

**Board Report**

File #: 2020-0455, **File Type:** Policy

Agenda Number: 6.

**FINANCE, BUDGET AND AUDIT COMMITTEE MEETING
AUGUST 19, 2020**

SUBJECT: SALE OF SURPLUS PROPERTY

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

DECLARING that a portion of 6111 Wilshire Boulevard (shown in Attachment A) is not necessary for use by LACMTA and is “exempt surplus land” as defined in Section 54221(f)(1) (C) of the California Surplus Land Act (the “Act”).

ISSUE

LACMTA originally acquired fee simple interest in 6111 Wilshire Boulevard (the “Subject Property”) for the Westside Purple Line Extension Section 1 Project (the “Project”). A portion of the Subject Property is not needed for the Project and can be declared surplus (such portion will be referred to hereinafter as the “Property”). Under the Section 54221(b)(1) of the Act, “land shall be declared either “surplus land” or “exempt surplus land”, as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency’s policies or procedures”.

DISCUSSION

Exempt Surplus Land - Summary Findings

The Act, as amended in October 2019, provides for the disposition of “surplus land” or “exempt surplus land”, as defined in the Act. “Surplus Land” means land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use. As defined in Section 54221(f)(1)(C) of the Act, exempt surplus land includes “surplus land that a local agency is exchanging for another property necessary for the agency’s use”.

The Property will be sold to the owner of contiguous adjacent land as part of the litigation settlement authorized by the Board in closed session at its June 25, 2020 Board meeting, in connection with the acquisition of real property interests necessary for the Project.

The Property to be Exchanged

LACMTA acquired fee simple interest in the Subject Property for construction and operation of the Project. The Subject Property, more particularly described and depicted in Attachment “A”, is approximately 8,183 square feet in size. After construction of the Project, portions of the Subject Property adjacent to Wilshire Boulevard will be encumbered with permanent surface and subsurface easements (the “Easements”) that are required in connection with the construction and permanent location of certain permanent facilities necessary to serve the Wilshire/Fairfax Station that is part of the Project. The permanent facilities are needed for ventilation, emergency exit hatches, dedication areas and underground structures necessary for the operation of the Project.

The remainder of the Subject Property not encumbered by the Easements (i.e., the Property), containing approximately 5,887 square feet are not needed by the Project and can be declared surplus.

Property Necessary for LACMTA Use

In addition to the easement areas on the Subject Property necessary for the Project, LACMTA needed to acquire certain property interests for construction and operation of the Project, located at 6101 Wilshire Boulevard which is adjacent to the Subject Property (“Adjacent Property”). Those interests include a temporary construction easement containing approximately 8,481 square feet for an eight (8)-year period, and a fee interest containing approximately 254 square feet (“Property Interests”) in the Adjacent Property. After LACMTA failed to reach a negotiated agreement with the owner of the Adjacent Property on the purchase price for the Property Interests, LACMTA adopted a Resolution of Necessity to condemn the required Property Interests in April 2014. The condemnation case has been proceeding through the courts. Finally in 2020, a tentative agreement was reached between LACMTA and the owner, subject to approval of the LACMTA Board of Directors. The agreement included the sale of the Property as part of the compensation for the Property Interests. The exchange of the Property is an integral part of the settlement agreement for the acquisition of the Property Interests.

Under these circumstances and pursuant to the Act, the Property is exempt surplus land.

EQUITY PLATFORM

The sale of the Property to the Adjacent Property owner promotes the completion of the transit facilities and provides access to critical transportation for disadvantaged communities.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on LACMTA’s safety standards.

FINANCIAL IMPACT

Declaring the land as exempt surplus land does not have any financial impact. The value to be attributed to the project for the sale of this property was approved by the Board in the June 25, 2020

closed session, subject to the Board determining the Property was exempt surplus land. A portion of the funds to acquire the property was received from the Federal Transit Administration ("FTA"). FTA concurred with LACMTA's request for disposition of the Property by letter dated June 16, 2020 and requires the proceeds from the sale to be used to reduce the gross cost of the Project.

Impact to Budget

Declaring the land as exempt surplus land does not have any impact to the budget. The value to be attributed to the project for the sale of this property (approved in June 2020) was included in the FY21 budget.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

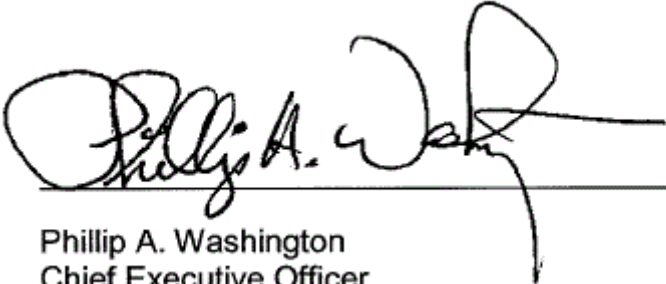
The recommended Board action is consistent with Metro Vision 2028 Goal #1: Provide high quality mobility options that enable people to spend less time traveling.

ATTACHMENTS

Attachment A - Site Plan for 6111 Wilshire Boulevard

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Phillip A. Washington
Chief Executive Officer

ATTACHMENT A



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