STAFF REPORT REGARDING THE NECESSITY FOR THE ACQUISITION OF A SUBSURFACE AND GROUTING EASEMENTS ON PARCEL NOS. RC-450, RC-450-1, RC-451, & RC-451-1 THROUGH RC-451-4 (THE "PROPERTY") FOR THE REGIONAL CONNECTOR TRANSIT CORRIDOR PROJECT.

BACKGROUND

As part of the Regional Connector Transit Corridor Project ("Project"), the Los Angeles County Metropolitan Transportation Authority ("METRO") requires certain subsurface tunnel and grouting easements on the Property. A written offer was presented to the owner of record (hereinafter "Owner"), as required by California Government Code Section 7267.2. The parties were unable to reach a negotiated agreement, and the METRO Board previously approved a Resolution of Necessity on June 26, 2014, authorizing the commencement of eminent domain proceedings through the filing of a complaint in eminent domain ("Complaint"). METRO filed the Complaint on July 3, 2014, wherein METRO sought to acquire the following property interests:

- Two permanent subsurface easements for tunnel alignment, designated as METRO Project Parcel Nos. RC-450 and RC-451; and
- Multiple subsurface easements for the installation of grouting pipes, designated as METRO Project Parcel Nos. RC-450-1, RC-451-1, RC-451-2, RC-451-3, and RC-451-4

On June 4, 2015, the Court granted an Order for Prejudgment Possession to METRO for the aforementioned subsurface and grouting easement rights (see Attachment A).

In an effort to mitigate the impacts to the Property, and to enable the Property Owner to develop its Property to its fullest possible potential, METRO re-evaluated the need for the proposed 'monolithic' (single) subsurface easements for the two proposed subway tunnels. METRO's design team determined that it could bifurcate (split into two parts) the monolithic subsurface easements, which would result in a three (3) to four (4) foot wide area between the then bifurcated subsurface tunnel easements, to allow for future development use by the Property Owner. The METRO design team also determined that additional (new) grouting easements, and changes to the existing subsurface easements. METRO submitted these proposed changes to the Court in its Motion for Leave to Amend the original Complaint ("Motion"). A hearing on the Motion was held on March 4, 2016 where the Motion was granted, subject to the adoption of a new Resolution of Necessity.

Following the hearing on the Motion, the proposed changes to the easements were again reevaluated. METRO's design team determined that all of the necessary

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grouting required for bifurcation could be accomplished within the existing easement areas granted to METRO pursuant to the Court's Prejudgment Possession Order dated June 4, 2015, Further, it was determined that the only change to the existing subsurface tunnel easements, would be to delineate the portion of the subsurface tunnel easements which could be abandoned (returned) to the Property Owner for future development use. The portion of the subsurface tunnel easements to be abandoned (returned) upon completion of construction is shown in Attachment A-1 and designated as Project Parcel RC-451-A. The portion of the subsurface tunnel easements to be retained by METRO upon completion of construction is shown in Attachment A-2 and designated as Project Parcels RC-451-B1 and RC-451-B2. Note that Attachments A-1 and A-2 are for illustrative purposes only, and that the precise portions of the subsurface tunnel easements to be abandoned and retained can only be determined after the completion of construction by a licensed surveyor.

Because the subsurface tunnel and grouting easements are necessary for construction of the Project, staff recommends the acquisition of the subsurface tunnel and grouting easements through eminent domain. None of the work contemplated under the subsurface tunnel and grouting easements will cause displacement or significantly impede the operations of the Owner.

An amended Resolution of Necessity is necessary to enable Metro to amend its existing condemnation Complaint against the Owner, so that the Complaint conforms to changes in the Project with regard to the property that is required to construct the Project.

A. The public interest and necessity require the Project.

The public interest and necessity require the Project for the following reasons:

- 1. The existing population and employment density in the Regional Connector Transit Corridor ("Corridor") is higher that the surrounding County demographics, and is highly transit dependent. The Corridor population density is approximately two-and-a-half times higher than Los Angeles County as a whole. The Corridor has a very high concentration of low-income, minority, transit-dependent residents. More than 39 percent of all Corridor households are below the poverty threshold. 83 percent of Corridor residents are considered minorities, and 60 percent of all households in the Corridor do not have access to an automobile. The Project will provide significant improvements in transportation and attendant access to economic and employment opportunities for low-income, elderly, transit-dependent persons living in the Corridor area.
- 2. The Project would connect the Metro Gold, Blue, and Expo Lines through downtown Los Angeles, enabling passengers to travel the region's largest employment center on Metro's light rail transit (LRT) system without the need to transfer. By providing continuous through service between these lines, the Project will improve access to both local and regional destinations greatly improving the connectivity of the transportation network for the region.

