



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**12**

**FINANCE & BUDGET COMMITTEE**  
**April 18, 2007**

**SUBJECT: SALE OF SURPLUS PROPERTY**

**ACTION: DECLARE CERTAIN METRO REAL PROPERTY AS SURPLUS AND  
AUTHORIZE A SALE TO AN ADJACENT PROPERTY OWNER**

**RECOMMENDATION**

Declare a portion of the Metro Red Line Yard (Division 20) site between 4<sup>th</sup> Street and 6<sup>th</sup> Street (the "Property") in the City of Los Angeles as surplus and authorize the sale of the property for \$1,050,550 to Chalmers Santa Fe, LLC.

**ISSUE**

The Property is not required for any future Metro transit projects and is recommended for disposition after review and concurrence by various Metro departments. Disposition of surplus properties is an avenue for generating additional revenue to Metro and returning unused properties to active use.

**POLICY IMPLICATIONS**

The disposition of this property complies with the adopted Disposition of Surplus Real Property Policy.

**ALTERNATIVES CONSIDERED**

The alternative to selling this property is to retain it for future transit purposes or to lease the site to others on an interim basis. Various Metro departments confirmed that there is no requirement for future transit activity at this location. The property is a vacant lot and during the past three years, there have been no requests from the public to lease the site.

**FINANCIAL IMPACT**

The sale of this property will generate a one-time payment to Metro in the amount of \$1,050,550. The sale will eliminate on-going maintenance costs, and the responsibilities and liabilities associated with ownership of a vacant parcel. The revenue received from the sale of the subject property will be used for other transportation related purposes.

## **BACKGROUND**

Approximately 28 acres of land was acquired by the Southern California Rapid Transit District (predecessor of LACMTA) in 1984 for construction and operation of the Metro Red Line Yard site. The property is currently a portion of the Yard that is vacant and unused. On April 18, 2006, the adjacent property owner, Chalmers Santa Fe, LLC, inquired about the availability of the property for purchase and integration into their adjacent property which fronts to Santa Fe Avenue. Various Metro departments were contacted to ascertain their approval of the disposition of this portion of the Yard site. After review of the request, the Rail Operations Department concurred with the disposition of the parcel as long as certain conditions were met. The conditions included: (1) the exclusion of the portion of the Property which houses the signal system equipment and maintain a setback of 15 feet; and (2) that the owner grant Metro an emergency access easement across the adjacent property from Santa Fe Avenue. The potential buyer agreed to both conditions.

### **Property Description**

The Property is located at the southern tip of the Metro Red Line Yard site between 4<sup>th</sup> Street and 6<sup>th</sup> Street in the City of Los Angeles. The Property is a long, curvilinear, relatively narrow, landlocked site located at the southwest boundary of the Metro Red Line Yards and Shops property. The Property cannot be accessed from a public street and is currently vacant land. The Property to be sold contains approximately 42,022 square feet.

### **Property Value**

An in-house appraiser prepared an appraisal of the Property with a date of value of December 6, 2006. Because the Property has no access from a public street, the highest and best use of the Property "as vacant" is joinder to the adjacent property. The appraiser analyzed five (5) comparable land sales in the surrounding area that resulted in a value ranging from \$40.17 per square foot to \$53.57 per square foot. It was concluded that the value of the property would be at or near \$50.00 per square foot provided if it had good street frontage and access. Typically a property that has a highest and best use of joinder is discounted since the Property cannot be developed as a stand-alone property. The amount of the discount applied to the value is influenced by the desire/need of the seller to sell and the desire/need of the buyer to buy. The discounting process typically starts at 50%. A 50% discount was applied to the value due to the irregular shape of the parcels, the lack of street access except from the adjacent property and the limited opportunity to independently develop the property. Thus, the appraiser determined at a land value of \$25.00/sq. ft. Based upon the calculated area of 42,022 square feet, the recommended value of the Property is \$1,050,550.

Staff recommends sale of the Property to the adjacent property owners for a purchase price of \$1,050,550.

**ATTACHMENTS**

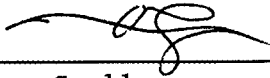
ATTACHMENT A - Parcel Plat

Prepared by: Velma C. Marshall  
Deputy Executive Officer – Real Estate



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**Roger Mollere**  
**Chief, Real Property Management and Development**



