Contra Costa Centre

Financing Transit Oriented Development

Rail-Volution

Financing the Public Realm

October 20, 2010

Jim Kennedy, Redevelopment Director

Contra Costa County
Contra Costa Centre Transit Village
A Partnership with the Contra Costa County Redevelopment Agency

A unique live/work environment in the East Bay.
A community on the move.

www.contracostacentre.com
www.centrepuntos.org
### Contra Costa Centre Development Summary (9/10)

<table>
<thead>
<tr>
<th>Status</th>
<th>Commercial (sf)</th>
<th>Housing (du)</th>
<th>Hotel (rooms)</th>
</tr>
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<tbody>
<tr>
<td>Completed</td>
<td>2,440,487</td>
<td>2700</td>
<td>423</td>
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<tr>
<td>Under Construction</td>
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<td>-0-</td>
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<tr>
<td>Future Projects</td>
<td>310,000</td>
<td>100</td>
<td>-0-</td>
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<tr>
<td><strong>Total</strong></td>
<td>2,750,587</td>
<td>2800</td>
<td>423</td>
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1. Includes specific plan area and immediate vicinity
2. Includes office and retail square footage
3. Residential dwelling units
Implementation of the Contra Costa Centre TOD
Contra Costa Centre Transit Village - Role of Redevelopment Agency

- Land Assemblage
- Infrastructure Finance
- Public/Private Partnerships
1990 aerial with public infrastructure roads and drainage
Infrastructure Financing/Construction

BART Parking Garage  Iron Horse Overcrossing

- Public/private financing of infrastructure improvements:
  - The completion of nearly $90 million in major public infrastructure improvement concurrent with or prior to development using property owner supported assessment and special tax bonds, and redevelopment tax increments; and
  - The capacity to finance up to $30 million in additional infrastructure through redevelopment tax increments.
PUBLIC / PRIVATE PARTNERSHIPS

- Affordable Housing
- Transportation Demand Management (TDM)
- Child Care
- Resident Deputy
## Affordable Housing Production

<table>
<thead>
<tr>
<th></th>
<th>Total Units</th>
<th>Very Low Income Units</th>
<th>Low Income Units</th>
<th>Affordable Percent</th>
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<tbody>
<tr>
<td>Park Regency</td>
<td>892</td>
<td>134</td>
<td>-</td>
<td>15%</td>
</tr>
<tr>
<td>Coggins Square</td>
<td>87</td>
<td>55</td>
<td>32</td>
<td>100%</td>
</tr>
<tr>
<td>Avalon</td>
<td>422</td>
<td>85</td>
<td>-</td>
<td>20%</td>
</tr>
<tr>
<td>Walnut Creek</td>
<td>1401</td>
<td>274</td>
<td>32</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1401</strong></td>
<td><strong>274</strong></td>
<td><strong>32</strong></td>
<td></td>
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Coggins Square Apartments
Coggins Square Apartments

Developer: BRIDGE Housing Corporation, San Francisco

- 87 units
- 36 units/acre
- Affordability term of 55 years
- Income targeting to 35%, 50%, and 60% AMI
- Plan of finance ($14.7 million)
  - County tax-exempt bonds
  - Tax credits
  - County CDBG/HOME funds
  - County RDA revenue pledge
Park Regency Apartments
Park Regency Apartments

- 892 Units
- 72 Units/Acre
- Plan of finance
  - County tax exempt bonds — $60 million
  - Redevelopment Agency revenue pledge of $9 million over 25 years
  - Equity: $20 million
- 80% Market rate/20% affordable to very low income
- Completion - 1992
Avalon Walnut Creek @ Contra Costa Centre

- 422 units
- 62 units/acre

Plan of Finance
- County tax-exempt bonds $135 million
- RDA Capital Contribution $2.5 million
- RDA Review pledge of $31.5 million over 55 years

- 80% market rate/20% affordable to very low income
- Completion - 2010
Transportation Demand Management

- Operated by Contra Costa Centre Association

- Initially capitalized via assessment proceeds

- County service area formed - $240,000/year

Contra Costa Centre Noon-Time Shuttle
TRANSPORTATION DEMAND MANAGEMENT (TDM)

- Goal of 30% non-single occupied vehicle access to Pleasant Hill BART station

- Financing
  - Private Contributions
  - Redevelopment Agency loan for start-up
  - Annual Assessments collected via tax bill

![Pie chart showing existing employee travel modes:]
- Drive Alone: 67.0%
- Carpool/Vanpool: 15.4%
- BART/Bus: 7.9%
- Other: 3.3%
- Alternative Work Schedules: 5.1%
- Bicycle/Walk: 1.3%

Source: 2010 CONTRA CENTRE EMPLOYEE SURVEY
Robert I. Schroder Pedestrian and Bicycle Overcrossing