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- 3. The Project will offer an alternative transportation option to congested roadways and provide significant environmental benefits, economic development, and employment opportunities throughout the Corridor and Los Angeles County as a whole.
- 4. The Project will enable Los Angeles County rail to operate more efficiently and attract higher ridership, thereby reducing congestion, improving air quality and lessening the regional carbon footprint. By linking several LRT systems through Downtown Los Angeles, the Project will significantly increase regional mobility.

It is recommended that based on the above evidence, the Board find and determine that the public interest and necessity require the Project.

B. <u>The Project is planned or located in the manner that will be most compatible</u> with the greatest public good and least private injury.

On September 3, 2010, a Draft Environmental Impact Statement/ Draft Environmental Impact Report (DEIS/DEIR) was circulated and reviewed by interested and concerned parties, including private citizens, community groups, the business community, elected officials and public agencies. Public hearings were held to solicit citizen and agency comments. A total of five alternatives were presented in the DEIR/DEIS: No Build, Transportation Systems Management (TSM), and three build alternatives utilizing Light Rail Transit (LRT) technology - Fully Underground, Underground Emphasis, and At-Grade Emphasis. On October 28, 2010 the Board adopted the Fully Underground LRT Alternative as the Locally Preferred Alternative (LPA), after review and consideration of the comments received from circulation of the 2010 DEIS/DEIR. The Board certified the Final Environmental Impact Statement/ Final Environmental Impact Report (FEIS/FEIR) on April 26, 2012. A Record of Decision was received from the Federal Transit Administration on June 29, 2012.

Various parties have challenged the FEIS/FEIR pursuant to the National Environmental Protection Act ("NEPA") and the California Environmental Quality Act ("CEQA"). On May 29, 2014, a federal judge held in Japanese Village LLC v. Federal Transit Administration, 2:13-CV-0396-JAK (PLAx)(C.D. Cal, complaint filed Jan. 18, 2013) that the Project fully and properly complied with NEPA in relation to the Property, but the Court did take issue with certain portions of the Project FEIS that are unrelated to the Property. The fact that a portion of the FEIS unrelated to the Property was found to be insufficient does not prevent MTA from approving a Resolution of Necessity and filing an eminent domain action to take interests in the Property. (U.S. v. 0.95 Acres of Land (1993) 994 F.2d 696 (NEPA compliance is not a defense to a condemnation action); Golden Gate Land Holdings LLC v. East Bay Regional Park District (2013) 215 Cal.App.4th 353 (irregularities in environmental documentation do not prevent a public entity from filing a condemnation action)). Further, while there is a pending CEQA challenge to the Project, Japanese Village LLC v. Los Angeles County Metropolitan Transportation Authority, No. BS137343 (Los Angeles Sup. Ct., complaint filed May 21, 2012), a pending CEQA challenge does not prevent MTA from approving a Resolution of Necessity and the filing of an eminent domain action to take the Property. (Golden

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Gate, 215 Cal.App.4th at 376-377; *Santa Monica Baykeeper v. City of Malibu* (2011)193 Cal.App.4th 1538, 1547).

The Project is a Fully Underground LRT dual-track alignment, which will extend from the Metro Gold Line Little Tokyo/Arts District Station to the 7th Street/Metro Center Station in downtown Los Angeles, allowing passengers to transfer to the Blue, Expo, Red, and Purple Lines, bypassing Union Station. The 1.9-mile alignment will serve Little Tokyo, the Arts District, Civic Center, the Historic Core, Broadway, Grand Ave, Bunker Hill, Flower St., and the Financial District, and will benefit the City of Los Angeles and portions of unincorporated Los Angeles County. The Project includes three stations:

- 1st Street/Central Avenue
- 2nd Street/Broadway
- 2nd Place/Hope Street

The Corridor has some of the highest population and employment density in the Southern California region, as well as the highest proportion of transit ridership. No significant expansion of existing freeway and street networks is planned to accommodate this density and future expected growth. During various community meetings, the residents of the Corridor area expressed their need for improved transit service because many are transit-dependent and need better access to the region's educational, employment, and cultural opportunities. The Locally Preferred Alternative (LPA) addresses those needs and moves more people in a way that is energy efficient and with the least environmental impact.

