

SCAG Region: Compass Blueprint Case Study

The Platinum Triangle in Anaheim, CA



Clockwise from top left: Angel Stadium of Anaheim; The Honda Center of Anaheim; the Grove of Anaheim; and Stadium Lofts. All of these fall within the Platinum Triangle.

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Center for Transit-Oriented Development



A Project of



THE PLATINUM TRIANGLE

For over 50 years, Anaheim has been a center of activity in Orange County as the home of major destinations including Disneyland, Angel Stadium of Anaheim, the Honda Center, the Grove of Anaheim, and the Anaheim Convention Center. The City has a long history of public-private partnerships that have helped support many of these destinations. Over the last 40 years the City has successfully maintained its reputation as a destination area in the SCAG region. This case study describes the City's vision of The Platinum Triangle as the next step in this rich planning history.

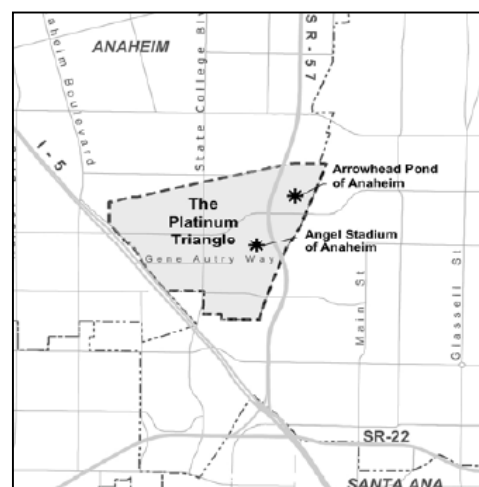
LOCAL CONTEXT

The City of Anaheim was founded in the mid 19th Century, although its major growth spurt occurred during the postwar industrial boom that swept Los Angeles in the 1950's. Anaheim was quickly transformed from an agricultural town to a large residential suburb offering homes to the region's workers, reaching over 100,000 residents by 1960.

The City's major economic growth occurred during this period as well, catalyzed by the premiere of Disneyland in 1955. Anaheim quickly became a major regional family destination, and the park spurred major residential and economic growth throughout the City. Civic leaders secured Anaheim's position as a major year-round family friendly destination by developing Angel Stadium on Katella Avenue in 1966 with the help of franchise owner Gene Autry, and the Anaheim Convention Center in 1967. By the 1960's Anaheim was quickly becoming landlocked by rapid growth throughout Orange County, and the City saw a need to reserve key areas for industrial uses. The City designated the land aligning the Santa Ana River and the newly opened State Route 57 as an industrial zone to help diversify the local economy beyond reigning hospitality and tourism industries. A portion of this area would later become the site of The Platinum Triangle.

