

## **ADK&A SELECTED QUALIFICATIONS IN TRANSIT ORIENTED DEVELOPMENT**

### **Los Angeles County MTA** ***Willow Street Station Retail Ground Lease***

ADK&A was retained to assist the Los Angeles County Metropolitan Transit Authority (MTA) in negotiating ground lease terms for a 130,000-square-foot retail development on land owned by the MTA and the Long Beach Redevelopment Agency adjacent to the Willow Street MTA Station. The development included a 500-car parking structure to accommodate transit station parking. Ground lease terms had to meet three tests: to make the project economically feasible for the prospective developer, to meet various fiscal requirements of the Long Beach Redevelopment Agency, and to provide the MTA with a reasonable return on its investment in land acquisition. The analysis involved modeling a variety of ground rent payment structures for the developer in combination with different formulas for the sharing of ground rent revenues between the MTA and the redevelopment agency.

### **MTA Gold Line, Los Angeles and Pasadena, CA** ***Assessment of Site Development Potential***

At the request of the Gold Line Authority, a special purpose entity set up by the MTA for the development of the Gold Line through Chinatown to Pasadena, ADK&A undertook to assess the long term ground lease potential and general development strategy for three sites, Chinatown, Delmar and Sierra Madre.

The assignment to ADK&A involved an assessment of land use development potential, the initial approximation of land values and lease terms and the derivation of some high preliminary estimates on long term lease income.

### **Park Meridian Apartments, South Pasadena CA** ***Financial Analysis on behalf of Creative Housing Associates***

Under the leadership of Michael Dieden, in joint venture with Reliance Capital, a mixed-use retail and apartment facility was built in South Pasadena at a light rail station. The facility incorporated condominium apartments, an expanded parking facility, and a small retail facility adjacent to the light rail station. ADK&A, working on behalf of the developer, helped develop some financial structures for this project which were proposed to the City of South Pasadena.

### **Grand Central Market, Los Angeles CA** ***Financial Evaluation of Redevelopment Bond Default***

The redevelopment of Grand Central Market in downtown Los Angeles as a mixed use project involving retail, apartments and parking, was not technically a transit project. However, by virtue of its location within a block of the Metro Rail Station at Fortune Hill, part of the financing for the Grand Central Market and the associated apartments was provided by the MTA. Unfortunately, the predicted income for servicing the bonds did not materialize. Although the MTA negotiated a position in which its debt was senior to the other public debt provided by the

Community Redevelopment Agency at the City of Los Angeles, there was inadequate revenue even to service the MTA debt.

This transaction served as a lesson of how to be more careful in revenue projections and provision of public assistance. ADK&A was engaged on two different occasions on behalf of the MTA to evaluate the work out of the defaulted bonds.