The Project will cause private injury, including the use of certain private property. However, no other alternative locations for the Project provide greater public good with less private injury. Therefore, the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

Due to its bulk, the FEIS/FEIR is not physically included in the Board's agenda packet for this public hearing. However, the FEIS/FEIR documents should be considered in connection with this matter. It is recommended that, based upon the foregoing, the Board find and determine that the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.

C. The Property is necessary for the Project.

The Property is needed for the construction and operation of the tunnel alignment which connects the Red Line 7th and Metro Station and Little Tokyo Gold Line Station Site. The Property requirements are based on the approved FEIS/FEIR for the Project. The Project requires subsurface tunnel and grouting easements for the monitoring of the installation of grouting pipes, and subsurface tunnel and grouting easements to install, monitor and remove surface ground movement instruments. Staff recommends that the Board find that the acquisition of the subsurface tunnel and grouting easements on the Property are necessary for the Project. None of the work contemplated under the subsurface tunnel and grouting easements will cause displacement or significantly impede the operations of the Owner.

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D. Offers were made in compliance with Government Code Section 7267.2

California Code of Civil Procedure Section 1245.230 requires that a Resolution of Necessity contain a declaration that the governing body has found and determined that either the offer required by Section 7267.2 of the California Government Code has been made to the Owner, or the offer has not been made because the Owner cannot be located with reasonable diligence.

California Government Code Section 7267.2 requires that an offer be made to the Owner and in an amount which the agency believes to be just compensation. The amount must not be less than the agency's approved appraisal of the fair market value of the Property. In addition, the agency is required to provide the Owner with a written statement of, and summary of the basis for, the amount it established as just compensation.

Staff has taken the following actions as required by California law for the acquisition of the Property:

- 1. Obtained appraisals to determine the fair market value of the subsurface tunnel and grouting easements;
- 2. Reviewed and approved the appraisals, and established the amount it believes to be just compensation;
- 3. Determined the Owner with ownership of the interests at issue by examining the county assessor's record and the title report;
- 4. Made a written offer to the Owner for the full amount of just compensation which was not less than the approved appraised value; and
- 5. Provided the Owner with a written statement of the basis for, the amount established as just compensation.

It is recommended that the based on the above Evidence, the Board find and determine that the offers required by Section 7267.2 of the California Government Code has been made to the Owner.

CONCLUSION

Staff recommends that the Board approve the Resolution of Necessity.

ATTACHMENTS

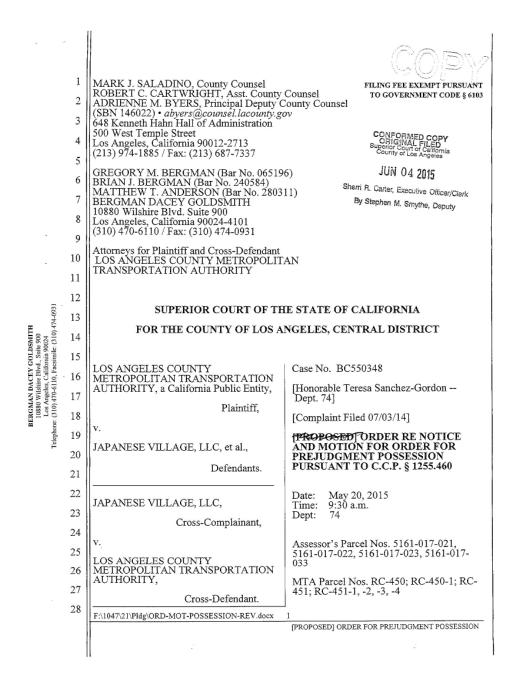
- A Order for Prejudgment Possession
- A-1 Subsurface Easements Portion to be Abandoned
- A-2 Subsurface Easements Portion to be Retained