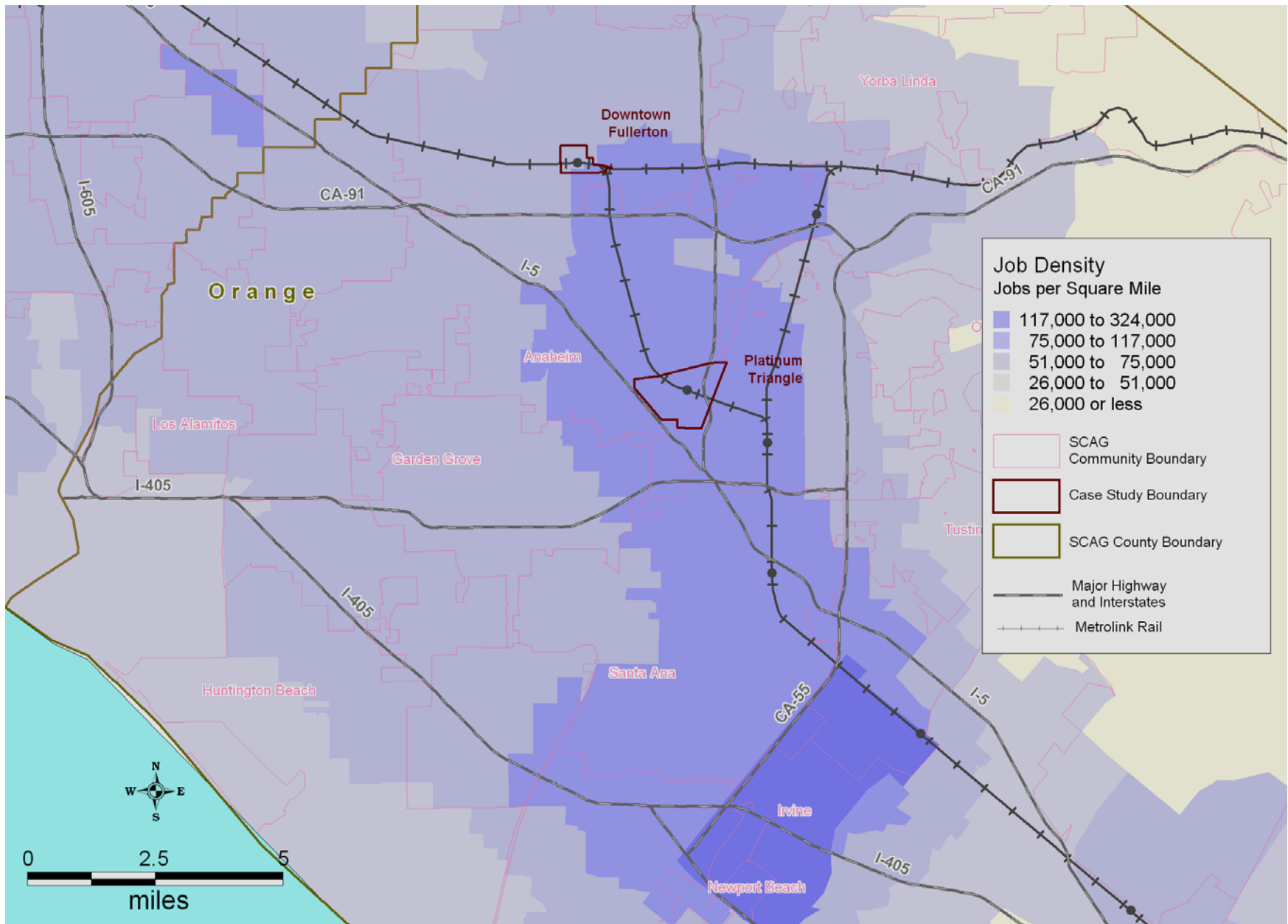
Today, the City of Anaheim is located centrally to Orange County's residents and jobs, making it a desirable location to live and work. It is traversed by three of the busiest freeways in the region: State Route 57, State Route 91 (connecting to the Inland Empire), and Interstate 5 (connecting to Los Angeles). Its older neighborhoods make Anaheim one of the more affordable communities in Orange County, with a median household income of \$55,720 in 2006 compared with the County median of \$70,232. Nonetheless, incomes continue to rise in thriving Orange County, and some local workers are moving to the Inland Empire in search of lower cost housing. Infill residential development is a key strategy to ensuring that workers in Orange County can live close to their jobs.

Figure 1. Map of The Platinum Triangle in Anaheim, CA



Source: City of Anaheim

Figure 2. Employment Densities in Central Orange County



Source: Center for Neighborhood Technology

WHAT IS THE PLATINUM TRIANGLE?

The Platinum Triangle is an 820-acre area at the southern edge of the City of Anaheim bordered by the Santa Ana Freeway (I-5) to the west, and the Santa Ana River to the east. The area has excellent transit and freeway access with service from Metrolink, I-5, and State Route 57 which crosses through The Platinum Triangle's eastern edge.

The Platinum Triangle offers the City of Anaheim tremendous potential for future development and transformation. The City envisions creating a vibrant, mixed-use district where residents, visitors, and employees can live, work, and play. The area has significant regional advantages to attract new investment, including:

- Ample, contiguous tracts of land that are ready for new development;
- A location that is central to Orange County residents and jobs;
- Good freeway and public transit access; and
- Proximity to major international destinations including Angel Stadium of Anaheim, the Honda Center, the Grove of Anaheim, and close proximity to Disneyland and the Anaheim Convention Center.

Once the plan is fully built-out, The Platinum Triangle will offer new housing and jobs for the regional workforce, will enhance Anaheim's existing status as a resort destination by bolstering tourism with new attractions, will create new public spaces for the community's enjoyment, and will encourage the use of public transit including local buses, expanded Metrolink Service, and potentially major inter-regional connections to other parts of California and Las Vegas, via the proposed High-Speed Rail and Maglev corridors.

