

**Board Report**

File #: 2020-0908, **File Type:** Policy**Agenda Number:** 6.

**FINANCE, BUDGET AND AUDIT COMMITTEE
FEBRUARY 17, 2021****SUBJECT: SALE OF EXEMPT SURPLUS LAND****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

DECLARE that portions of 13848 Rosecrans Avenue (RM-27) and 13900 Rosecrans Avenue (RM-28) are not necessary for use by LACMTA and are “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 13848 and 13900 Rosecrans Avenue (“Subject Property”) for the Rosecrans/Marquardt Grade Separation Project (the “Project”). A portion of the Subject Property (shown in Attachment A) is not needed for the Project (such portion will be referred to hereinafter as the “Surplus 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 Surplus Property will be conveyed to the owner (the “Owner”) of the adjacent land (“Adjacent Property”) located at 13861 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 Surplus Property for other property interests necessary for LACMTA’s use complies with Section 54221(f)(1)(C) as follows:

The Surplus 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 comprised of two parcels totaling approximately 78,844 square feet in size. Parcel A is approximately 14,438 square feet and Parcel B is approximately 64,406 square feet. There is approximately 6,944 square feet of Parcel A and 4,550 square feet of Parcel B, a total 11,494 square feet, comprising the Surplus Property, that will not be needed for the operation of the Project.

Property Necessary for LACMTA Use

The Adjacent Property, comprised of two project parcels, RM-23 and RM-24, is located at 13861 Rosecrans Avenue, Santa Fe Springs, CA. The Adjacent Property is improved with a 138,820-square foot concrete tilt-up industrial building and a 13,920-square foot 2-story office. The site area is 239,815 square feet and includes three assessor parcels: 8059-028-026, 028 & 029. There are 238 on-site parking spaces that are located on the three parcels. The zoning is Heavy Manufacturing.

The Project requires permanent and temporary property rights on RM-23 and RM-24 for the construction and operation of the Project. The Easements are depicted on Attachment “B” - Right of Way Requirements.

Prior Board Action

On September 25, 2020, during closed session, the LACMTA Board approved entering into a proposed tri-party agreement among LACMTA, the Owner and the City of Santa Fe Springs pertaining to transfer to of the Surplus Property and other City-owned land to the Owner. Due to timing considerations relating to the City’s obligations under such an agreement, the Owner and LACMTA staff have decided to forego the Tri-Party Agreement and any agreement concerning the City-owned land at this time. Removing the City-owned land does not change the compensation obligation for LACMTA. Declaration of the Surplus Property as exempt surplus land would have been required under the tri-party agreement and is therefore consistent with the prior Board action.

As a result of the design of the Project, nine (9) parking spaces will be lost from the Adjacent Property’s parking lot. LACMTA staff proposes to convey the Surplus Property to the Owner of the Adjacent Property to replace the lost parking spaces, and remedy potentially significant damages and diminution of value to the property. LACMTA’s appraiser determined that the benefits gained by conveying the additional land will effectively compensate for the lost parking and will eliminate significant damages potentially suffered by the Owner.

For the reasons described above, staff proposes to convey the Surplus Property to the Owner of the

Adjacent Property as part of the consideration for acquiring the Easements. 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.

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.

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. Acquisition of property is a required step to acquire for the ultimate construction and operation of the Rosecrans/Marquardt Grade Separation Project which will provide an additional mobility option.

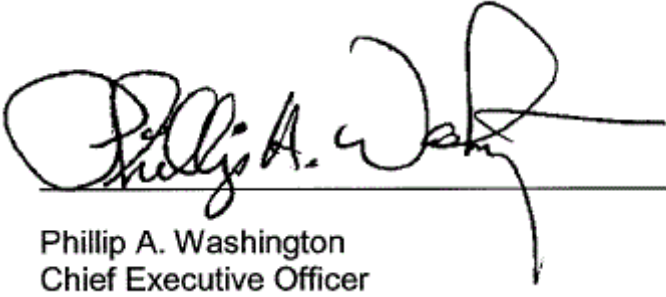
ATTACHMENTS

Attachment A - Site Plan for RM-27 and RM-28 Surplus Property

Attachment B - Right of Way Requirements for RM-23 and RM-24 Adjacent Property

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