Urban Land Institute Los Angeles

A ULI ADVISORY SERVICES TECHNICAL ASSISTANCE PANEL REPORT

EL CAMINO COLLEGE

JUNE 2015

ULI LOS ANGELES MISSION STATEMENT

At the Urban Land Institute, our mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI Los Angeles, a district council of the Urban Land Institute, carries forth that mission as the preeminent regional real estate organization providing inclusive and trusted leadership influencing public policy and practice.

ABOUT THE ULI LOS ANGELES TECHNICAL ASSISTANCE PANELS

In keeping with the Urban Land Institute mission, Technical Assistance Panels are convened to provide pro-bono planning and development assistance to public officials and local stakeholders of communities and nonprofit organizations who have requested assistance in addressing their land use challenges.

A group of diverse professionals representing the full spectrum of land use and real estate disciplines typically spend one day visiting and analyzing the built environments, identifying specific planning and development issues, and formulating realistic and actionable recommendations to move initiatives forward in a fashion consistent with the applicant's goals and objectives.

PANEL MEMBERS AND STAFF

TAP CLIENT
El Camino College

PANEL CHAIR
Neal Payton
Principal, Torti Gallas and Partners

PANELISTS
Sarah Drobis, PE
Principal Associate, Gibson Transportation

Bill Whitney
Principal, Whitney & Whitney

Donald Brackenbush
Principal, Public Private Ventures

Jack Feichtner
Associate, Cuningham Group Architecture

John Yonai
Principal, Tierra West Advisors

Silvia Saucedo
Principal, Saucedo Group

Kevin Engstrom
Senior Principal, Keyser Marston

Todd Castagna
Real Estate Advisor

ULI LOS ANGELES PROJECT STAFF
Gail Goldberg, FAICP
Executive Director

Jonathan Nettler, AICP
Director

Emma C. Lalley
Associate

REPORT EDITOR
James Brasuell

PHOTOGRAPHER
John Dlugolecki

REPORT DESIGNER
Stephen Sampson

CONTENTS

Executive Summary 2

Introduction 4

ULI's TAP Advisory Panels 6

El Camino College 7

Development Opportunities Assessment 8

Implementation 19

Conclusion 20

Acknowledgements 21

Panel Member Biographies 22

EXECUTIVE SUMMARY

El Camino College has identified a potential opportunity to better utilize Lot L, an approximately 16-acre corner of its campus that currently hosts a 6,800-square foot child care facility and large surface parking lot. Recognizing the potential of that site to become a much more active land use and contributor to the college and surrounding community, El Camino College President Thomas Fallo and its Board of Trustees asked the Urban Land Institute's Los Angeles District Council to conduct a study of criteria and recommendations that could guide the development of the parcel.

Over two days in October 2014, a Technical Assistance Panel comprised of nine (9) experts in land use and development undertook this assignment. The TAP's analysis, outlined in this report and a presentation delivered to President Fallo and the college's Cabinet on October 15, 2014, finds significant potential for development of the Lot L parcel. More than finding that the college *can* develop the site, however, the TAP also finds that there are a number of reasons why the college *should* develop the parcel.

El Camino College President Thomas Fallo discusses the assignment with the panelists.

To reach its conclusions, the TAP settled on a few key considerations that will either make or break the potential of the site as a development proposal.

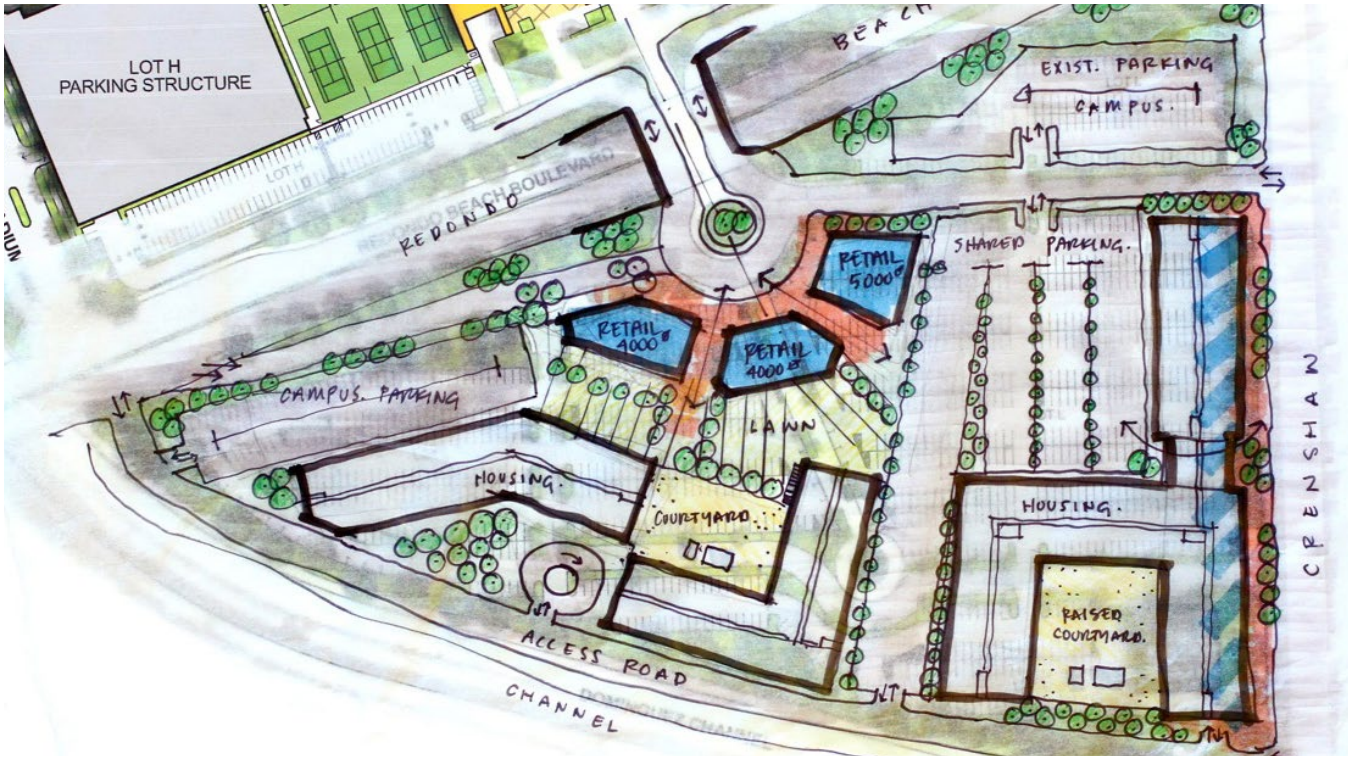
First, the college has an opportunity to generate significant revenues by developing the Lot L site in a joint-use, public-private partnership. The size of the parcel offers a great deal of flexibility for a potential development—allowing a mix of uses and configurations on the site that could be phased in according to market conditions.

Second, the TAP recognizes the potential of the parcel to create a strong college identity along Redondo Beach Boulevard, integrating the college into the surrounding community by providing a dignified and welcoming entrance to campus.

TOP: The view of Lot L across Redondo Beach Boulevard.
BOTTOM: One of several scenarions the panelists studied as potential redevelopment alternatives.

However, constructing a new 1,200 space parking structure to replace the existing parking supply on site is not financially feasible. The initial development and ongoing operations costs of such a lot would likely be greater than the revenue generated by developing the remainder of the parcel. Importantly, according to the TAP analysis that follows, accommodating future student population growth will not require a lot of that size after current and planned parking facilities are factored into an analysis of the future parking requirements of the campus.

The redevelopment of Lot-L at the southern edge of El Camino College offers an extraordinary opportunity to generate a steady source of revenue for the benefit of the educational mission of El Camino College. The flexibility offered by the size and good condition of the site will allow thoughtful development, phased over time to best respond to the market.