NEIGHBORHOOD HISTORY

The Platinum Triangle was until recently comprised of a variety of industrial, office and commercial land uses; an Amtrak/Metrolink station; and, the City-owned venues of Angel Stadium of Anaheim, the Grove of Anaheim and the Honda Center. During the 2004 General Plan update, the City determined that The Platinum Triangle was underutilized, and that the area would be appropriate for a much more intensive mix of uses including residential development. As a result Anaheim incorporated into its General Plan a vision for transitioning The Platinum Triangle towards a new mix of uses that are supportive of a variety of transportation modes, and that further enhance the City's reputation as a multifaceted destination resort area.

Planning Timeline:

2004 – A General Plan update redesignates The Platinum Triangle from less intensive office and industrial uses to mixed-use and higher intensity office development

2005 – General Plan Amendment adds 325 residential units and 200,100 additional commercial square feet to Platinum Triangle area

Summer 2007 – General Plan Amendments add 766 residential units to maximum development intensity

2008 – General Plan Amendment approved to increase maximum development intensity to more than 18,000 residential units and over 20 million square feet of office and retail space

“[Transit] connectivity is being mentioned as insignificant to the overall scheme and plan, but that’s why this level of density works.”

*- City of Anaheim Mayor Curt Pringle,
from the Los Angeles Times,
December 17, 2007*



The Platinum Tower, approved in October 2007, is a 20-story office building encompassing nearly 600,000 square feet.

Source: City of Anaheim, Steadfast Business Properties

The General Plan Update established a vision for The Platinum Triangle that included development of up to 9,825 dwelling units, 5 million square feet of office space, over 2 million square feet of commercial uses, and industrial and institutional uses at a higher FAR than previously allowed. This vision for The Platinum Triangle was further detailed in the Platinum Triangle Master Land Use Plan and the Platinum Triangle Mixed Use Overlay Zone. The overlay zone enabled existing uses to remain without being nonconforming. The introduction of residential mixed-use development was accepted in part because the existing uses did not involve heavy industry or other noxious processes that would have compatibility issues with new residential development. This rezoning effort almost immediately generated interest and new investment from developers, who started to privately assemble parcels in the area for new development.

Interest from the development community was in fact so strong that the development applications the City received proposed to develop all of the residential development intensity allotted to privately owned properties. After much consideration, the City responded to this issue by initiating a series of General Plan amendments between 2005 and 2007 that could allow for a total of 18,363 homes, 16.8 million square feet of office space, and 5.7 million square feet of commercial space in The Platinum Triangle.

While the mixed-use overlay zone allows for a substantial change in the land use patterns that dominate The Platinum Triangle, the City found that the community was generally supportive of the idea of a new mixed-use area. Most area property owners agreed that long existing uses in The Platinum Triangle were rapidly becoming obsolete, and were ready for the change. Simultaneously, there was little resistance from current residents because the area was isolated from Anaheim’s residential neighborhoods. Additionally the entire community also perceived the greater need for a larger housing supply to accommodate area workers. Certainly, the City’s long history of successful involvement in large-scale projects such as Angel Stadium and the Convention Center has provided an underlying sense of security in moving forward with this next phase of growth.

Sheri Vander Dussen, the City of Anaheim Planning Director, noted that the City’s greatest triumph so far has been anticipating the market for more intensive housing and commercial uses in Anaheim. By planning ahead for this type of growth, the City was able to ensure that the appropriate regulatory framework, infrastructure improvements, and transit plans could be in place to serve new housing and commercial development. Without the extensive General Plan update and EIR processes, the City could

have been left in a situation of reviewing piecemeal development applications without understanding the overall consequences of the larger scale changes on the City's infrastructure and service provision.

FROM VISION TO REALITY

Major Development Projects

The scale of new development proposed for The Platinum Triangle could potentially take decades to complete, but the City of Anaheim is moving forward at a rapid pace. The City has received 16 development applications totaling over 9,000 housing units, over 1.3 million square feet of commercial space, and several public parks on nearly 150 acres of land. While many of these applications are still in process, construction is underway throughout the area. Some of the major approved development projects include:

Stadium Lofts

Stadium Lofts is the first completed mixed-use project in The Platinum Triangle. This development is located at the corner of Katella Avenue and State College Boulevard and includes 390 condominium units and approximately 10,000 square feet of ground floor retail on Katella Avenue. The first condominium units were offered in August 2006 by developer Windstar Properties.

