Emerging Corridors Investment Fund

TransACT
Rail-Volution
October 15, 2012
Kendall Square,
Cambridge Center, MA
Boston Properties/CRA
Cambridge, MA 1975-1981
37 Years Creating TOD Value: Planning + Development + Transit

- Built TOD Projects:
  - Los Angeles, CA
  - San Jose, CA
  - Denver, CO
  - Boulder, CO
  - Boston, MA
  - Cambridge, MA

Sugar Cube Building, Urban Villages Denver, CO 2004-2005

16 Market Square, Continuum Partners Denver, CO 1998-2000
Post 2008: Shift Value Proposition

- Integrate data to identify *emerging districts* near transit
- Acquire properties with *near term upside*
- Reposition to *increase cash-flow*
- Value-add with *multi-year exits*
Acquisition Targets

Classic Mixed-Use Redevelopment

Transitional Retail

Transitional Employment

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Bay Area- Classic Mixed-Use Redevelopment

Los Angeles- Transitional Retail

San Diego- Transitional Employment
Previous Deal: District La Brea 2008-2011  
(Managed For Madison Marquette)

Mid Wilshire, Los Angeles, CA
Total Size: 92,416 SF
Buildings:
- Building A  17,425 SF
- Building B  13,491 SF
- Building C  17,059 SF
- Building D  15,201 SF
- Building E  5,223 SF
- Building F  10,252 SF
- Building G  5,265 SF
- Lot H        8,500 SF
Phased Rehab Strategy

Upgrade Bldgs F and G, new signage
Further Interior Demo Bldgs C and E
Clean Exterior Bldgs A-B-C, accent lighting
La Brea Market Context
Before & After
Before & After

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EXISTING PARKING STRUCTURE
TOTAL = 94 STALLS
3 LEVELS (PER 33)

13,173 SF

F
10,516 SF

(Not Including Metal Sheds)
New Garage Facade
La Brea -- Renovated Garage
Retail Off La Brea Garage
Block Party - October 2011
Snap Phase - Façade & Interior Improvements

Value Snap

• NO entitlements & NO EIR
• 30 months
• Internal moves
  – Façade improvements and minor retrofitting
  – Build demising walls to create rentable units
  – Lease to start ups / studios / Gen Y
• External moves
  – Simple on/offsite improvements
  – Establish identity & define vitality
Snap Phase - Revenues

Value Snap

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Reduced vacancy
3rd Q 2008 – 100%
1st Q 2011 – 20%
1st Q 2012 – 0%

Increased lease rates
$.75-$1.35/PSF above competitive space
LA Transit and Job Locations

Source: Center for Transit-Oriented Development, U.S. Census Bureau Longitudinal Employer Household Dynamics, 2006
## TOD Reality: Many Bottom Lines and Time Lines

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<th>Land Use Plans</th>
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- **Risk adjusted ROI/ROE/IRR**
- **ROI adjusted**
- **Funding qualification requirements**
- **Community needs assessments**
Pipeline Project: The Wharf, Washington DC
2 Metro Stations + Streetcar (Madison Marquette/PN Hoffman)