

**Board Report**

File #: 2020-0483, **File Type:** Policy**Agenda Number:** 5.

**FINANCE, BUDGET AND AUDIT COMMITTEE MEETING
AUGUST 19, 2020****SUBJECT: SALE OF EASEMENTS - SOUTHWEST YARD****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (“CEO”) to execute documents to sell various permanent and temporary easements (“Easements”) as described in Exhibit A in a portion of the Southwest Yard Maintenance Facility located at 5623 - 5698 West Arbor Vitae Street to the City of Los Angeles World Airport (“LAWA”) for the amount of **Six Hundred Fifty-Six Thousand and Ninety-One Dollars (\$656,091.00)**.

ISSUE

LAWA is planning, designing and constructing the Landside Access Modernization Program (“LAMP”) which includes the Automated People Mover (APM) system (including the train, guideway, stations and other related improvements) to improve access to Los Angeles International Airport (“Airport”). LACMTA is planning, designing and constructing the Airport Metro Connector/96th Street Transit Station (“AMC Station”) that will include an at-grade light rail station that is served by the Crenshaw/LAX Light Rail Project. Because LAWA and LACMTA are undertaking parallel construction activities for the LAMP and the AMC Station (collectively, “Projects”) and because the Projects will be built in close proximity and during the same time period, there is collaboration and coordination with respect to the design and construction of the LAMP and the AMC Station. Board approval is required since the action is for the sale of property interests in real property which exceeds the authority of the CEO.

DISCUSSION

The required Easements (see Exhibit A) will be utilized for the construction and operation of the APM elevated rail structure which will bisect the southerly portion of the Southwest Yard Maintenance Facility (“SW Yard”) as well as the adjacent Crenshaw LAX railroad corridor. LAWA and LACMTA entered into a Master Cooperative Agreement dated February 6, 2017 (“Master Agreement”). Section 3 of the Master Agreement described the process by which the Parties would determine the compensation that LAWA would pay LACMTA for the acquisition of property interests in LACMTA-owned property for the construction of the LAMP projects.

Pursuant to the Master Agreement, LAWA retained the appraisal firm of John P. Laurain, MAI, ASA of R. P. Laurain & Associates. Mr. Laurain appraised the Property as of February 27, 2020. Mr. Laurain submitted an appraisal which was reviewed internally by LACMTA Principal Real Estate Officer Russel Babbitz, MAI, SRA. As permitted by the Master Agreement, Mr. Babbitz reviewed Mr. Laurain's appraisal and determined that the appraisal methodology utilized by Mr. Laurain was appropriate and concurred with the valuation.

Easement Descriptions

Southwest Yard Parcel - Assessor Parcel No. 4125-020-900 to 907, 4125-021-900 and 903; Easement Parcel 4-3/4-4 - an Aerial Easement containing 14,942 square feet inclusive of 236 square feet of surface column area and a Setback Area for Vertical Structures containing 3,223 square feet. The SW Yard will also be impacted by TCE Area 1A containing 49,580 square feet, TCE Area 1B containing 14,500 square feet and an ingress/egress area containing 25,640 square feet. The TCE areas have two different terms which include 13.3 months for Phases 1 to 3 of the project and an additional 21 months for Phase 4 of the Project.

Rail Corridor Parcel Assessor Parcel No. 4125-026-900; Parcel No 4-5 - Aerial Easement containing 5,930 square feet as a transverse crossing. The property will also be impacted by TCE 2 containing 19,920 square feet of land.

The appraisal reports concluded that the aerial easements will not have measurable impact on the highest and best use of either the SW Yard parcel, as a special use public property, or the Railroad Corridor parcel. Therefore, compensation for the permanent aerial easements were considered to be a "nominal" amount of \$2,500, as applied to each of the three areas of Parcel 4-3/4-4 and to Parcel 4-5, for a total "Nominal consideration of \$10,000. No improvements will be impacted. Compensation for the TCE's was based on the land rental value and totals \$646,091 for the total duration of the TCE's. Total compensation for the Easements is \$656,091.

EQUITY PLATFORM

Both the LAMP and the AMC projects will bring valuable transit connections to those working and travelling at LAWA.

FINANCIAL IMPACT

Pursuant to May 2020 Board Motion 38.1, the revenue generated from LAWA acquisition of property and easements will be used to fund immediate Life of Project budget needs on the Crenshaw/LAX project.

Impact to Budget

There is no impact to the budget as the income received from the sale will be credited to the Crenshaw/LAX Project and used to offset Project costs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

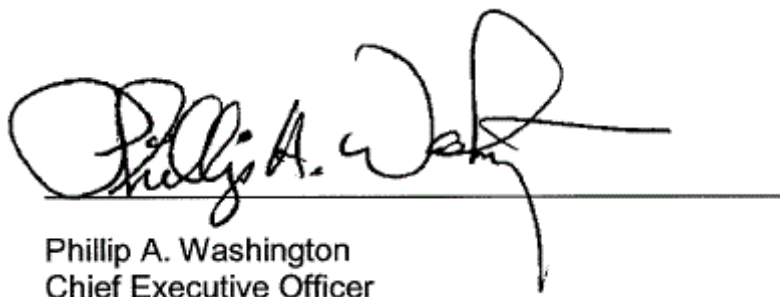
The recommended Board action is consistent with Metro Vision 2028 Goal #1: Provide high quality mobility options that enable people to spend less time traveling. The disposition of this property to LAWA to construct the APM elevated rail structure will facilitate an additional mobility option to LAWA.

ATTACHMENTS

Exhibit A- Site Plan

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Reviewed by: James de la Loza, Chief Planning Officer (213) 922-2920



Phillip A. Washington
Chief Executive Officer