INTRODUCTION

ASSIGNMENT AND PROCESS

El Camino College, located along the border between Torrance and Lawndale in Los Angeles County has fulfilled its mission of education for more than six decades, along the way empowering a diverse community of students in the South Bay.

With an eye toward the future and its role in the community in mind, El Camino College has repeatedly revisited its long-term vision for the future of its campus, most recently by drafting and adopting the 2012 Comprehensive Master Plan and the 2012 Facilities Master Plan, which together consider the technology, facilities, and staffing needs for the college through the year 2020.

In addition to the ambitious building program laid out by those plans, El Camino College has identified an opportunity to develop an approximately 16-acre[1] corner of its campus that currently hosts a 6,800-square foot child care facility and serves as a temporary holding facility for 1,177 cars—in other words, a very large surface parking lot. The leadership of the college, including President Thomas Fallo and the El Camino College Board of Trustees, recognize the potential of that site to become a much more active land use, in keeping with the college's educational goals and the quality of life of the surrounding community.

The opportunity to develop this large, underutilized section of campus offers the benefit of revenue generated by a ground lease or other financial arrangement that could then be invested toward the educational goals of the college. With such potential benefits in mind, El Camino College asked the Urban Land Institute's Los Angeles District Council to conduct a study of criteria and recommendations that could guide the development of the parcel. The primary goal of the El Camino College Technical Assistance Panel (TAP) is to begin the conversation about how to accomplish a practical and ambitious development of that parcel.

The 16 Acre Lot L study area is located in the southeast corner of El Camino College's campus.

[1] *The panel's initial analysis considered a 17-acre parcel, based on information available at the time. This size of the parcel, and associated analysis, have been revised based on information provided subsequent to the panel's presentation on October 15, 2014.*

KEY QUESTIONS

El Camino College President Thomas Fallo and the El Camino College Board of Trustees asked the TAP to address the need for strategic planning concerning the development potential and public policy and the land planning issues relating to the approximately 16-acre, triangular-shaped property located at the southern edge of the campus and known as Lot L.

The key questions addressed by this study include:

1. What is the development potential for the 16 acres?
2. What regulations, infrastructure, etc. require changes and/or modification allowing the reuse potential? Which uses evolve from this assessment?
3. What are the public-private strategies that will facilitate the redevelopment of the existing surface parking lot?
4. What might conceptual development "look and feel like," making full use of the findings and strategies developed in 1–3 above?
5. What is the ground lease potential to the college, assuming implementation of the above conceptual development directions?
6. Who are the key stakeholders that will need to be engaged and what strategies should be considered early on to elicit maximum participation and support?

TOP: Existing condition of Lot L on the El Camino College campus. BOTTOM: Panelists discuss the development potential for the 16 acres of Lot L.

ULI'S TAP ADVISORY PANELS

TAP PROCESS

Prior to the TAP, ULI panel members met with representatives from El Camino College and local stakeholders to determine the scope of the panel assignment. ULI selected panel members with the professional background and skills to address the stated objectives for the TAP as provided by El Camino College. Panel members reviewed background materials prepared by El Camino College prior to the TAP.

The TAP process is usually a day-long event, but given the desire of El Camino College for a thorough study of the challenges and possible solutions presented by the study area, this TAP was held for two days. On the first day, panel members toured the study area with college employees and contractors. On the second day, panelists worked through an intensive analysis on the specified issues before presenting their findings to El Camino College President Thomas Fallo and the President's Cabinet at meetings held on campus.

LEFT: Panelist survey some of the newly completed campus renovations.
RIGHT: As a part of their study, panelists tour the extensive campus to get a better understanding of major issues.

TAP PANEL OF EXPERTS

ULI convened a panel of experienced professionals representing a variety of disciplines connected to land use and real estate development, such as architecture and urban design, real estate development, economic analysis, project financing, and entitlements. More specifically, the ULI panel members brought professional expertise relevant to the college's objectives for the study and a working knowledge in the sectors of business, the real estate market, and the design typologies common in the study area. These experts volunteered to participate in the panel process and did not receive compensation for their work.

EL CAMINO COLLEGE

BACKGROUND AND CONTEXT

The student population of El Camino College draws from the El Camino Community College District—an inter-municipal boundary that includes the cities of Torrance, Manhattan Beach, Hermosa Beach, Redondo Beach, El Segundo, Inglewood, Hawthorne, and Lawndale, and the unincorporated communities of Alondra Park, Lennox and Del Aire. The college's location between three Southern California freeways and its well-regarded variety of educational and professional programs, however, draws students from a much larger region. At the time of the TAP study, 24,700 diverse and ambitious students attend the college—with more than half that number coming from outside the district.

Given the regional draw of the campus, which swells the peak levels of traffic onto the campus in the morning and at the beginning of the academic calendar, parking and transportation are of critical concern to the campus experience. The college has responded to the need for parking facilities spread throughout campus by completing a new parking structure near Redondo Beach Boulevard and by approving a plan for another large parking structure to be located at the other end of campus near Manhattan Beach Boulevard. Any goals the college has to grow its student and faculty populations will require consideration of the parking supply available on campus.

One of the college's strongest assets is its location next to Alondra Park, which includes a number of open space and recreational facilities. Busy commercial corridors and a diverse collection of residential neighborhoods surround the campus, making it a natural community hub. The college already provides an economic and employment base for the area, and the college is well-situated to continue expanding its role as an anchor institution in the community.

A large approximately 16-acre surface parking lot (known as Lot L) is located at the southern end of campus. Lot L's triangle shape is bordered by Crenshaw Boulevard, Redondo Beach Boulevard, and the Dominguez Channel. Although the lot is often full with parked cars and provides access to one of the college's more picturesque entrances along the pedestrian bridge that crosses Redondo Beach Boulevard, this section of campus offers a potential opportunity for redevelopment with more productive uses. While recognizing

TOP: The child development center at the southeast corner of Lot L. BOTTOM: The five level Lot H Parking structure just north of Redondo Beach Boulevard.

the value of Lot L as a parking resource for students, the leadership of El Camino College has recognized the potential for this site, and has asked the Urban Land Institute to study the parcel's highest and best use.

As a result of its study of the campus and the Lot L parcel in particular, the TAP panel agrees that the parcel holds strong potential for development. Most importantly, the development could provide a steady stream of yearly income for the college—income that could be reinvested into academic programs and operations expenses while also providing for uses that would complement the mission of the college and the quality of life of the surrounding community.

The initial development of the Lot L site represents a once in a generation opportunity for the college, it is critical that the college "get it right."

Given that the initial development of the site represents a once in a generation opportunity for the college, it is critical that the college "get it right." To that end, the TAP lays out a strategy for the college to move strategically and ambitiously, especially by:

1) making an account of the current and planned parking resources on campus,
2) drafting a first set of ambitious concepts for the development of the site, and
3) sketching out the legal and financial framework for the college to pursue a mutually beneficial joint-use agreement and public-private partnership for the development of the site.

DEVELOPMENT OPPORTUNITIES ASSESSMENT

PARKING

Given the parcel's current use as a surface parking lot, the TAP first set out to determine how many of the parcel's parking spaces were necessary to meet the college's future supply needs. In so doing, the panel members took into account the concerns from users and neighbors that typically arises when parking supply is removed from a high-demand facility such as El Camino College.

The TAP compared the current parking supply with the parking totals targeted by the 2012 Facilities Master Plan, which includes several substantial additions to campus parking facilities. The TAP established the 2014 supply as 4,625 parking spots, adopting that total as the baseline for analysis. Then the TAP determined an adjusted parking supply of 6,113 parking spots, given the parking facilities in the pipeline as part of the 2012 Facilities Master Plan. That adjusted parking supply includes, for instance, a 1,220 net from the proposed structure on Manhattan Beach Boulevard and 185 new spots in Lot F, currently under review by the Division of the State Architect.