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ATTACHMENT A

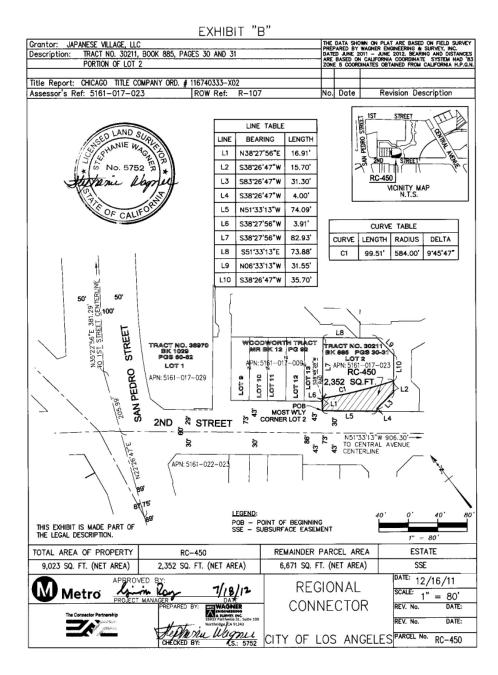
Order of Prejudgment Possession (June 4, 2015)

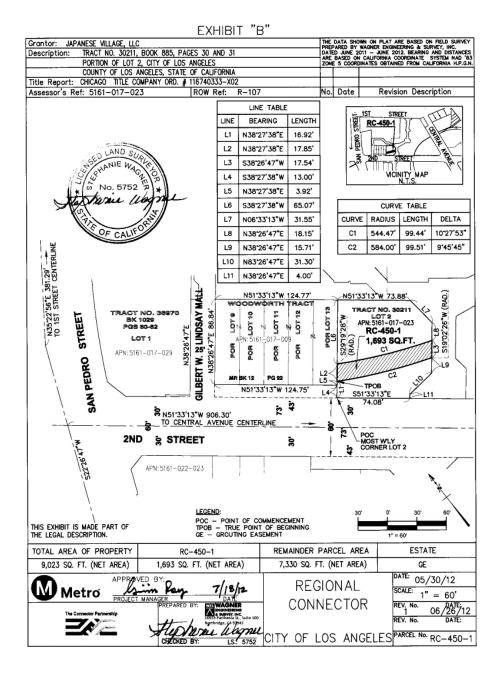
Regional Connector Transit Corridor Project