A-Town Metro

Parcel assembly is often considered a daunting barrier for the reuse of parcels and typically requires public involvement. The market in The Platinum Triangle was so strong that developers found this barrier to be surmountable. Lennar, the master developer for The Platinum Triangle's largest proposed project known as the A-Town Metro, privately assembled more than 20 parcels to create its 40-acre site.

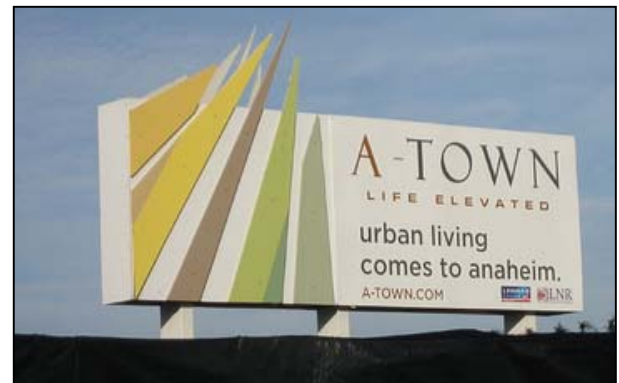
At completion A-Town Metro will become a mixed-use community, with nearly 2,700 dwelling units in townhomes, live/work lofts, and residential towers spanning from 24 to 35 stories. Additionally the A-Town Metro will create an open-air pedestrian shopping district with approximately 230,000 square feet of commercial space, as well as two public parks.

Platinum Tower

There are currently mid-rise office buildings in The Platinum Triangle, but the Platinum Tower will rise above them all at 20 stories. Steadfast Properties, the developer, is the first applicant to propose such a large-scale office tower. The building will encompass 600,000 square feet with a small increment of ground floor retail space, and a parking structure with over 2,000 spaces. The higher construction costs associated with such a building



Stadium Lofts is the first completed project in the Platinum Triangle



A-Town, the Platinum Triangle's largest proposal to date, has been delayed due to the housing downturn but developers are optimistic that it will be completed in the next several years.



View from the Metrolink station across the Angel Stadium parking lot. Projects such as the one under construction 2100 at Platinum Triangle will surround this city-owned surface lot with transit-oriented development.



Anaheim Resort Transit Service now connects to the Anaheim Metrolink station, which is adjacent to Angel Stadium, the Grove, and various commercial uses.



Anaheim Resort Transit Service is an entirely privately funded circulator system that connects commercial uses in the Anaheim Resort area. Source: Anaheim Transportation Network

will require higher than typical rents for the Anaheim office market, but developers are confident that as The Platinum Triangle is built out with a mix of uses, the area will command a premium office rent. In addition, Platinum Tower is expected to be Orange County's first building of its size to seek Silver LEED certification.

IMPLEMENTATION STRATEGIES

The City of Anaheim is pursuing a variety of implementation strategies to prepare The Platinum Triangle for a large scale of new development. These strategies include:

- Establishing a **Community Facilities District** to finance infrastructure improvements;
- Pursuing a variety of **regional and local transportation improvements**;
- Evaluating citywide issues through the **environmental review** process; and
- Coordinating a series of **joint development** projects.

Community Facilities District

One of the challenges of accommodating so much new growth is addressing the need for infrastructure improvements, and ensuring that development would pay for its own required public improvements. Typically a single developer would pay impact fees or be required to construct and fund their project-specific improvements. However, because the City planned for district-wide growth, it was able to pursue a more efficient and centralized infrastructure finance strategy. After a lengthy study and review period, the City is in the process of establishing a Community Facilities District (CFD) to allow the City to issue approximately \$260 million in bonds to finance the full range of capital improvements over time. These bonds will be financed through an annual set of fees that are incurred on a per-unit and per-commercial-square-foot basis for property within The Platinum Triangle. This district will ultimately create a special tax estimated to range from \$585 to \$2,750 per residential dwelling unit, and \$1.46 per square foot of non-residential space.