Using reconnaissance provided by on-campus sources, the TAP decided that the current parking spot to student ratio of 1:5.34 provides the campus with ample parking on the vast majority of days throughout the year. Therefore, the TAP panel planned forward while maintaining the same ratio, taking into account the potential for growth in the number of students on campus.

The TAP believes strongly that given the existing parking supply, parking facilities soon to come online, and the potential to implement parking management strategies, El Camino College can accommodate the targeted rate of student population growth while replacing only some of the parking from Lot L, if and when the college proceeds with a development plan for the parcel under study. Specifically, taking into account the state's FUSION forecast for the campus's growth in student population to 28,000 by the year 2023, the TAP analysis suggests that the college may only need to retain up to 500 of the 1,177 parking spots currently provided on Lot L.

It's important to note that parking management strategies could also make more efficient use of the existing and planned parking supply—in effect creating more supply without having to build more spaces. Parking management strategies and new signage would improve the "first-come, first-served" approach to parking, which can lead to bottlenecks, inefficiencies, and frustration in circulation around campus. While the panel recognizes that some strategies have been tried by the College in the past without success, it believes additional approaches and technologies would be worth exploring.

TABLE 1: Various parking option on the El Camino College Campus.

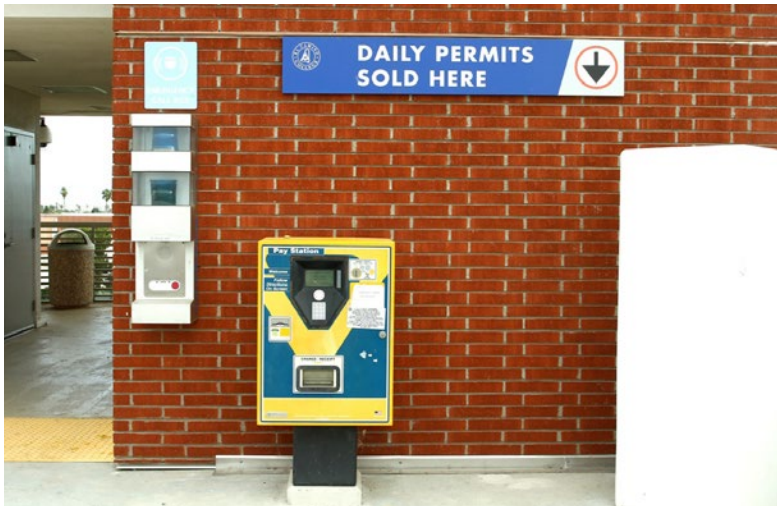
Parking Option	Campus Parking Supply	Student Head Count	Student Growth	Ratio
2014 Conditions	4,625	24,700	--	1:5.34
Adjusted Parking Supply	6,113			
Lot L Reduction *(1,177 spaces)*	4,936	26,361	1,661	
OPTIONS				
Replace 300 Spaces	5,236	27,963	3,263	
Replace 500 Spaces	5,436	29,031	4,331	
Replace 900 Spaces	5,836	31,098	6,398	

Examples of the parking management strategies available to El Camino College include:

1. Staff and student parking designation.
2. Distribution of parking based on the demand at different times during the day.
3. Parking permit allocation.
4. Parking notifications through the use of mobile apps with real time data about available parking.
5. Transportation demand management measures (e.g., parking cash-out strategies and priority parking for carpools).
6. Encouraging alternative transportation modes, such as biking and public transit.
7. Addition of bike parking supply.
8. Adding bikeshare stations compatible with programs in the City or County of Los Angeles.

Without requiring that the parcel retain all 1,177 parking spots, the college gains a huge amount of flexibility for the potential development of the parcel. The remainder of this report will examine the potential of that flexibility in terms of the parcel's revenue generating capacity, its placemaking capacity, and its potential to work in synergy with the educational goals of the college.

Parking management strategies include staff and student designations as well as permit allocation.



MARKET POTENTIAL

Presuming the flexibility provided by the parking analysis, the TAP panel conducted a market assessment and found significant development potential for the site.

The market assessment first summarized the key socioeconomic and location factors that will determine the feasible development opportunities for the site, by identifying the following key issues:

1. The socioeconomic characteristics for the market area are similar to Los Angeles County in general. Such demographics indicate that there are multiple options for future uses of the property.
2. The site enjoys healthy traffic volumes along the north-south corridor of Crenshaw Boulevard and east-west corridor of Redondo Beach Boulevard.
3. There are very few large-lot development opportunities like this in Los Angeles County. As a result, the site would draw significant interest from developers with experience across multiple land uses and building types.
4. The location is likely **good** for residential (particularly market-rate apartments), given its proximity to the college, Alondra Park, and decent access to the 405, 110, and 105 freeways. Our research indicates market rate rents of $2.17/sf for studios, $2.08/sf for one-bedrooms, and $1.74/sf for two-bedrooms in the vicinity. Keep in mind, these rates are for properties averaging 50 years old.
5. The location is likely **limited** for commercial uses (except in limited circumstances), given both the significant competition in the immediate market area and the traffic impacts created by student and staff populations during the day.
6. The location is likely **inappropriate** for lodging due to the lack of freeway visibility and lack of regional attractions in the immediate vicinity, unless the college can generate significant usage requirements on an annual basis.

The TAP then identified the highest and best uses for the site by preparing a set of financial scenarios that identified a potential range of values for the site. Based on the market assessments, the team identified the highest and best uses for the site as market-rate apartments, which could also include senior housing. A restaurant would also provide positive land value and serve as a key amenity for the residential component of the development and the college.

The TAP thus settled on a speculative mix of land uses—for-rent (market rate and/or seniors) at 90 percent and 10 percent commercial—to estimate the potential land value supported by a set of alternative development programs. (Of course, all of the development programs assume that the college receives the necessary entitlements from the city of Torrance.)

The alternative development programs considered by the TAP pro formas include the following options for a development program:

- **Moderate Density Residential** – this program includes a mix of market rate apartments at a density of 30 dwelling units per acre and senior apartments at a density of 50 dwelling units per acre. In addition, a two-acre parcel would be developed in a commercial use (e.g., convenience retail or a restaurant).

- **High Density Residential** – this program assumes a mix of market rate apartments at a density of 50 dwelling units per acre and senior apartments at a density of 60 dwelling units per acre. In addition, a two-acre parcel would be developed as commercial (e.g., convenience retail or a restaurant). The TAP notes that there are very few examples of land zoned at this density in the city of Torrance outside of its emerging Downtown area.

From those options, the project team evaluated the potential range of land values and lease revenues that could be supported by the site. The TAP used available data while calculating project development costs, rents, and annual ground rent. Annual ground rent represents the annual revenue generated for the college by the development–it is likely to range from 8 percent to 10 percent of the land value.

Thus, the TAP estimated a fee-simple land value and a ground lease value for each development program. The results are summarized in the table below.

TABLE 2: Comparisons of land values related to building density.

	MODERATE DENSITY => HIGH DENSITY		
Average Dwelling Units per Acre	36	44	53
Land Value per Square Foot	$30.00	$35.00	$40.00
Land Value per Acre	$1,307,000	$1,525,000	$1,742,000
Annual Ground Lease Income per Acre	$105,000	$122,000	$139,000

A few key findings of that analysis should be noted. First, the brass tacks: the total ground lease income for a development between 13 and 16 acres (based on the retaining zero spaces and 300 surface parking spaces) is estimated to yield between $1.3 and $2.3 million annually for the college, assuming a land value of $17 million to $27.9 million. If the college were to retain 570[2] surface parking spaces from Lot L, this would allow development on approximately 10 acres. A 10-acre development is estimated to yield between $1 million and $1.4 million per year in ground lease income to the college. Second, the land value of the site, and ultimately its ground lease income, is dependent upon the density built on the site (i.e., uses with higher density uses have a greater potential to generate higher land values and greater economic benefit to the college). The results are summarized in the table below, which shows the potential range in total revenue to the college depending on the available acreage and underlying land value.

