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Transit developments on Gold Line could be threatened by state redevelopment grab, poor economy

By Dan Abendschein, Staff Writer

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With local transit authorities preparing to go forward with the Gold Line Foothill Extension to the Azusa/Glendora border, local cities still have plans to place residential and commercial developments along the line.

The intent of those developments is to prepare for future population growth while limiting increases in local traffic. The first phase of the extension is slated to be completed by 2014, adding new stops in Arcadia, Monrovia, Duarte, Irwindale and Azusa.

But with a down economy, flat real estate market, and cities suffering from last month's state raid of local redevelopment funds, some plans for transit-oriented developments could end up being scaled back.

"You have a lot of hurdles with these developments that weren't there before," said Jack Kyser, the chief economist of the Los Angeles

County Economic Development Corp. "It's hard to get financing, the retail market is down, and then you have the problems with the state affecting local redevelopment."

A survey of several local cities shows that while some are on schedule, other projects have stalled or have been scaled back.

In Azusa, the largest planned residential development already stalled long before the city lost redevelopment funds to the state. The Rosedale housing development was planned to have 1,250 units but was put on hold in the fall of 2008 because of the national economic crisis. Only 130 units were finished.

But other developments in

the area are also at risk, said Fran Delach, Azusa's city manager. A nearby retail project meant to accompany the housing project was relying on purchasing city-owned land at a low price to go forward, Delach said.

Since Azusa had to pay almost \$13million to the state from its redevelopment fund, the city can no longer afford to part with the land at below-market prices, Delach said.

"It really takes away from our ability to use redevelopment as an economic catalyst for our city," Delach said.

In nearby Monrovia, the city is also struggling with issues stemming from the redevelopment

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seizure. Unlike the vast majority of cities in the state, Monrovia officials refused to pay the state the redevelopment money it demanded.

The city saved \$3 million but it's now effectively barred from future redevelopment deals.

Fortunately for Monrovia, that will not affect the currently-planned Station Square project, a huge 55-acre mixed commercial and residential project that will accompany the Monrovia Gold Line station near the intersection of West Duarte Road and South Myrtle Avenue.

Because the project already has been cleared and the developers have title to the land, it does not require further assistance from Monrovia's redevelopment agency, said City Manager Scott Ochoa.

However, real estate market conditions could affect the size of the project, he added.

While project developers have been cleared to eventually add up to 3,500 residential units, they may well chose to scale back if the units won't sell, he said.

The city also will be looking to aid other future developers in the area through land sales, Ochoa said.

In Arcadia, officials are looking to build commercial developments centered around a planned station just east of Santa Anita Avenue, said City Manager Don Penman.

Arcadia's challenge will be land acquisition, Penman added.

Because Arcadia has ordinances limiting the use of eminent domain, officials there have to rely on negotiating land deals, a difficult process with limited redevelopment funds.

"We don't have that leverage that we could use to negotiate," said Penman. "It's going to hurt us and we are not going to be able to be as aggressive as we could be."

Cities further east will have longer to develop their plans since the next extension of Gold Line won't be completed until 2017, and does not yet have a committed source of funds to ensure it will even get done by then.

Glendora, the first city on the line to get a station, already has plans for grouping housing and retail developments around that station.

But even there, city officials had hoped to get projects off the ground early. Currently, the city's main planned project on the Gold Line, a mixed retail and residential proposal at the intersection of Ada and Glendora avenues, is not going forward.

That is partly because of the real estate market, and partly because the developers were expecting infrastructure upgrades in the area that the city can no longer commit to completing, said Glendora City Manager Chris Jeffers.

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He said he does not know when it might get going.

"I think it will be stalled for an indefinite period of time," Jeffers said.

Julianna Delgado, a professor of urban design at Cal Poly Pomona who sits on several Pasadena commissions, said she anticipates that ultimately, cities like the ones along the Gold Line who are trying to complete transit-oriented developments will be glad they did.

"Based on that legislation transit-oriented developments make a lot of sense," Delgado said. "The cities trying to do it now are pretty much ahead of the game."

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