



Board Report

File #: 2022-0388, File Type: Policy

Agenda Number: 11.

PLANNING AND PROGRAMMING COMMITTEE
JUNE 15, 2022

SUBJECT: TRANSFER OF PROPERTIES TO CITY OF LOS ANGELES FOR DESTINATION CRENSHAW

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. DECLARING that 3417 W. Slauson Ave, 5759 11th Ave & 3309 W. Slauson Ave (the Properties, as depicted in Attachment A) are not necessary for use by Metro and are “exempt surplus land” as defined in Section 54221(f)(1) of the California Surplus Land Act, as amended; and
- B. AUTHORIZING the Chief Executive Officer (CEO) to execute any necessary documents to transfer the Properties to the City of Los Angeles (City) in support of Destination Crenshaw, with land value waived, contingent on the following:
1. City or Destination Crenshaw providing an alternative location for the bicycle parking infrastructure originally planned for the IAM Park site, including securing approved plans and permits and installing.
 2. Mutual agreement of responsibilities and use restrictions regarding the environmental mitigation program at Slauson Park.
 3. Mutual agreement regarding Metro’s obligation to replant trees under Permit No. 313929.

ISSUE

The Destination Crenshaw project (“Destination Crenshaw Project” or the “Project”) is a proposed outdoor museum and placemaking initiative of public art and streetscape design, as depicted in Attachment B attached hereto, that is comprised of multiple project elements (platforms and parks) along a 1.3-mile stretch of Crenshaw Boulevard, which overlaps an at-grade segment of the Crenshaw/LAX Light Rail Project (“C/LAX”). The Project is borne out of the efforts of the City (“City”) and a group of community stakeholders. The Board of Directors (“Board”) took various actions on July 25, 2019 to support the Project (“July 2019 Board Report”). The Project has proposed the enhancement of three (3) Metro-owned properties, which were anticipated to receive modest

improvements as part of the C/LAX. Metro acquired the properties for C/LAX, and as described in the July 2019 Board Report, has made use of the Properties in connection with C/LAX. The Properties are not needed for long-term use by C/LAX. Under California Government Code Section 54220 et seq. (the “Surplus Land Act” or “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.” Board approval is required to declare the Properties exempt surplus land. Board approval is also required to transfer properties for less than fair market value.

BACKGROUND

The Properties comprise three (3) parcels that are 6,983 square feet, 5,110 square feet and 2,369 square feet (14,462 square feet total).

On July 25, 2019, the Board, (Board Report Number 2019-0575,) authorized the Chief Executive Officer (“CEO”) to enter into a Memorandum of Agreement with the City of Los Angeles for funding and support of the Destination Crenshaw Project in an amount not to exceed \$15,000,000 (\$14,500,000 toward construction and \$500,000 for Metro staff labor). The July 2019 Board Report also noted that there were three Metro owned properties that could potentially be explored for transfer to the City for the Destination Crenshaw Project.

On October 22, 2020, the Board declared that 4444 Crenshaw Boulevard (Sankofa Park) is not necessary for use by Metro and is “exempt surplus land” under the Surplus Land Act and authorized the CEO to execute any necessary documents to transfer the Properties to the City in support of Destination Crenshaw to the City at no cost (Board Report Number 2020-0582).

An MOA was executed between the City and Metro on July 30, 2021. The MOA outlined, among other things, how payments of \$14,500,000 for construction of Sankofa Park were to be processed and what level of documentation was required. The City received the initial payment of \$276,000 on April 8, 2022. The second payment of \$3,000,000 is in the process of being paid. On May 23, 2022, Metro received the third funding request of \$3,855,807.

DISCUSSION

Property Transfer

The City has requested that Metro now transfer the Properties as part of the Destination Crenshaw Project.

Exempt Surplus Land - Findings

As amended by AB 1486 and effective January 1, 2020, the Surplus Land Act to provide 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 the Act, exempt surplus land includes “surplus land that a local agency is transferring to another local, state, or federal agencies for the agency’s use...” (Government Code Section 54221(f)(1)(D)).

As discussed above, the Properties were originally acquired for the C/LAX project, but are not needed for long-term use by C/LAX. The City desires to use the Properties for City’s use in connection with its Destination Crenshaw Project. Under these circumstances and pursuant to the Act, the Properties are exempt surplus land.