Finally, it should be noted that developers typically prefer to own fee interest in land. Therefore, a ground lease scenario could limit the number of developers interested in the property, because lenders often prefer projects on fee interest land and the development process can be more time consuming. To make a ground lease as attractive as possible, the college may need to 1) consider accepting a lease rate at the lower end of the range identified above (e.g., the 8 percent shown in the table above), 2) provide the maximum loan term possible, and 3) ensure the necessary entitlements are available.

DEVELOPMENT ALTERNATIVES

The primary question put to the ULI TAP team was how El Camino College might best develop a strategy to generate revenue from a rare and potentially valuable real estate asset on an approximately 16-acre parcel at the southeast edge of campus. To achieve the best possible outcomes in the development of this real estate asset, the college must address all of the parking, market, and legal issues outlined in this report.

According to the reasoning of the TAP, the analysis of whether or not to preserve parking supply on the Lot L site is critical to the development potential of the site. That is, the financial feasibility of the site (not to mention the flexibility to develop high quality, desirable uses) would be greatly impacted by decisions to retain some or all of the existing parking supply currently found on the parcel.

Therefore, the following analysis provides a preliminary financial review, comparing the cost of maintaining current parking supply relative to the parcels potential to generate revenue for college. To complete its financial review, the TAP asked the question: Is it financially feasible or practical to provide above grade replacement parking that allows for future development on the Lot L site?

TABLE 3: potential range in total revenue to the college depending on the available acreage and underlying land value

Developable Area	10 Acres		13 Acres		16 Acres	
Land Value per Square Foot	$30.00	$40.00	$30.00	$40.00	$30.00	$40.00
Total Residual Land Value	$13,068,000	$17,424,000	$16,988,400	$22,651,200	$20,908,800	$27,878,400
Annual Ground Lease Income @ 8%	$1,045,000	$1,394,000	$1,359,000	$1,812,000	$1,673,000	$2,230,000

[2] *Information provided subsequent to the panel's presentation suggest 70 additional spaces may be provided at Lot L at times of peak demand.*

MARKET POTENTIAL

The ULI TAP team analyzed four primary scenarios to determine the feasibility of generating revenue from the redevelopment of the parcel:

1. Finance and develop a 1,200-car parking structure to accommodate the parking lost if a majority of the 16-acre site were dedicated to commercial development.
2. Finance and develop a 600-car parking structure to accommodate the potential high end range of parking required by the college through 2023, as calculated by the TAP panel.
3. Finance and develop a 300-car parking structure to accommodate the potential low end range of parking required by the college through 2023, as calculated by the TAP panel.
4. Decide that the college's existing parking supply—combined with planned supply additions—will provide sufficient parking for the future growth of the student population. That decision would allow the college to fully realize the income production potential of the entire 16-acre site through a land lease.

Scenario One – a 1,200 car parking structure

Based on the recent experience of comparable facilities, the TAP panel estimated the cost of developing a 1,200-car parking structure at $25,000 per stall. Thus, the TAP estimated the total design and construction cost of a parking garage to replace the full number of parking spots currently provided by Lot L at $30 million. The TAP estimated a total of $2 million a year for the construction debt service, or $30 million at 5 percent over 30 years.

Given that such a parking structure would only occupy an estimated 2.5 acres of the 16-acre site, the college would be left with 13.5 acres to develop. At an estimated land value of $17.7 million, leasing the remaining land at 8 percent of value would yield only $1.42 million per year.

Thus, by financing a parking garage to retain all of the existing parking supply, even in a more efficient arrangement that allows for the development of the remainder of the parcel, the college would, in effect not be able to offset the cost of the garage construction with income derived from the land lease. The cost of such a parking garage would outweigh the benefits of any remaining development.

Scenario Two – a 600 car parking structure

The same estimate of $25,000 per parking stall still applies in this scenario. Therefore, the TAP estimates the total design and construction cost of a 600-car parking garage at $15 million. As for the future costs devoted to construction debt service, the TAP estimated $976,000 per year, or $15 million at 5 percent over 30 years.

The TAP estimates that a five-story parking structure would occupy a single acre of the 16-acre site, leaving the college with 15 acres to develop. At an estimated land value of $19.6 million, leasing the remaining land at 8 percent would yield $1,568,000 per year.

Scenario Two therefore begins to reveal the type of revenue generating capacity available to the college if the right mix of uses, including parking, are pursued for the site. Here the benefits of investment on the site outweigh the costs of developing a moderate number of replacement parking spaces by a considerable margin.

A five-story parking structure, similar in height to one existing on campus, could occupy a single acre of the 16-acre site.

Scenario Three – a 300 car parking structure

The same estimate of $25,000 per parking stall still applies in this scenario. Therefore, the TAP estimates the total design and construction cost of a 300-car parking garage at $7.5 million. As for the future costs devoted to construction debt service, the TAP estimated $500,000 per year, or $7.5 million at 5 percent over 30 years.

The TAP estimates that a three-story parking structure would occupy a single acre of the 16-acre site, leaving the college with 15 acres to develop. At an estimated land value of $19.6 million, leasing the remaining land at 8 percent would yield $1,568,000 per year.

Scenario Three reveals the type of revenue generating capacity available to the college if the right mix of uses, including a moderate amount of parking, are pursued for the site. Here the benefits of investment on the site outweigh the costs of developing a limited number of replacement parking spaces by a substantial margin.

Scenario Four – no new parking other than supply approved by the 2012 Facilities Master Plan

In this scenario, the college decides that parking provided in current facilities elsewhere on campus, including the addition of several new parking facilities in the current development and planning pipeline, satisfy the needs of the campus even through a mid- to long-term period of growth. Obviously, in this scenario the college would incur no additional or debt service cost for replacement parking supply.

Scenario three allows for all 16 acres to be developed. The TAP estimates the value of the 16 acres in the range of $20.9 million to $27.9 million, depending on the density of the development on site. At that value, a land lease would provide approximately $1.95 million a year in revenue to the college.

The cost-benefit analysis in the fourth scenario yields the largest benefit in revenue generation for the college.

OPPORTUNITIES AND CONSTRAINTS

After examining the physical qualities of the site under study, as well as its relation to the surrounding community and the college, it was clear to the TAP that this parcel offers significant development potential as a result of a number of factors in its favor. First and foremost is the size of the parcel, which represents a rare and attractive opportunity in the Southern California land use context. Frankly, 16 contiguous acres are an exceedingly rare and valuable commodity in Southern California. The college should find significant developer interest in the parcel.

The size of the parcel allows for significant flexibility in both the mix and phasing of uses, including the possibility of residential, commercial, parking, and landscaped open space. To exemplify the varieties of configurations that could be developed on the site, the TAP generated a number of potential site plans, ranging from simple, to give an idea of the mix of uses, to more complex, to show how much flexibility is offered by the parcel.

However, that site does have significant constraints that will have to be addressed by any future development program. For instance, a single, pinched street currently serves the site for ingress and egress. Such a large site will require multiple ways in and out, and development of the site will likely require substantial investments in infrastructure to come to fruition.

The site is also constrained by limited visibility from Redondo Beach Boulevard. That street's depressed roadway limits the visibility of the campus and of the Lot L parcel to the south of the street. The TAP's design and planning recommendations includes, among others, a speculative proposal to return the roadway to the same elevation as the campus.

Finally, any development plans pursued by the college would likely require extensive interactions with the local community and the agencies that control the public right of way, infrastructure, and land use regulation of the parcel and its neighbors.

Redondo Beach Boulevard's depressed roadway limits the visibility of the campus and of the Lot L parcel to the south of the street.

DEVELOPMENT CONCEPTS

The TAP created a variety of conceptual development schemes to offer an idea of how the development might look and feel.