Regional and Local Transportation Improvements

While Anaheim's key tourist destinations and supporting uses such as hotels and restaurants have historically been auto-oriented, the City has been working over the past decade to encourage a more pedestrian and transit-oriented framework. The nonprofit Anaheim Transportation Network (ATN) was founded by the City 15 years ago to improve circulation throughout The Anaheim Resort. ATN initiated the Anaheim Resort Transit system (ART) in 2002, which is a local shuttle circulator that connects Angel Stadium of Anaheim, Disneyland,

Figure 3. Aerial View of The Platinum Triangle, 2007



Source: Southern California Association of Governments; study area delineated by Strategic Economics, 2008

the Anaheim Convention Center, and hotels and restaurants along Harbor Boulevard and Katella Avenue, also known as the Anaheim Resort corridor. ATN has become a part of the mitigation monitoring program for both The Anaheim Resort and The Platinum Triangle, meaning the City requires all new commercial and office development to join and financially participate in the ATN. In The Anaheim Resort, local businesses pay about 30 percent of the operating cost of ART, while the remainder of the cost is recovered from ticket sales. The ability of ART to recover such a high percentage of its costs from the farebox is unusual, and likely due to the fact that short-term visitors rather than daily commuters use the service.

Transit service in The Platinum Triangle will be extended incrementally as new development occurs. ATN and the City are still in the preliminary stages of understanding what service will look like and how it will be funded. Given that the ATN will have some responsibility for mitigating potential transportation impacts as a result of new development, it is likely that developers will be required to pay a fee to support transit service in some way. The first step towards transit service in The Platinum Triangle occurred in 2007, when ART extended service to connect to the Metrolink station in The Platinum Triangle.



The streetcar that runs through the Pearl District, in Portland, OR, was funded using tax increment dollars resulting from increased development in the Pearl District. Models such as this offer examples of transit options for The Platinum Triangle.

The vision for The Platinum Triangle is intended to further push Anaheim towards a more transit-friendly land use pattern, by incorporating an intensive mix of residential, office, retail, and entertainment uses that can support greater levels of transit service than currently exist today. Proposed development could potentially be built at intensities that have supported streetcar networks in other localities such as the Pearl District in Portland; thus one of the potential transit options that the City is considering is a rail-based circulator¹. The City is currently pursuing funds from Measure M and other sources in order to construct a circulator rail system that would connect points throughout The Platinum Triangle with The Anaheim Resort. This service could support up to 2.6 million passengers a year.

Regional transit connections are the other critical piece to ensuring that new residents and workers have the option of leaving their cars at home. There are plans proposed to improve regional transit connections by doubling Metrolink service by 2010, and constructing a new intermodal transit station known as ARTIC (Anaheim Regional Transportation Intermodal Center) by 2012 using joint development partnerships (which is

¹ Densities in the Pearl District are on average about 100 units to the acre. Current development applications in the Platinum Triangle range from 40 to 99.5 units to the acre.

discussed below). These transit improvements will be the keystone to realizing The Platinum Triangle's full smart growth potential.

Environmental Review Process

The General Plan update and subsequent amendments required the preparation of environmental impact reports (EIRs), which were critical in helping the City understand and mitigate the various impacts resulting from the full potential development in The Platinum Triangle. The environmental review process afforded the City the opportunity to fully evaluate the potential environmental, infrastructure, service, transportation, and community impacts of the development. The three EIRs that have been prepared offer a precursor to strategies that the City will pursue during the phasing of development in order to mitigate long-term impacts of development, including the Community Facilities District and transportation improvements discussed above.

Joint Development Partnerships

Certain sites in the Platinum Triangle are publicly owned, including most of the Platinum Triangle's Stadium District, which contains Angel Stadium of Anaheim and the existing Metrolink/Amtrak Station. To this end, the City is pursuing specific joint development projects with varying degrees of public involvement and complexity. These include:

Development of City-Owned Parking Lot

A portion of the parking area on the northwest side of Angel Stadium of Anaheim is currently owned and controlled by the City. In 2006, the City Council issued a Request for Information and Qualifications to sell this site, which is approximately 50 acres, to a qualified developer. The objective is to develop a dynamic, mixed-use project of an urban character. As a result of this process, the City has entered into exclusive negotiations with a single developer for development of this site. The private developer will ultimately act as lead agent on this project.

