

# Light Rail Trains Carry Development in Pasadena

Special Report: REAL ESTATE QUARTERLY

By JACQUELYN RYAN

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To get a sense of what a rail station might mean for the San Gabriel Valley's eastern cities, consider what the Metro Gold Line brought to Pasadena when it stopped there nine years ago.

Particularly noteworthy is a 347-unit apartment and retail project built by downtown L.A. developer Urban Partners LLC. A standout feature for the project known as Del Mar Station is that the train literally travels right through the center of the building at 265 Arroyo Parkway.

"When we looked at trying to maximize the density, one of the alternatives was to build over and around a tunnel for the train," said Urban Partners Principal John Hrovat said. "It was not just a cool and creative thing."

The \$150 million project underlines the potential for transit-oriented development to provide new housing and retail without adding to traffic congestion.

But that hasn't even been the half of it.

Pasadena is the location of six stops that were built along the Metro Gold Line when it was extended from downtown Los Angeles in 2003. There have been more than 1,800 apartments and condos, and 175,000 square feet of commercial space added within walking distance of the stations.

The estimated value of the construction spurred by Pasadena's stations is about \$500 million. That construction and other development in the city last decade was about four times what Pasadena saw during the entire 1990s.

"Pasadena has seen significant growth around the stations in their city," said Lisa Levy Buch, director of public affairs for the Metro Gold Line Foothill Extension Construction Authority. "In fact, we have found that much of the city's growth in the last decade has been within close proximity to the line."

## Widespread development

Another project near Del Mar Station is the Westgate Apartments, which recently was completed and added 480 apartments to the city's housing stock. A separate project nearby is nearly complete and features 85 condos

Meanwhile, the retail along Arroyo Parkway near Del Mar Station also began to flourish shortly after construction began on Urban Partners' project. Most notably, Whole Foods Market developed one of its largest groceries – 77,000 square feet and three stories – within just a few blocks.

"I don't know if we can take full responsibility for them building that big a store but we certainly helped by providing additional customers in walking distance and that's just one example," Hrovat said.

The Del Mar Station, built in conjunction with Pasadena's redevelopment agency, generated enough notice that Denver multifamily property operator Archstone, now controlled by Lehman Bros. Holding Inc., bought the private development when it was about nearly completed in 2004. It was a good move. Today, the residential and retail space is nearly entirely leased up, according to CoStar Group Inc.

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Retailers include Le Grande Orange Café and a pizzeria called the Baggage Room. Both of those are housed in the old Santa Fe depot, which was dismantled, moved and then reconstructed after Urban Partners excavated an underground parking lot. The developers also added several thousand square feet of public outdoor space.

“When you compare it to pure transit portals, this feels a little more like a piece of a village and I think it creates a much more inviting environment,” Hrovat said. “This a more pleasant place to walk through.”

Strategic planning consultant Katherine Aguilar Perez, a former deputy to the Pasadena mayor during the Gold Line construction, said other cities can stand to learn from what Pasadena and Del Mar Station have accomplished.

“The opportunities are tremendous because of demographics and the market,” she said. “Every single transit-oriented development is unique because it is within its own built environment. You can’t take one that worked in downtown San Jose and plop it in downtown Pomona. But you can put in principles of walkability and open space.”

As the Gold Line continues to extend, developers are taking note of what works and what doesn’t as they hope to take advantage of what appears to be a changing mindset among city dwellers.

“It’s the right direction for development to go,” Hrovat said. “I think the younger generation, the households that they are forming now are less interested in having two cars and if they can use public transportation, they will. It’s a positive lifestyle choice.”