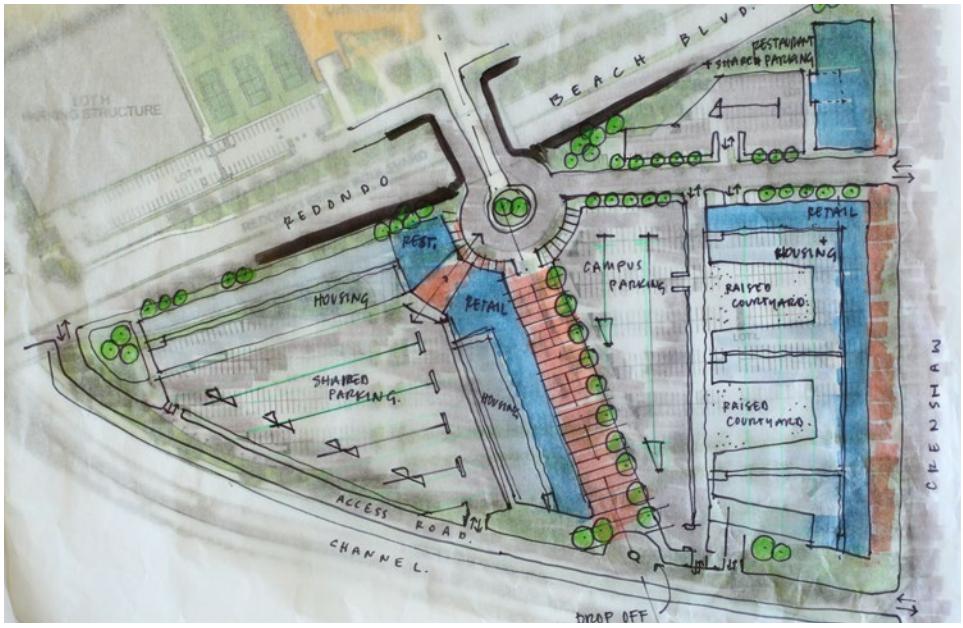
The first concept achieves its simplicity by distributing a variety of individual uses around the site. One master developer could develop the entire parcel themselves, or in turn, offer several of the individual sites to other smaller developers, who specialize in one use or another.
In this concept, the deepest corner of the site, between Redondo Beach Boulevard and the Dominguez Channel remains as a 3-acre surface parking lot to accommodate the future college growth as discussed above.

The remainder of the site is parceled into sections for retail, market-rate apartments, and senior housing. Incorporated into this design is a Ponte Vecchio-style bridge connection between the campus and a new restaurant and other retail offerings. With separate areas for individual land uses, and a relatively low density, this concept does not necessarily maximize the value of the land, but it is simplest to execute which may be attractive to certain prospective developers.

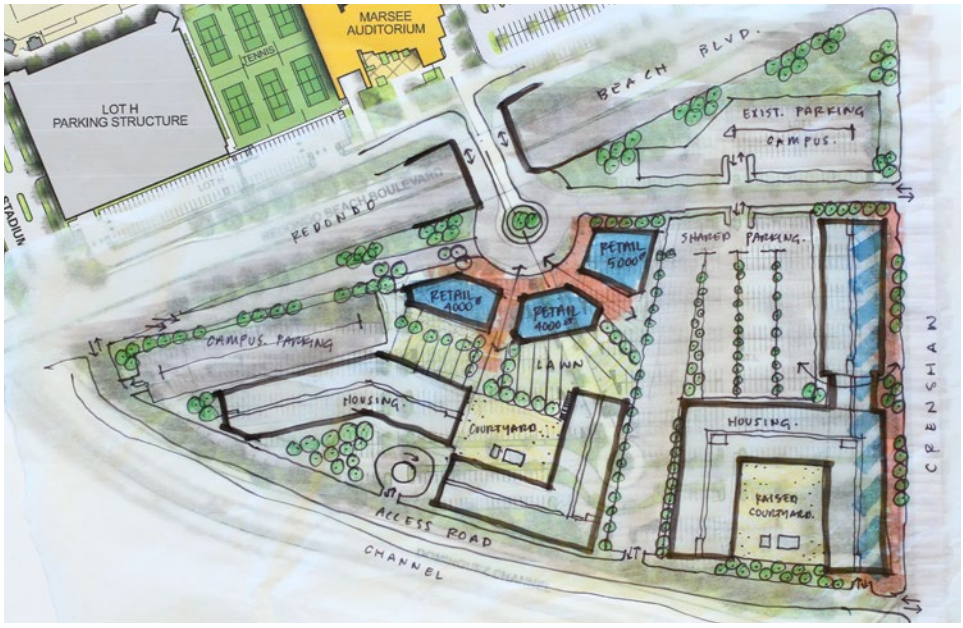
Development Concept 1

The second concept [as shown in different forms by the next two diagrams] builds on the idea from the first concept of splitting the site into developable blocks for lease by different developers. These conceptual schemes also pay special attention to activating the edges of the site along Crenshaw Boulevard by creating a retail corridor to attract both pedestrian and vehicle traffic from the street. The concept also employs a more concentrated development pattern to minimize horizontal infrastructure and create a more walkable environment.

For instance, retail and residential uses could be stacked, allowing the flexibility to locate retail with high visibility to students and to create a distinct identity for the housing component. Campus parking could also be concentrated at the most efficient location near the roundabout at the middle of the parcel. An anchor restaurant could also share parking with the campus. In the diagrams visualizing this second concept, the term housing is used generically, meaning that it could be either market-rate or senior housing.