Completed 9/10
Building a County General Fund Asset with TOD

Avalon Walnut Creek at Contra Costa Centre

Plan of Finance
BART Joint Development Site
Avalon Walnut Creek Development Description

- 522 Residential units
  - 422 rental
  - 100 for-sale townhouses
- 290,000 sf of office
- 35,550 sf of retail
- 20,000 sf business conference center
- Parking for all uses, on-site in structures
Public Financial Goals

- Create a long term revenue stream via ground lease structure:
  - Compensate County for infrastructure investment; &
  - Compensate BART for their land value

- Acknowledge the major front end RDA expenditure

- Provide BART with value capture in the near term.
Avalon Walnut Creek
The Financial Solution- Asset Management

- RDA funds BART replacement parking structure — $45.7 million, as does developer — $5.5 million
- RDA contributes to placemaking — parks, plazas, and civic uses $9 million
- RDA contributes to backbone infrastructure — $2.7 million
- Divide lease revenues 75% to County and 25% to BART
- Total lease revenues are $700 million-$1 billion (est.)
Avalon Walnut Creek
The Financial Solution- Affordable Housing

- County/RDA funds affordable housing
  - $2.5 million for construction (RDA)
  - Annual subsidy payment (RDA)
- County issued tax exempt bonds ($135 million)
  - 20% affordable to very low income
## Avalon Walnut Creek
### Plan of Finance ($000,000)

<table>
<thead>
<tr>
<th>Sources</th>
<th>Phase I (Garage)</th>
<th>Phase II (a) (Rental/mixed use)</th>
<th>Phase II (b) (For-Sale Housing)</th>
<th>Phase III (Office)</th>
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<tbody>
<tr>
<td><strong>Public</strong></td>
<td></td>
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<tr>
<td>RDA- BART Parking</td>
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<td>$2.7</td>
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<tr>
<td>RDA- Placemaking</td>
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<tr>
<td>RDA- Housing</td>
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<td><strong>Public/Private</strong></td>
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<td>$135.0</td>
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<tr>
<td>Tax Exempt Bonds</td>
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<td>$135.0</td>
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<td><strong>Private</strong></td>
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<td></td>
<td></td>
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<td>$213.4</td>
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<tr>
<td>Backbone Infrastructure</td>
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<td>Developer</td>
<td>$5.5</td>
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<td><strong>TOTAL</strong></td>
<td>$51.2</td>
<td>$186.1</td>
<td>$40.0</td>
<td>$131.0</td>
<td>$408.3</td>
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Avalon Walnut Creek – JPA Structure

Project Sponsors
Pleasant Hill Transit Village • Walnut Creek, California

Public

Pleasant Hill Leasing Authority

Bay Area Rapid Transit (BART) District

Contra Costa County Redevelopment Agency

County of Contra Costa

Private

Pleasant Hill Transit Village, LLC

Millennium Partners

Avalon Bay Communities

“The business side of the project is every bit as challenging. Except for the for-sale condominiums, the entire project will be built on land owned by BART and leased to Millennium. In order to achieve all the project goals – including replacing almost 1500 parking spaces for BART patrons – a financial partnership was set up between BART, the County of Contra Costa, and its Redevelopment Agency. This partnership, which is called the Pleasant Hill BART Leasing Authority (the “JPA”), as well as the County Redevelopment Agency will be directly involved in the business transaction by the JPA leasing the property, and the Redevelopment Agency financing aspects of the project (BART replacement parking, streets and drainage, as well as parks, plazas, open-space, and civic uses), and financing affordable housing. County staff estimates that over 15 major agreements totaling well over one-thousand pages will be necessary to fully document the business side of the Transit Village project.”

Reprinted from Contra Costa County Redevelopment Agency Newsletter
Avalon Walnut Creek

BEFORE

AFTER
(9/15/10)
Avalon Walnut Creek Liner Residential

Before

After
(9/15/10)
Avalon Walnut Creek

Village Green

Town Square
Business Structure Detail

- Ground Lease
- For Sale Housing Participation
- Sale of Tax Credits
Avalon Walnut Creek
Return on Investment via Ground Lease

• Minimum Rent
• Percentage Rent
• Bonus Rent
• Participation Rent
The Money
99-year Revenue Projections - Cumulative

$696 Million
BART Garage
Groundbreaking March, 2006
Garage Construction

Summer 2006

Summer 2007
BART Garage Completed/Opened
June 30, 2008
Avalon Walnut Creek
Groundbreaking July, 2008
Avalon Walnut Creek Construction

Construction
October 1, 2008

September 1, 2010
AVALON WALNUT CREEK
Grand Opening – October 2, 2010
Thank you for your time