Public-Private Partnership for ARTIC Station

The City and the Orange County Transportation Authority (OCTA) have had long range plans to collaboratively build the Anaheim Regional Transportation Intermodal Center (ARTIC). In late 2007, the City and OCTA initiated the process of selecting a private partner with whom they will jointly develop a



Source: Orange County Transportation Authority, City of Anaheim. Available at: http://www.octa.net/pdf/ARTIC_brochure.pdf

15-acre site that is just to the southeast of the current Anaheim Metrolink Station. Through this joint development process, the partners would build an intermodal transit station with the capacity to serve both current and future planned transit systems, potentially including a stop on the California High Speed Rail and the proposed Maglev corridor connecting Los Angeles to Las Vegas. Additionally, private development on the site would include a 10-acre parcel that could potentially accommodate more than 3.3 million square feet of office and commercial space. OCTA and the City are intending to leverage the private development potential of the parcel in order to at least partially fund the ARTIC station. The U.S. Secretary of Transportation, Mary Peters, commended the ARTIC project for its innovative use of public-private partnerships.

FUTURE CHALLENGES

While the City of Anaheim and the development community have made a great deal of headway in planning for and implementing smart growth in The Platinum Triangle, it will take years for the market to build and absorb up to 18,000 new housing units and over 20 million square feet of office and retail space. The City is in its preliminary stages of implementing its plan; as the project proceeds, the City will need to:

- Endure multiple cycles of the real estate market;
- Ensure that housing opportunities are available to households at all income levels in the long term.

Real Estate Market Resiliency

With over 9,000 new housing units in the entitlement process, there is no question that the recent boom in the national ownership housing market has influenced the pace of development in The Platinum Triangle. As the market has weakened in recent years, several housing projects have been put on hold for the time being. Meanwhile, however, the markets for rental housing and office uses have experienced resurgence. In addition to its smart growth benefits, the mix of uses planned in The

Platinum Triangle will ensure its ability to endure these types of fluctuations in the real estate market.

Maintaining Workforce and Affordable Housing

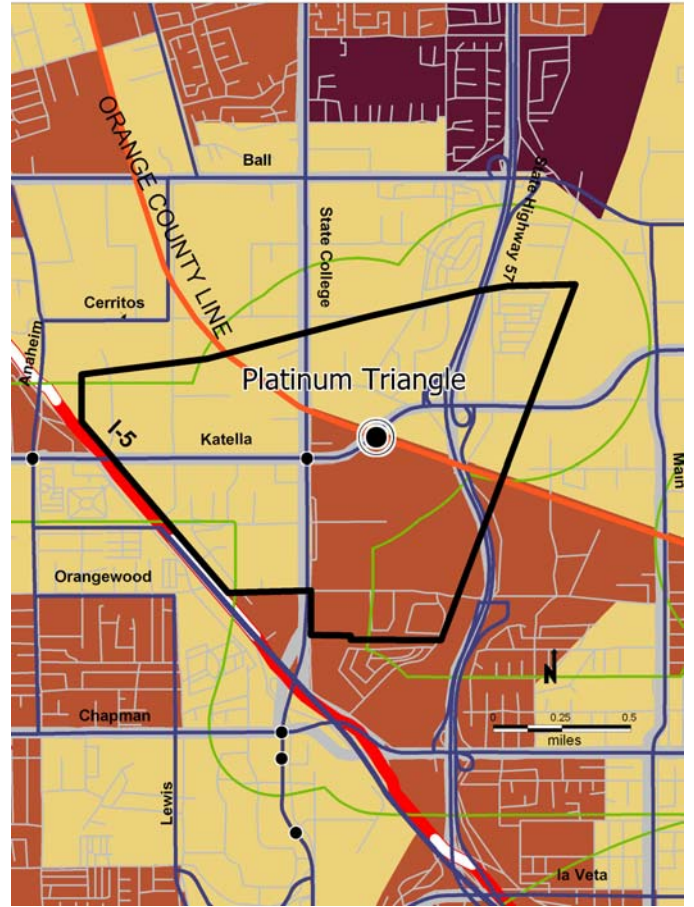
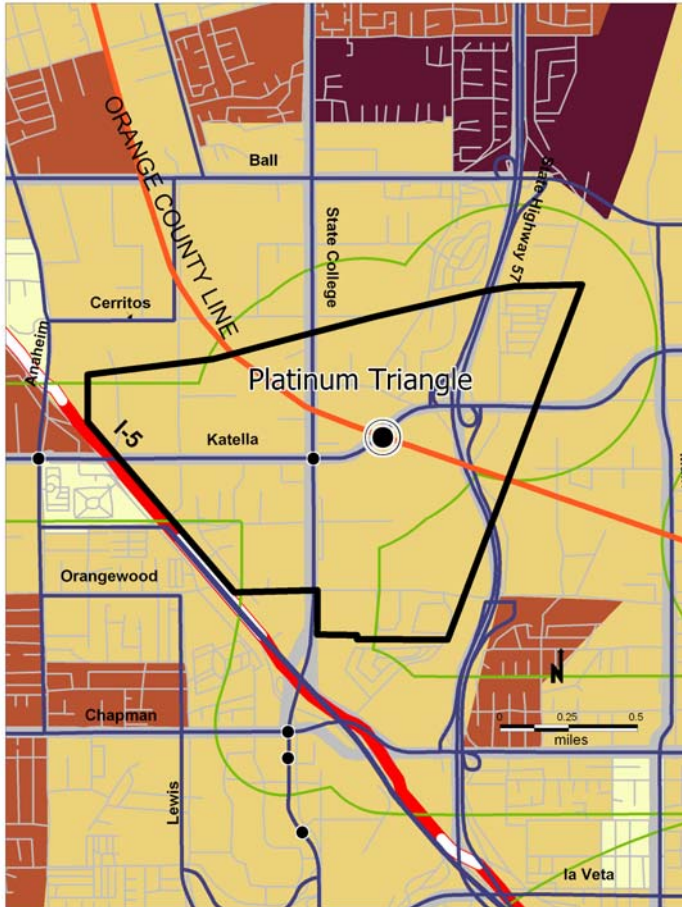
The City of Anaheim has established some of the most innovative and progressive citywide affordable housing programs in Orange County. Its Senior Citizens' Apartment Projects and Density Bonuses ordinances provide incentives to developers for the construction of affordable housing. Additionally, the City's Affordable Housing Strategic Plan, adopted in 2006, established the goal of constructing over 1,328 new affordable family rental units by 2010.

