

**Board Report**

File #: 2020-0649, **File Type:** Policy**Agenda Number:** 5.

**FINANCE, BUDGET, AUDIT COMMITTEE
OCTOBER 14, 2020****SUBJECT: SALE OF EXEMPT SURPLUS LAND****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

CONSIDER declaring that a portion of 13700 Rosecrans Avenue (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”) (California Gov. Code Sections 54220-54234).

ISSUE

LACMTA acquired fee simple interest in 13700 Rosecrans Avenue (the “Subject Property”) for the Rosecrans/Marquardt Grade Separation Project (the “Project”). A portion of the Subject Property is not needed for the Project (such portion will be referred to hereinafter as the “Property”). Under 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. Pursuant to the Act, land may be declared either “surplus land” or “exempt surplus land”. 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”.

If it is declared “exempt surplus land”, the Property will be conveyed to the owner of the contiguous adjacent land (“Adjacent Property”) located at 13650 Rosecrans Avenue, Santa Fe Springs, CA, as part of a settlement in connection with the acquisition of real property interests necessary for the Project.

Discussion of Findings

Pursuant to Section 54221(f)(1)(C) “exempt surplus land” includes “*surplus land that a local agency is exchanging for another property necessary for the agency’s use.*” The exchange of the Property for other property interests necessary for LACMTA’s use complies with Section 54221(f)(1)(C) as follows:

The Property to be Exchanged

LACMTA acquired a 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 37,001 square feet in size. Of the 37,001 square feet, approximately 16,500 square feet, comprising the Property, will not be needed for the operation of the Project.

Property Necessary for LACMTA Use

The Adjacent Property is improved with a 15,000-square foot concrete tilt-up industrial building, surface parking, and two driveway entrances onto Rosecrans Avenue, which are essential to the tractor trailers entry and exit for business at the Adjacent Property.

LACMTA needs to acquire certain property interests from the Adjacent Property for the construction and operation of the Project. The property interests to be acquired include a temporary construction easement containing approximately 5,278 square feet and a roadway easement containing approximately 716 square feet. As a result of the design of the Project, one of the driveways to the Adjacent Property will be closed and ten (10) parking spaces will be lost from the parking lot. LACMTA staff proposes to convey the Excess Land to the owner of the Adjacent Property to remedy the potentially significant damage to the property’s business by replacing the lost parking spaces, replacing the lost driveway and ensuring an adequate width in the drive aisle for use by tractor trailers. LACMTA’s appraiser determined that the benefits gained by conveying the additional land effectively compensate for the lost parking and eliminate significant damages to the Adjacent Property.

Under these circumstances and pursuant to the Act, the Property is exempt surplus land as defined by Cal. Gov. Code Section 54221(f)(1)(C).

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Funding for the final settlement of the acquisition is included in the adopted FY21 budget, under Measure R 20% Highway Capital for the Rosecrans/Marquardt Grade Separation Project number 460066 and Cost Center 2415. The conveyance of the Property reduces the cash amount that Metro would otherwise pay.

Impact to Budget

The approved FY21 budget is designated for the Rosecrans/Marquardt Grade Separation Project and does not have an impact to operations funding sources. The funds were assumed in the Long-Range Transportation Plan for the Project. No other funds were considered.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Equity Platform Framework Consistency

Equity is afforded to property owners to engage and have a voice in the decision-making process with regards to the acquisition of their property.

Strategic Plan Consistency

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

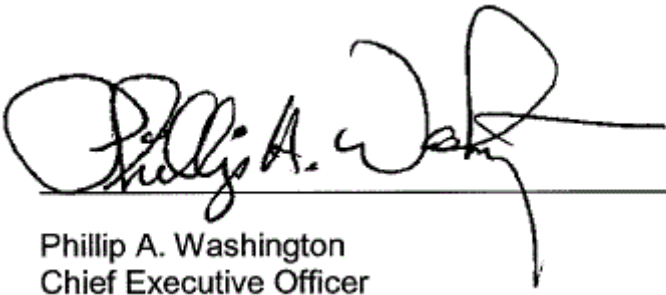
ATTACHMENTS

Attachment A - Site Plan for RM-08 Surplus Property

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