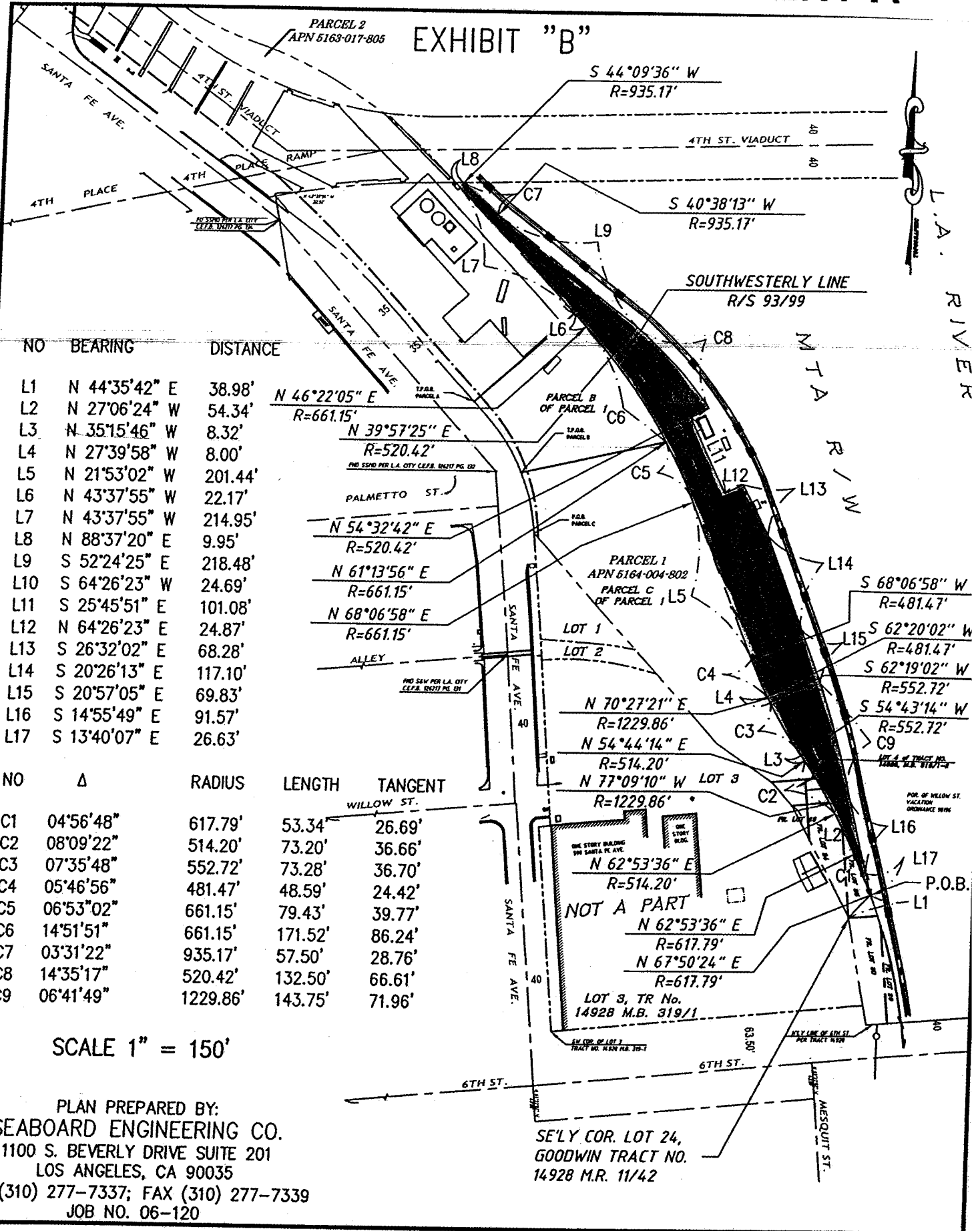
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**Roger Snoble**  
**Chief Executive Officer**

# ATTACHMENT A

## EXHIBIT "B"

PARCEL 2  
APN 5163-017-805



NO	BEARING	DISTANCE
L1	N 44°35'42" E	38.98'
L2	N 27°06'24" W	54.34'
L3	N 35°15'46" W	8.32'
L4	N 27°39'58" W	8.00'
L5	N 21°53'02" W	201.44'
L6	N 43°37'55" W	22.17'
L7	N 43°37'55" W	214.95'
L8	N 88°37'20" E	9.95'
L9	S 52°24'25" E	218.48'
L10	S 64°26'23" W	24.69'
L11	S 25°45'51" E	101.08'
L12	N 64°26'23" E	24.87'
L13	S 26°32'02" E	68.28'
L14	S 20°26'13" E	117.10'
L15	S 20°57'05" E	69.83'
L16	S 14°55'49" E	91.57'
L17	S 13°40'07" E	26.63'

N 46°22'05" E		R=661.15'
N 39°57'25" E		R=520.42'
N 54°32'42" E		R=520.42'
N 61°13'56" E		R=661.15'
N 68°06'58" E		R=661.15'

S 68°06'58" W		R=481.47'
S 62°20'02" W		R=481.47'
S 62°19'02" W		R=552.72'
S 54°43'14" W		R=552.72'

NO	Δ	RADIUS	LENGTH	TANGENT
C1	04°56'48"	617.79'	53.34'	26.69'
C2	08°09'22"	514.20'	73.20'	36.66'
C3	07°35'48"	552.72'	73.28'	36.70'
C4	05°46'56"	481.47'	48.59'	24.42'
C5	06°53'02"	661.15'	79.43'	39.77'
C6	14°51'51"	661.15'	171.52'	86.24'
C7	03°31'22"	935.17'	57.50'	28.76'
C8	14°35'17"	520.42'	132.50'	66.61'
C9	06°41'49"	1229.86'	143.75'	71.96'

SCALE 1" = 150'

PLAN PREPARED BY:  
SEABOARD ENGINEERING CO.  
1100 S. BEVERLY DRIVE SUITE 201  
LOS ANGELES, CA 90035  
TEL. (310) 277-7337; FAX (310) 277-7339  
JOB NO. 06-120

SE'LY COR. LOT 24,  
GOODWIN TRACT NO.  
14928 M.R. 11/42