The Affordability Index demonstrates that transportation costs are lowest in areas with good transit service, a mix of uses including housing, retail, jobs, and entertainment, and walkability. The implementation of The Platinum Triangle plans – including mixed-use zoning areas, transit hub planning and improved pedestrian and auto circulation – will create a neighborhood with some of the lowest transportation costs in Orange County.

MEASURING SMART GROWTH: HOW DOES THE PLATINUM TRIANGLE COMPARE NOW?

Housing Costs as a Percent of Income, 2000

Housing and Transportation Costs as a Percent of Income, 2000



Housing Costs as Percent of Income

Housing and Transportation Costs as Percent of Income

- 0 to 20%
- 20 to 30%
- 30 to 40%
- Greater than or equal to 40%

- Transit Hub
- MetroLink Station
- Bus Route
- Arterial Street
- Local Street
- Compass Blueprint Strategy Area

- 0 to 35%
- 35 to 50%
- 50 to 65%
- Greater than or equal to 65%

Neighborhoods surrounding the Platinum Triangle offer some of the more affordable housing in Anaheim, and in Orange County. Transportation costs are high in spite of the presence of Metrolink and bus service because the frequency of these services is relatively low, there is a limited mix of uses in the area, and there is limited residential density. The Platinum Triangle plan, coupled with transit service improvements, will have a significant effect in reducing the need to drive in the area. Note that the land use changes that have recently occurred in the Platinum Triangle will greatly improve transportation costs and other variables in the area. This is particularly true given the area's historically industrial nature.

MEASURING SMART GROWTH: HOW DOES THE PLATINUM TRIANGLE COMPARE NOW?

Current Housing, Transportation, and Combined Costs – Before Changes to Land Use Plans

Once the Platinum Triangle is developed as a mixed-use, pedestrian oriented neighborhood, it could cut vehicle miles traveled per year, reduce car ownership, and decrease transportation costs. As local residents are able to shop and work locally or take transit more, they have an opportunity to drive less.