Development Concept 2a

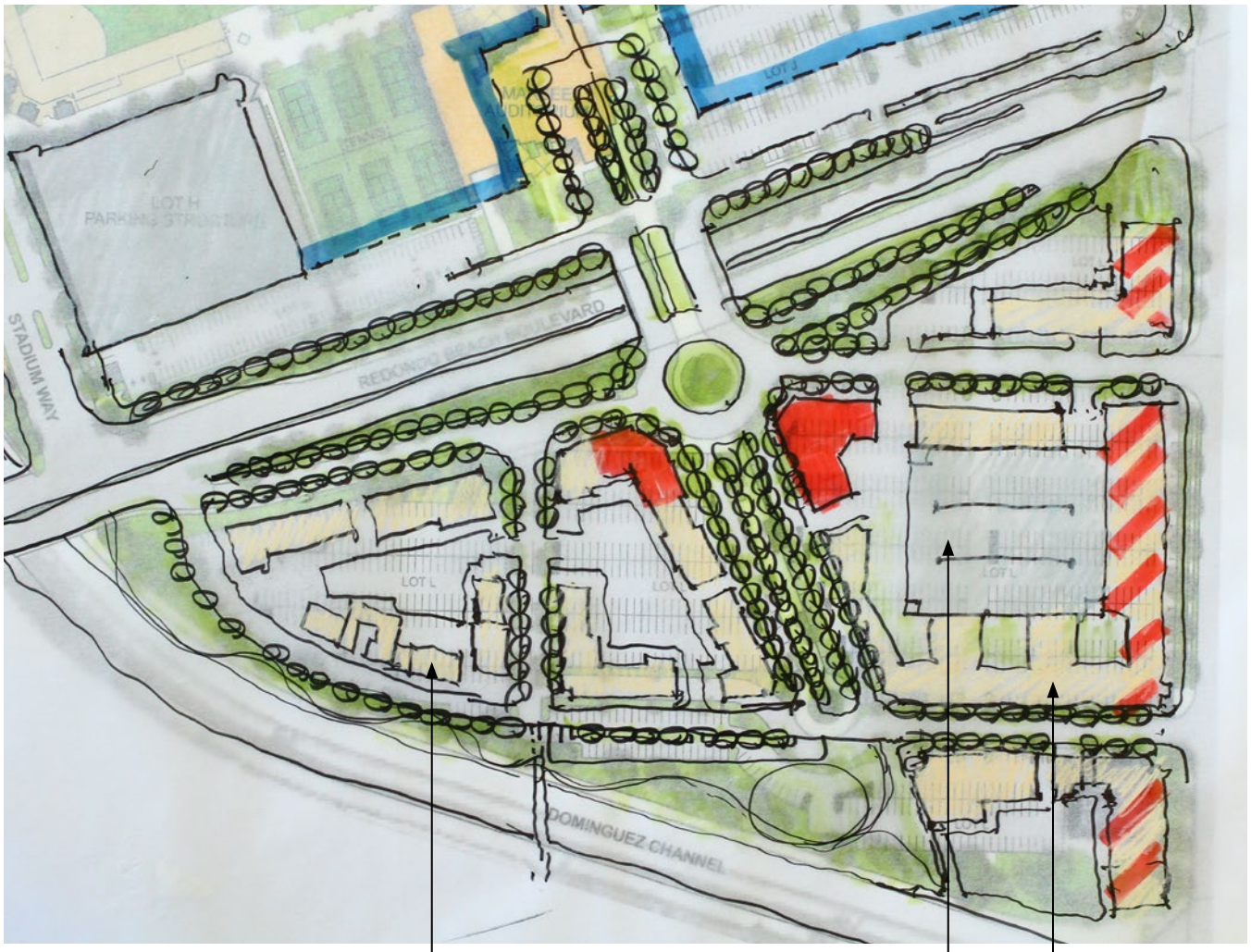


Development Concept 2b

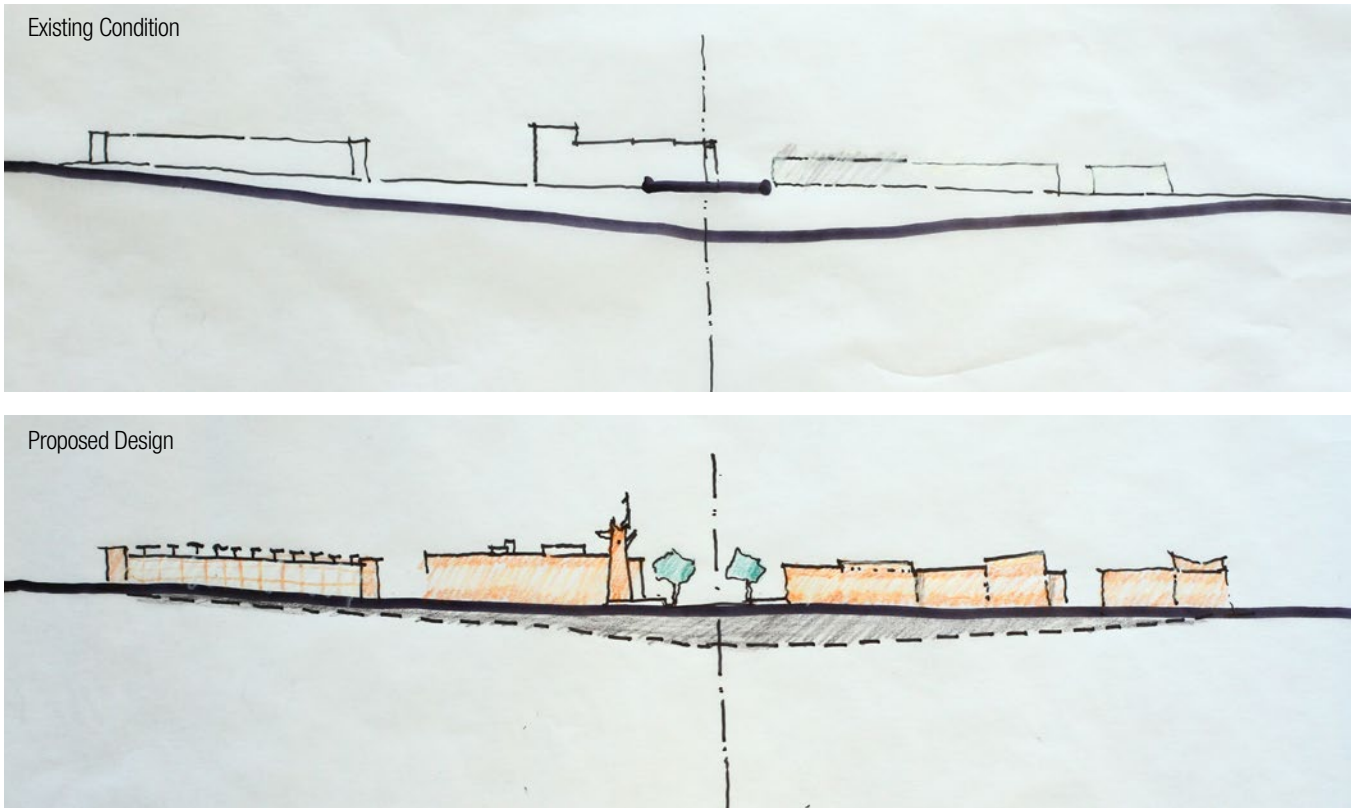
The third concept shows the effects of moving to a density of 50 units per acre as opposed to the 30 units per acre development proposed in the second concept. Whereas surface parking could meet the needs of a 30 unit per acre development, the higher density means parking garages will be necessary to serve the uses on site, Rather than separating uses as in the first concept, this diagram shows the greatest mixing of uses and densities. A “wrapped” garage, which could be shared with the college, is buried inside the block.

Another key element of this third concept is more direct connection to the frontage road that circumnavigates campus. Reconnecting to the frontage road would allow improved access to parking garages and provide more options for moving around the development. Finally, this concept also includes a graceful and dignified entrance to campus, with the Marsee Auditorium removed.

Development Concept 3



The panel explained the value of establishing a campus edge by raising Redondo Beach Boulevard



The final concept diagram, the most speculative of all the design proposals, illustrates how the college could improve the edge of campus by raising the level of Redondo Beach Boulevard to the same elevation as the campus. Although the costs would be significant, returning this boulevard to its original elevation would greatly improve this frontage as an active, urban edge for the school and would also offer opportunities to design a dignified public face for the college by lining the street with or other attractive architectural offerings. Other community colleges and regional serving universities such as UC Merced and Fullerton College have achieved similarly active, urban edge conditions.

To ensure smooth traffic upon the boulevard's return to its original level, the TAP recommends that the configuration of the street be changed to a multi-way boulevard, allowing for multiples lanes of traffic flows. That configuration would also allow for the creation of an identifiable intersection that provides access to campus as well as the developments on Lot L. Special paving and signage could establish the intersection as "El Camino College Place" or something similar and create another front door for the college.

IMPLEMENTATION

Relevant sections of the Education and Government codes determine the parameters through which the financing and development of the Lot L parcel could be achieved. A suggested list of issues to consider were delivered to the college in separate communications by the Panel. It is recommended that the College seek legal counsel to provide recommendations for how address relevant codes.

INITIAL ACQUISITION

To determine if the site can be used for private development or as a revenue generator, the college needs to ascertain how the land was acquired. For example, there will be implications if the land was acquired using bonds (taxable/non-taxable) or via eminent domain.

LAND RESTRICTIONS

Because the private use might not be for educational purposes—as market-rate rental housing, for instance—the development will be subject to the local jurisdiction for entitlements. The college must understand how title, zoning, general plans, other jurisdictional controls, surrounding municipalities, and college and community sentiment will impact the development of the site.

Investigation of the capacity of the existing sewer, storm water, electric and gas systems are among the constraints the college may want to explore before engaging with the development community. The site's proximity to a flood control channel may provide an additional constraint. Impacts on environmental, archaeological and historical resources may have to be explored during the entitlement process. Also, the college should consider that development of the site might require an internal planning process, such as an update of its 2012 Comprehensive Master Plan.