Valuation

As discussed in the July 2019 Board Report, Metro recognizes that there are synergies between C/LAX and the Destination Crenshaw Project. As part of the development of C/LAX, Metro’s goals were and continue to be, to provide transportation and transit improvements and also, with community feedback, (1) preserve and enhance the unique cultural identity of each station area and its surrounding community by implementing art and landscaping; (2) promote a sense of place, safety, and walkability by providing street trees, walkways or sidewalks, lighting, awnings, public art and/or street furniture; (3) provide additional landscaping within the right-of-way or in project property to create a buffer between sensitive uses and the project; and (4) where practical and appropriate, add additional landscaping and enhanced design features to minimize the visual image of transit. Metro seeks to promote community preservation in the communities directly affected by C/LAX and facilitate the creation of transit-oriented communities (“TOCs”) that expand mobility options, promote sustainable urban design, and help transform communities.

Destination Crenshaw is consistent with Metro’s vision for vibrant Transit Oriented Communities (“TOC”) which encourages multi-modal transportation, creates a sense of place, and has the potential to enhance the quality of life for this community. The Destination Crenshaw Project is:

1. Consistent with Metro’s vision for TOC
2. Proximate to the C/LAX transit Corridor project
3. Constructable and ready
4. Cost effective

Metro appraised the Properties as of July 15, 2019. They were valued at a total of \$1,075,000 (3417 W. Slauson Ave at \$550,000, 5759 11th Ave & 3309 W. Slauson Ave together at \$525,000).

Under Surplus Land Act, Metro has the right to request fair market value for the properties; however, it is not required. Given that the Destination Crenshaw Project is consistent with Metro’s vision for C/LAX Transit Oriented Communities, staff recommends that Metro provide the Properties to the City, with land value compensation waived.

Remaining Areas for Resolution

Metro has been working with the City and Destination Crenshaw on the following items, however, they have not yet been fully resolved.

1. Bike infrastructure - The Environmental Impact Report (EIR) for C/LAX requires bike

infrastructure in support of the Hyde Park station which was originally planned for the IAM Park site. Destination Crenshaw's plans conflict with the currently planned location. Therefore, a condition of granting the Properties would be for the City or Destination Crenshaw to plan, permit and install bike infrastructure required to satisfy the EIR requirement at an alternative location. Destination Crenshaw is working on design plans.

2. Environmental remediation - Currently the Slauson Avenue Park property is undergoing environmental remediation. Prior to a transfer, there needs to be clear delineation of roles and responsibilities between the City and Metro on mitigation efforts and how this impacts the property's future use.
3. Tree Removal Permit - Metro has a tree replacement obligation to the City under a tree removal permit issued for C/LAX. Metro and Destination Crenshaw have been in discussions on the size, number and type of trees. Prior to a property transfer, there needs to be mutual agreement between the City and Metro on how the obligation will be fulfilled.

DETERMINATION OF SAFETY IMPACT

This board action will not have an impact on safety standards for Metro.

FINANCIAL IMPACT

In the July 25, 2019, Board Report, the Board approved funds towards the Destination Crenshaw project, which included the value of these Properties.

Impact to Budget

There are no impacts to the budget.

EQUITY PLATFORM

The Destination Crenshaw Project will document, celebrate, and bring to life the history and culture of the corridor and of South Los Angeles specifically. In addition, the Project will enhance pedestrian connectivity, and foster job growth on Metro-owned properties serving low-income households. The proposed actions will support the Project and position Metro as a strong partner in this community-led initiative.

Community outreach efforts took place, including innovative and comprehensive approaches that engage historically underserved communities to produce outcomes that promote and sustain access to opportunities and avoid increasing disparity.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Destination Crenshaw Project proposes transit improvements that support the following goals outlined in Metro's Vision 2028 Strategic Plan:

- Deliver outstanding trip experiences for all users of the transportation system.
- Enhance communities and lives through mobility and access to opportunity.
- Transform LA County through regional collaboration and national leadership.

ALTERNATIVES CONSIDERED

The alternative is to not declare the properties as surplus and continue to hold them. This is not recommended as the Properties are too small to be developable under Metro's joint development program and therefore would go unutilized.

NEXT STEPS

Should the Board choose to approve the recommendation, staff will continue to work with the City to resolve the remaining items, prepare an amendment to the MOA, and transfer the Properties to the City of Los Angeles with the land value waived.

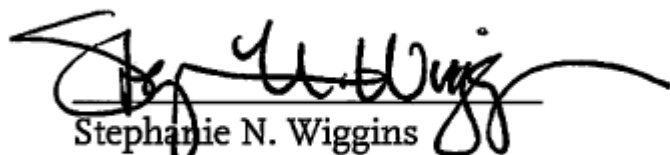
ATTACHMENTS

Attachment A - Property Map

Attachment B - Destination Crenshaw Project Overview Map

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