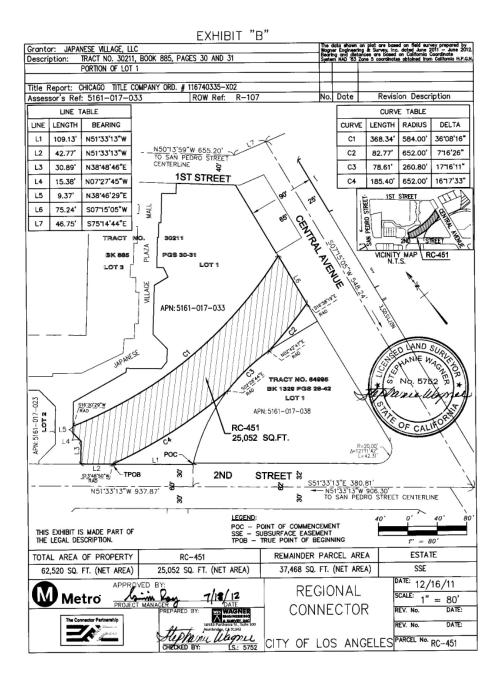


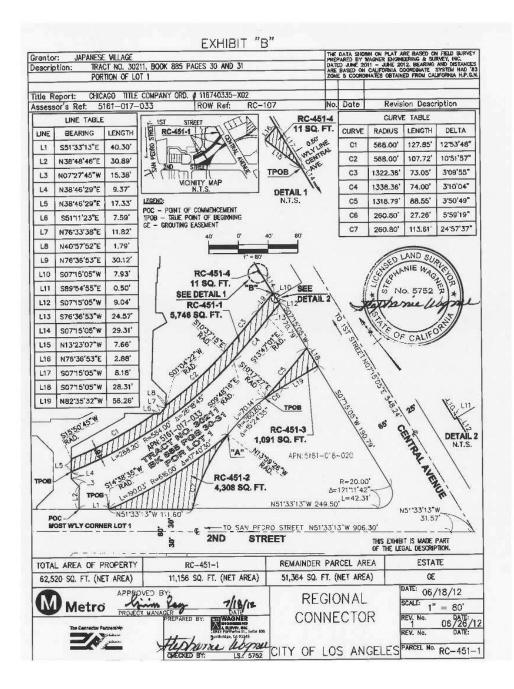
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	1		URTHER APPEARING that there is an overriding need for the Plaintiff to subsurface tunneling and grouting easements at Parcel Nos. 5161-017-021, 22, 5161-017-023, 5161-017-033 prior to the issuance of final judgment in this and that Plaintiff will suffer a substantial hardship if the application for is denied or limited; and URTHER APPEARING and the Court determining that the hardship Plaintiff if possession is denied or limited outweighs any hardship on the Defendants or hat would be caused by the granting of the order for possession; S ORDERED pursuant to Code of Civil Procedure § 1255.460 that Plaintiff is and empowered to take possession and use of the subsurface tunneling and asements sought in the Complaint, and to remove from them all persons, mprovements, or structures after the dates set forth below or, on the 30 th day he date of service of this order, whichever is later.Date After Which Possession to Be Taken 1-017-0211-017-022July 30, 20151-017-023July 30, 20151-017-023July 30, 2015				
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	7	Procedure § 1255.010;					
	8	IT FURTHER APPEARING that there is an overriding need for the Plaintiff t					
	9	possess the subsurface tunneling and grouting easements at Parcel Nos. 5161-017-021,					
	10	5161-017-022, 5161-017-023, 5161-017-033 prior to the issuance of final judgment in this					
	11	proceeding and that Plaintiff will suffer a substantial hardship if the application for					
	12	possession is denied or limited; a	nd				
1 174-09:	13		NG and the Court determining that the hardship Plaintiff				
sMITF 2 900 0024 : (310)	- 6 1 II 00	will suffer if possession is denied	ffer if possession is denied or limited outweighs any hardship on the Defendants or				
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ACEY ire Bly s, Califi 110, Fa	16	IT IS ORDERED pursuar	yould be caused by the granting of the order for possession; DERED pursuant to Code of Civil Procedure § 1255.460 that Plaintiff				
BERGAIAN DACEV GOLDSAITH 10880 Wilshire Blvd., Suite 900 Los Angeles, California 9024 ne: (310) 470-6110, Fassimile: (310) 4	17	authorized and empowered to take possession and use of the subsurface tunneling and					
BERGA 1088 Los e: (310	18	grouting easements sought in the Complaint, and to remove from them all persons,					
1 elephon	19	obstacles, improvements, or structures after the dates set forth below or, on the 30th day					
Ē	20	following the date of service of this order, whichever is later.					
	21	Parcel No.	Date After Which Possession to Be Taken				
	22	5161-017-021	July 30, 2015				
	23	5161-017-022	July 30, 2015				
	24	5161-017-023	July 30, 2015				
	25	5161-017-033	July 30, 2015				
	26	JUN 0 4 2015	TERESA SANCHEZ-GORDON				
	27	Dated:	HONORABLE TERESA SANCHEZ-GORDON				
	28	F:\1047\21\Pldg\ORD-MOT-POSSESSIO	JUDGE OF THE SUPERIOR COURT				
			[PROPOSED] ORDER FOR PREJUDGMENT POSSESSION				

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	1	PROOF OF SERVICE					
BERCMAN DACEV COLDSMITH 10880 Wilshine Blvd., Suhe 900 Los Angedes, Califonini 90024 Telephome: (310) 470–6110, Facsimile: (310) 474-0931	2	STATE OF CALIFORNIA, COUNTY OF LOS ANGELES					
	3	I am employed in the County of Los Angeles, State of California, I am over the age					
	4	of eighteen years and not a party to the within entitled action; my business address is 10880 Wilshire Boulevard, Suite 900, Los Angeles, California 90024.					
	5	On May 21, 2015, I served the foregoing "[PROPOSED] ORDER RE NOTICE AND MOTION FOR ORDER FOR PREJUDGMENT POSSESSION PURSUANT					
	6	TO C.C.P. § 1255.460" on the interested parties, by placing a true copy thereof, enclosed in a sealed envelope addressed as follows:					
	7						
	8 9	See Attached Service List					
	9 10						
	10	(PV MAIL) I sourced such envelope with posters therean fullyid to be placed					
	12	(BY MAIL) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at Los Angeles, California. I am "readily familiar" with the firm's practice of collection and processing mail. Under that practice, it is deposited					
	13	with the U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on					
	14	motion of the party served, service is presumed invalid if the postal cancellation date or postage meter dates is more than one day after date of deposit for mailing in					
	15	affidavit.					
	16	(VIA ELECTRONIC SERVICE) Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the documents to be sent					
	17	to the persons at the electronic notification addresses listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other					
	18	indication that the transmission was unsuccessful.					
	19	(BY PERSONAL SERVICE) I delivered such envelope by hand to the addressee(s) above.					
	20	(STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.					
	21 22	(FEDERAL) I declare that I am employed in the office of a member of the bar of this					
	22	court at whose direction the service was made.					
	24	Dated: May 21, 2015					
	25	Sarah Moscozo					
	26						
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		[PROPOSED] ORDER FOR PREJUDGMENT POSSESSION					