POTENTIAL FINANCING RESOURCES

Development and effective monetization of the 16 acres will require the implementation of public-private partnerships (P3s), requiring collaboration with the college, developers, and other local funding sources.

Development of the 16 acres with a private developer will allow the college to implement a strategic real estate plan and fully monetize the assets represented by the parcel. Due to the general practice of the college and other state agencies in not selling assets, learning institutions traditionally land lease sites for future development. Entering into a land lease will generate an annual revenue stream for the college, making it an obviously attractive option. The TAP panel notes that while a monetizing structure is the most effective for the college, it will incur construction and loan costs for the developer at 25 to 75 basis points higher than if the college had sold the land to the developer.

On- and off-site infrastructure costs will require the college and the selected developer to collaborate in seeking other financing resources. Those resources could include capital improvement programs available through local jurisdictions and cities. The college and its partners should seek local transportation financing from the Los Angeles County Metropolitan Transit Authority to support public access to the college and the development that will take place on the parcel.

CONCLUSION

The redevelopment of Lot-L at the southern edge of El Camino College offers an extraordinary opportunity to generate a steady source of revenue for the benefit of the educational mission of El Camino College. The flexibility offered by the size and good condition of the site will allow thoughtful development, phased over time to best respond to the market.

However, despite El Camino College's long history as a member of the South Bay community, it's understandable that the surrounding neighbors might be initially resistant to the idea of redeveloping any portion of the campus. Fortunately, the college has a significant story to tell, from both a financial standpoint and a quality of life standpoint, in support of redeveloping the parcel.

The urban design and placemaking argument in support of transforming Lot L from a surface parking lot to a more efficient and active collection of uses is compelling. Instead of remaining a sea of dormant cars, a redeveloped parcel could supplement the college's current and planned facilities with a new variety of joint- and mixed-use facilities that work in synchronicity with the academic goals of the college. A new development could also add to the college’s aesthetic appeal with well-designed architecture and landscape elements.

Finally, the college has many tools at its disposal to ensure that this once-in-a-generation opportunity becomes a vibrant and welcome addition to the City of Torrance, with tremendous benefit to the surrounding community.

ACKNOWLEDGEMENTS

The Technical Assistance Panel is thankful for the participation and commitment of El Camino College staff, stakeholders and community members. The following is a list of individuals who were interviewed or provided valuable information and perspective during the TAP process.

PANEL SUPPORT

Deborah Shepley, AIA, LEED AP
Director, Higher Education; Gensler

EL CAMINO STAFF

Thomas M. Fallo, President

Jo Ann Higdon, Vice President, Administrative Services

Robert Bradshaw, Construction Manager

Tom Brown, Director, Facilities

Shobhana Warrier, Assistant to Vice President, Administrative Services

PANEL MEMBER BIOGRAPHIES

NEAL PAYTON

Principal, Torti Gallas and Partners

Neal I. Payton, FAIA, is an Architect, Urban Designer and Principal at Torti Gallas and Partners, Inc. where he created and directs the firm's West Coast office in Los Angeles. His work transforms cities and towns around across the world--through visionary advocacy for sustainable urbanism, master planning, scholarship, and teaching-- into diverse and walkable communities of greater economic vitality and social justice. He has led multidisciplinary teams in the creation visionary, yet implementable plans for the redevelopment of declining urban centers, brownfields, and the greyfields of aging inner suburbs, Common themes in all of these efforts are: connectivity to transit networks, a focus on walkable urbanism public participation in the design process, and the codependency of urban design with economic development.

In Southern California, Mr. Payton has led a variety of projects including high-rise workforce housing, transit-oriented infill affordable and market rate housing at transit stations, the planning of a 70-acre redevelopment effort in Boyle Heights, and urban design for the planned Westside extension of the Metro purple line to Westwood. Prior to opening this office he led an equally diverse array of projects for Torti Gallas in its east coast office near Washington, DC. He has written and lectured extensively on Transit-Oriented Development and his design efforts have been honored nationally with awards from the ICSC, NAHB, AIA, and the CNU among other organizations.

Mr. Payton has a Bachelor of Architecture degree from Carnegie Mellon University and a Master of Architecture degree from Syracuse University. In addition he has been a Knight Fellow in Community Building at the University of Miami (FL) and has served on the faculties in architecture and urban design at The University of Virginia, Rice University, Washington University in St. Louis and The Catholic University of America.

SARAH DROBIS, P.E.

Principal Associate, Gibson Transportation

Sarah Drobis has over 17 years of experience in the traffic and transportation engineering industry, directing and conducting complex parking and transportation planning studies for a wide variety of public and private projects throughout Southern California.

Ms. Drobis has performed numerous traffic impact and parking demand studies, comprehensive mitigation programs, and site access/internal circulation reviews for retail, residential and medical development projects as well as schools, universities and churches throughout California. Her expertise also includes operational analyses, access and circulation planning for various travel modes (vehicular, pedestrian, truck, transit, etc.), transportation master planning, regional travel demand modeling, corridor studies, signal warrant analyses, development of trip generation models and traffic simulation modeling. She has managed numerous parking studies and shared parking demand analyses for various commercial, residential, institutional and mixed-use developments.

She is currently working on traffic and parking studies for The Ford Theatres, NBC Universal, AMPAS Academy Museum of Motion Pictures, Hollywood Central Park, the University of Southern California Health Sciences Campus, The Gardens Casino, Manhattan Village Shopping Center, and Oakwood Secondary School, as well as a large scale traffic congestion improvement program for Los Angeles.

BILL WHITNEY

Principal, Whitney & Whitney

Bill Whitney has 45 years of experience as a real estate advisor. Prior to his re-establishment of Whitney & Whitney, Inc. in April 2000 he served as a Principal with Arthur Andersen for nine years, the last three years headquartered in Andersen's London office. He has had extensive involvement with international real estate development programs, participating as a resource on engagements in over 35 countries throughout the world, including European, Asian, Middle Eastern and African venues. His recent work includes serving as a consultant to the City of Santa Monica on transit-oriented development planning programs at the City's future metro stations; advising Korean Air Lines on the creation of a marina resort community in South Korea that will also serve as a venue for the 2014 Asian Games and conducting economic feasibility studies for the Wilshire Grand redevelopment program; evaluating the market potential for the redevelopment of a number of southern California shopping centers for Westfield, L. L. C.; analyzing visitor-serving retail/hotel development potentials in Downtown Ventura; and assisting Los Angeles World Airways in planning the future development of the North Side Area adjacent to Los Angeles International Airport.

Bill received his Ph.D. from the Graduate School of Management, University of California Los Angeles in Urban Land Economics (1975) and taught Real Estate Finance and Urban Land Economics at that university. He also performed graduate studies in Urban and Regional Planning at the University of Southern California (1964-1967) and received an A.B. in Political Science from Williams College (1963)

DONALD BRACKENBUSH

Principal, Public Private Ventures

Mr. Brackenbush serves as a principal at Public Private Ventures, a real estate advisory services firm that has been advising numerous colleges and other private and public institutions as to the development and/or disposition of surplus property as well as locating property for expansion. His goal is to maximize revenue and simultaneously support the institutional goals of the client.

Of particular interest is the recent Specific Plan and entitlements for a 710 ac surplus State of California property in Chino, California for which Mr. Brackenbush acted as Project Manager. The Plan describes a unique "neo-traditional" new community bringing together a regional park, Community College, Village retail center and surrounding residential neighborhoods composed of a diverse mix of housing types and pricing.

In addition to teaching assignments at the University of Southern California, Mr. Brackenbush has regularly made presentations at universities and participated as a panelist at professional conferences. Recently, Mr. Brackenbush participated in the International Congress on Sustainable Cities conference in Toledo, Spain and served on a five-member panel advising the city of Bilbao, Spain on the redevelopment of its central waterfront.