	Platinum Triangle	City of Anaheim	Orange County
% Income Spent on Housing	27%	30%	36%
% Income Spent on Transportation	24%	25%	25%
<i>Combined</i>	<i>51%</i>	<i>55%</i>	<i>61%</i>

Anaheim Housing and Transportation Rank Relative to Other Communities:
 Housing Cost: 217th of 338 (near Pasadena, Fullerton, Citrus)
 Transportation Cost: 106th of 338 (near Huntington Beach, San Fernando)
 H+T: 202nd of 338 (near Fontana, South Pasadena, Fullerton)

Smart Growth Scores

The Platinum Triangle currently has a lower than average block size, though blocks are still larger than the typical pedestrian-oriented scale in the region. The area scores well in the jobs per acre category, given its central location to Orange County. As a result, journey to work times are lower on average than the rest of the region.

Transit connectivity, housing density, and land use diversity are the factors on which the site currently scores low. Implementing the Platinum Triangle plan and increasing transit frequency will improve these factors and reduce transportation costs. Vehicle miles traveled per year could be cut by almost half for households in the area, and reduce average cars per household from 1.7 to 1.4. The share of workers commuting by transit could increase from its current levels of 3 percent, to an estimated 8 percent total.

Smart Growth Factors Affecting Transportation Affordability – Before New Land Use Plans

	Average in the SCAG Region	Platinum Triangle	How to Read:
Block Size	27.5 Acres	22.1 Acres	A smaller block size provides a more walkable environment
Transit Connectivity Index	1,804	1,346	The greater the transit connectivity, the more likely it is residents will take transit, developers will build near transit, etc.
Land Use Mix Index	0.46	0.16	A greater mix of land uses enables local residents to access shopping and services without driving
Jobs per Square Mile in Nearby Areas	57,269	105,522	The closer a community is to jobs, the shorter the commutes. Shorter rides can also encourage commuters to use alternative transportation.
Households per Acre	6.5	7.6	More compact development can support a wider variety of retail and services, and make walking to these services easier
Average Journey to Work Time	28.5 Minutes	22.7 Minutes	Shorter commutes lead to cost savings in gas and other transportation expenditures (and reduce emissions)
Cars per Household	1.7	1.7	Car ownership rates can be influenced by local income levels, and by where you live

SCAG Composite Score Platinum Triangle Current Scores

Transit Service:	7.5	of 10
Walkability:	7.0	of 10
Land Use Mix:	7.1	of 10
Overall Neighborhood Rank:	7.2	of 10

Source: Fregonese Calthorpe & Associates

LESSONS LEARNED

Long range planning enables localities to consider options that may not seem feasible in the short-term.

The concept of The Platinum Triangle has required local policymakers to envision a completely different set of land uses and circulation patterns than currently exist in the area. Many implementation issues remain unresolved – such as securing funding for a rail-based circulator system – but the City recognizes the long-term nature and vision of this plan and understands that circumstances will evolve as The Platinum Triangle is built-out over time.

Zoning for a mix of uses can help projects sustain fluctuations in the market.

There is concern that in the recent housing downturn, development in The Platinum Triangle will stall. However, the area maintains a balance of ownership residential, rental residential, office, and retail projects that will be phased in as the market allows. While work on ownership projects may have slowed, the rental housing market is entering resurgence and the office market in Anaheim continues to be strong.

Understand the bigger picture implications of new development.

By establishing the vision for The Platinum Triangle in the context of its General Plan update, the City was able to consider bigger picture goals and issues as part of the process. The City had experienced much faster population growth than housing growth, suggesting a significant need for new housing. The City was also able to consider its economic future, realizing that the industrial area known as “The Canyon” was a much more economically viable industrial area than The Platinum Triangle, and thus conversion to office and residential uses would not have an adverse effect on its economy.

Public-Private partnerships can be applied in a variety of circumstances.

The Platinum Triangle involves a complex set of negotiations and partnerships between the City, other public agencies, and private property owners or businesses. Historic and current examples of the public-private partnerships that have been applied in The Platinum Triangle include:

- Construction of a public stadium and lease to the Angels franchise;
- Financial contributions to the nonprofit-run Anaheim Resort Transit service from hotels and other benefiting private businesses;
- Requests for proposals and joint development on the City-owned parking lot adjacent to Angel Stadium;
- Future joint development partnerships in constructing ARTIC and adjacent private commercial development;
- Agreements between developers and the City to a Community Facilities District in order to collectively bond finance infrastructure improvements up front, rather than using a pay-as-you-go impact fee system.



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