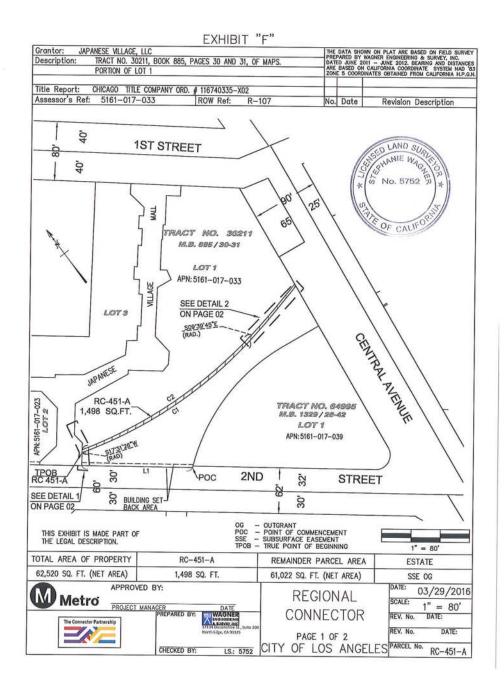


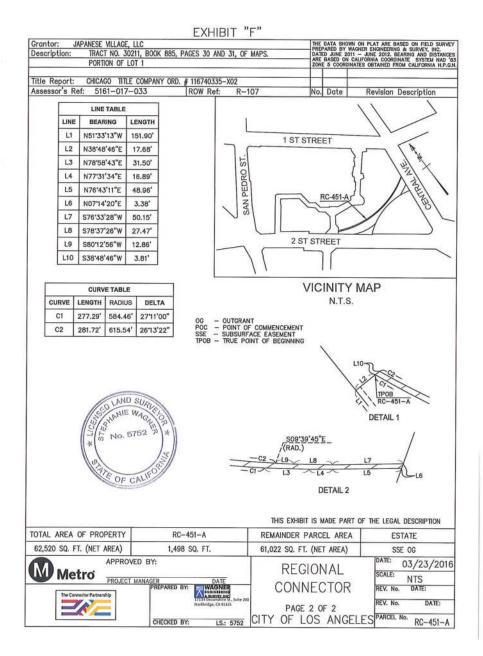


ATTACHMENT A-1

Subsurface Easements – Portions to be Abandoned

Regional Connector Transit Corridor Project

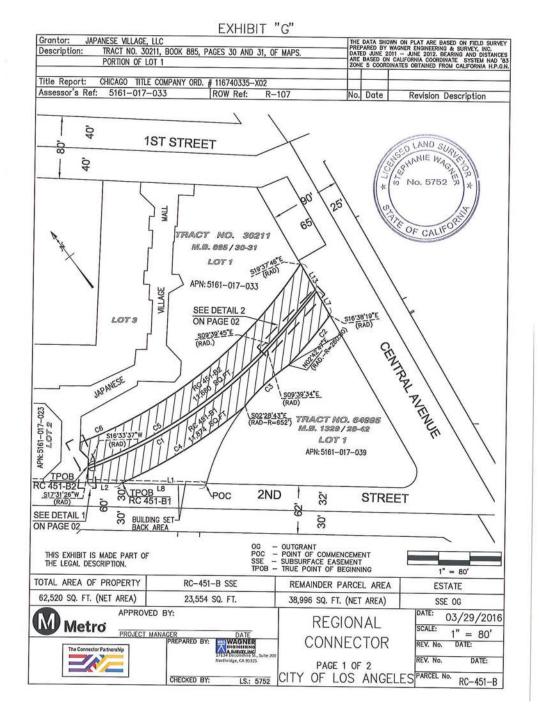




ATTACHMENT A-2

Subsurface Easements – Portions to be Retained

Regional Connector Transit Corridor Project



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