown Business Improvement District
3. Little Tokyo Business Improvement District
4. Little Tokyo Community Council
5. Little Tokyo Service Center
6. Olvera Street Merchants
7. Downtown Los Angeles Neighborhood Council
8. Historic Core Business Improvement District

DEVELOPER AND PROPERTY OWNERS

Park 101 will help guide the land use and development in and around the project area, which provide significant opportunities to this group of stakeholders. In coordination with the Friends of Park 101 at the culmination of Phase 3, a briefing was held with developers and property owners to provide them with a project overview and update. The meeting was geared towards highlighting funding and potential development opportunities, and included a programming discussion. In addition, this group asked to provide input and strategies on programming and funding that can aid in moving forward into the next phase for Park 101. Most of these stakeholders are new to Park 101 and are an important part of the outreach process because they are or can be a pivotal catalyst to current and future development projects. The following stakeholders were invited to the briefing:

1. Equity Residential
2. Forest City
3. Tom Gilmore
4. Linear City
5. MacFarlane
6. McGregor Brown
7. Related
8. Rising Realty Partners
9. Trammell Crow
10. Greenland
11. Onni Group
12. Tribune Real Estate
13. Patrick Soon-Shiong
14. Jim Thomas

STAKEHOLDER OUTREACH

SUMMARY OF FEEDBACK

UNANIMOUS SUPPORT

Stakeholders were universally aware of the transformative potential of this future park for the Downtown area, and for the region. Support for moving forward into the next phase of the project, which would likely entail environmental documentation and securing new funding opportunities, was unanimous amongst the Park 101 project stakeholders. Elected officials and their staff, at minimum, wanted to remain informed about progress with the project. At least two offices were galvanized to serve as project champions and to assist with seeking project funding at the state level. The level of awareness of Park 101 amongst the community groups was mixed, but they were eager to become more involved during the next phase of park planning.

AFFORDABLE HOUSING

One of the key elected stakeholders was intrigued with the potential EIFD financing structure but wanted to be sure affordable housing would be included in future plans for development adjacent to the potential new park. This was echoed by other elected offices.

FUNDING

Most of the stakeholders were highly engaged in discussions about potential funding sources for building the future park. They were very interested in learning more about financing the project via an EIFD mechanism, and were also interested in possibly exploring additional funding through cap-and-trade sources. They also understood the efficacy of financing the park through tax increments from development opportunities immediately adjacent to the Park.

GOVERNANCE STRUCTURE

At this juncture, there is no governance structure for Park 101; however, there is a broad recognition across the gamut of stakeholders that this must be put in place for the project to move forward. There was no broad consensus amongst stakeholders about the governance structure, only that one was needed. However, other suggestions arose during the meetings. For example, it was recommended that Park 101 participate in Metro's Equitable Transit-Oriented Development Steering Committee for Downtown (which is in formation). Additionally, a Park 101-specific governance structure could be created that may include the City of Los Angeles (Department of City Planning and/or LADOT), Los Angeles County (Public Works), Metro, Caltrans District 7, local elected offices (City, State), and the Friends of Park 101.

STAKEHOLDER OUTREACH

INFRASTRUCTURE

Key stakeholders were encouraged to learn about the relative affordability of Park 101 due to both the engineering of the freeway in the project area and funding opportunities. Stakeholders recognized that the structure of the freeway was conducive to relatively easy engineering of the cap. Without exception, stakeholders were supportive of designs that showed closure of most of the on- and off-ramps in the project area. Further, Caltrans stated its openness to exploring closure of these ramps to accommodate the new park.

RECOMMENDED OUTREACH EFFORTS

After the initial phases of Park 101, which developed a broad vision for the Park and determined the project's technical feasibility, Phase 3 provided a realizable blueprint for moving the project forward once more – and getting the park built. The engagement process in Phase 3 served to ensure coordination with key public agencies, re-engage existing stakeholders, and reach new Downtown voices. This effort provided a solid foundation from which to ratchet up public engagement in the future. Aside from the critical issues and next steps outlined in Track #2: Community Engagement in **Chapter 1 - Vision + Opportunity**, the following are recommendations to continue outreach efforts through the life of the Park 101 project.

SOLIDIFY INTEREST OF POTENTIAL PROJECT CHAMPIONS

Park 101 is a project of local and regional significance; not only is it a linchpin to the evolution of Downtown Los Angeles, it is also called out in the City's bid for the 2024 Olympics. In addition to the Friends of Park 101 group, which has been a continuous and consistent voice in support of the project, there is also potential to engage the City as a champion for the project. In addition, members of the State Assembly have expressed their interest in championing the project by helping to secure future State funding for the project. In particular, we recommend continued dialogue with the offices of Mayor Garcetti, Assemblymember Gomez, and Supervisor Solis.

CREATE A MECHANISM FOR KEEPING EXISTING STAKEHOLDERS INTERESTED – AND TALKING

It is important to maintain the project momentum by keeping existing stakeholders engaged in planning for the future park. Park 101 has a core group of existing, diverse stakeholders ranging from elected officials and public agencies, to community organizations, to the Friends of Park 101, which was solidified during Phase 3. To keep the project on this collective group's radar, we recommend creating a mechanism to provide regular interface between these groups prior to the development of a more formal governance structure. This structure may be initiated by the Department of City Planning in coordination with the Friends of Park 101.

STAKEHOLDER OUTREACH

ENGAGE NEW STAKEHOLDERS

The demographics of Downtown Los Angeles have changed with the influx of new residents, housing, shopping, and entertainment. These new residents are highly engaged and active participants in the fabric of their community, and are a fertile source for engagement in future planning of the new park. Yet, Downtown residents are not the only potential new stakeholders; Downtown is a destination and people from all over the region will benefit from the new park. Refining the project's messaging to reflect the opportunities inherent in Phase 3, engaging people in why they should be vested in the project and reaching them through social media are ways to reach new voices. The Friends of Park 101 is underway with a social media initiative geared towards this segment.

CONTINUE TO RAISE AWARENESS

One of the challenges in maintaining interest in, and awareness of, Park 101 has been the phased nature of the study over approximately 10 years. Supporters of Park 101 will continually need to build and maintain awareness of the project. In addition to messaging and social media, innovative ways to keep the project on the public's radar might include pop-ups, dovetailing on related Downtown events, periodically staffing a Farmer's Market booth, and looking for opportunities to partner with other organizations.

GET READY FOR THE ENVIRONMENTAL PHASE

Public engagement in the environmental phase of the project will be robust, inclusive and far-reaching. Not only will it include key stakeholders that were involved in all previous phases of the project, it will also expand significantly on the outreach to include additional Downtown stakeholders, adjacent communities, additional public agencies and regional parks, open space advocates, non-profits, and other groups. By securing project champions, continuing to work with existing stakeholders, engaging new voices, and continuing to raise awareness, Park 101 can enter its crucial environmental phase with significant momentum.

ENDNOTES

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