Mr. Brackenbush has a BA in Architectural Engineering from Ohio University and an MA from the University of Pennsylvania in Architecture and City Planning. In addition he is a member of both the American Institute of Architects and American Institute of Certified Planners and is a licensed architect in California and Pennsylvania.

JACK FEICHTNER

Associate, Cuningham Group Architecture

Jack Feichtner is an Associate at Cuningham Group Architecture where he brings a commitment to sustainable design practices to all of his projects. His portfolio includes a wide variety of urban in-fill, multifamily, mixed-use, hospitality, and community design. His role entails collaborating with various members of project teams and community stakeholders.

Mr. Feichtner is currently the design leader for several different projects, including the Washington and National Transit-Oriented Development in Culver City. More recently, he has worked on the Broadstone Fairfax Mixed-Use project near Miracle Mile, and the 525 Broadway mixed-use project in Santa Monica, California. He also served as a team member on several urban design projects including Garden Street Development in Downtown San Luis Obispo, California, a mixed-use project, which includes a 72-key hotel and condos and the 3rd Street Redevelopment surrounding the Lady Luck Casino in downtown Las Vegas, Nevada.

Mr. Feichtner is a founding member of the Los Angeles Chapter of Architecture for Humanity, an international organization seeking to bring sustainable housing and better quality of life to all communities of the world. Jack brings architectural experience on a variety of projects, including themed entertainment, mixed-use, and hospitality facilities. This experience includes new construction, expansions, remodelings, and renovations projects.

JOHN YONAI

Principal, Tierra West Advisors

John Yonai of Tierra West Advisors, Inc. has thirty years of experience in the real estate industry. Mr. Yonai's has provided real estate and redevelopment related services to corporations, developers, trusts, high net worth individuals, local governmental agencies, cities, redevelopment agencies, school districts, water districts, county agencies and state agencies.

Mr. Yonai's expertise is in the area of public and private sector real estate projects. His involvement in over $8 Billion in projects has included a wide range of product types including housing, industrial, commercial, retail, entertainment, automotive, and other specialty products. Tierra West Advisors services include project site strategies, market analysis, economic feasibility, public outreach, planning services, transactional structuring, development agreement negotiations, financing, gap financing, marketing, implementation services, economic development strategies, brokerage services and redevelopment services.

Mr. Yonai is a member of the Urban Land Institute (ULI), International Council of Shopping Center Owners (ICSC), California League of Cities, Former California Redevelopment Association (CRA), California Association of Realtors (CAR), California Restaurant Association (CRA), California licensed Real Estate Broker, National Association of Realtors (NAR).

SILVIA SAUCEDO

Principal, Saucedo Group

Silvia Saucedo, LEED AP, represents clients in all aspects of real estate development, including the entitlement process, strategic planning, project management, land use, redevelopment, sustainability and the establishment of government and community relations, for all real estate product types.

Ms. Saucedo has a proven track record of successfully navigating private sector, public benefit and governmental agency clients through the difficult issues arising from the development process. Ms. Saucedo's innovative and effective advice throughout every phase of the planning and approval process is based on her collection of unique and valuable experiences, perspectives, insights, talents and skills.

Ms. Saucedo is the recipient of numerous awards, including being named one of the most Influential Women in Real Estate by Real Estate Southern California and a SuperLawyer "Southern California Rising Star" on several occasions. She has authored and is quoted in various industry journals and is a frequent speaker and panelist at conferences and symposia. Born and raised in the Pico-Union and South-East areas of Los Angeles, Ms. Saucedo did her undergraduate work at UCLA and earned her law degree from the University of Washington School of Law.

KEVIN ENGSTROM

Senior Principal, Keyser Marston

Kevin Engstrom is a Senior Principal in the Los Angeles office of Keyser Marston. For nearly 20 years he has provided public and private clients with real estate and financial expertise.

Mr. Engstrom has provided public and private clients with real estate and financial expertise, including: market and financial feasibility studies, fiscal impact analyses, economic revitalization consulting, financial modeling, developer selection and disposition consulting.

During his tenure at Keyser Marston, Mr. Engstrom has conducted a number of market and feasibility studies for cities throughout California. For these analyses Mr. Engstrom assessed current market conditions; projected future demand for residential, retail, office, industrial and hotel development; tested the financial feasibility of prototypical projects; prepared fiscal impact projections; and created implementation strategies. Projects have included general plan updates, specific plans, master plans, corridor studies, economic development strategies and highest and best use analyses. These studies have occurred throughout Orange, Los Angeles, Riverside, San Bernardino, Ventura and Fresno counties.

In addition, Mr. Engstrom has consulted in all areas of the disposition process for surplus properties for public agencies. His experience includes project planning, preparing and evaluating Requests for Proposals and Qualifications, developer selection, negotiation support and financial feasibility analyses for cities throughout the State, including Los Angeles, Anaheim, Brea, Glendale, Long Beach, Poway, Pasadena, Redondo Beach, Rancho Mirage, San Juan Capistrano and Monterey Park.

Mr. Engstrom earned his master of arts from the University of Arizona and his bachelor of arts from Villanova University.

TODD CASTAGNA

Real Estate Advisor

Todd Castagna is a real estate advisor, most recently at RCLCO, where he served as a Vice President in the firm's Santa Monica, CA office. Since joining the firm in 2012, Todd served in a project management role with a wide variety of clients in both the private and public sectors. His experience includes institutional real estate investment services, complex financial modeling, market opportunity analyses for all major land uses, resort development strategies, place-making strategies, and highest-and-best-use analyses for urban real estate. As a project manager, Todd worked alongside RCLCO Directors and Associates to provide expert real estate advice in a timely and professional manner for the firm's diverse clientele.

Prior to joining RCLCO, Todd worked as an Associate in Credit Suisse's Real Estate Investment Banking group in New York City, where he performed accretion/dilution analysis and debt and equity financing analysis for REITs, homebuilders, and other real estate-related entities. Prior to his banking experience, Todd gained experience in macroeconomic research and global trends while working on the trading desk for global macro hedge funds Pantera Capital and First Quadrant in San Francisco and Los Angeles, respectively. He began his career as a Private Wealth Associate in Merrill Lynch's San Francisco office, working closely with affluent clients to advance their wealth management goals through customized strategies.

Todd holds a Bachelor of Arts in Economics, Magna Cum Laude, from Brigham Young University and a Masters of Business Administration from BYU's Marriott School of Management where he earned the Merrill J. Bateman award as the Most Outstanding Graduate Student in the Marriott School. After receiving his MBA degree, Todd worked as an adjunct professor at BYU, teaching managerial economics and finance to undergraduates in the business school.

TOP left to right: Sarah Drobis PE, Kevin Engstrom, John Yonai, Donald Brackenbush, Neal Payton, Todd Castagna, Jack Feichtner, Bill Whitney
BOTTOM left to right:: James Brasuell, Johnathan Nettler, Silvia Saucedo

At the Urban Land Institute, our mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

ULI Los Angeles, a district council of the Urban Land Institute, carries forth that mission as the preeminent real estate forum in Southern California, facilitating the open exchange of ideas, information and experiences among local, national and international industry leaders and policy makers.

Established in 1936, ULI is a nonprofit education and research institute with over 40,000 members across the globe –1,600 here in the Greater Los Angeles area. As a nonpartisan organization, the Institute has long been recognized as one of America's most respected and widely quoted sources of objective information on urban planning, growth, and development.

The membership of ULI Los Angeles represents the entire spectrum of land use and real estate development disciplines. They include developers, builders, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, lenders, academics and students. Members of the Urban Land Institute in the counties of Los Angeles, Ventura, Kern, San Luis Obispo, and Santa Barbara are automatically members of ULI Los Angeles.

ULI Urban Land Institute

Los Angeles

700 South Flower Street Suite 1406
Los Angeles, California 90017

(213) 221-7827
la.uli.org

v1.4-20150605
A Document of ULI Los Angeles
©Copyright 2015