



Metro

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

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metro.net

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**CONSTRUCTION COMMITTEE
AUGUST 18, 2005**

SUBJECT: SALE OF REAL PROPERTY

**ACTION: DECLARE CERTAIN REAL PROPERTY AS SURPLUS AND AUTHORIZE
THE SALE TO THE CITY OF LOS ANGELES**

RECOMMENDATION

Authorize the sale of certain real property located at 506 – 518 East Commercial Street (APN: 5173-002-901) in the City of Los Angeles to the City of Los Angeles (“City”) for \$3,950,000.

RATIONALE

The subject property contains approximately 60,685 square feet and is located in the block bounded by Commercial Street on the north, Garey Street on the east, Ducommum Street on the south and Hewitt Street on the west in downtown Los Angeles. LACMTA purchased the parcel from a private individual in March 2003 for \$3,150,000. The parcel was required for the construction and operation of off-street parking required as mitigation to the impacts of the Gold Line Eastside Extension Project (“Project”). Subsequent to the acquisition, it was determined that the planned non-revenue alignment from Alameda Street to the Division 20 Yards and Shops would not be needed and there was no need to provide an off-street parking lot in this area

LACMTA was contacted by the City of Los Angeles Department of Transportation in February 2004 and expressed its interest in acquiring the property for the development of a vehicle inspection facility for its transit services. The facility will also allow LADOT to inspect city-owned buses that are operated by their contractors that will provide a strategically located maintenance for the Downtown DASH service. The City followed up its request again in December 2004 and March 2005. A formal offer to acquire the property for \$3,950,000 was made on July 11, 2005.

The subject property is not required for any future LACMTA transit projects. The site is currently used as a temporary construction lay down area for the Project and this use may be continued until the City requires the site.

FINANCIAL IMPACT

The sale of this property will generate a one-time payment to LACMTA in the amount of \$3,950,000 which will be used to offset the cost of real estate acquisition for the Project. This sale will not impact the approved life-of-project budget.

This property is included in the Arts District BID with an assessment of \$3,309.67. The City will be responsible for this cost after title is transferred from the LACMTA to the City.

Property Value

The City retained Cushman & Wakefield of California, Inc. ("Cushman") to appraise the Property. An LACMTA staff appraiser reviewed the appraisal report, conducted a field inspection and concluded that the value recommended by the Cushman appraisal represented Fair Market Value. The appraiser concluded that the Highest and Best Use of the property is commercial, manufacturing, industrial or residential development consistent with current zoning guidelines. The appraiser employed the Sales Comparison approach to Land Value for estimating the value of the land and analyzed six (6) recent sales in the surrounding area that were either zoned for industrial uses or residential uses. The unadjusted Sale Price ranged from \$19.78 to \$100.00 per square foot. Based on the appraiser's analysis of the sales, considering property rights conveyed, financing, condition of sale, market conditions, location, access, and zoning, the adjusted Sales Price ranged from \$44.51 to \$85.00 per square foot. The appraiser concluded the value of the subject property at \$65.00/square foot of a total of \$3,950,000 (60,865 SF (net) x \$65/SF rounded).

ALTERNATIVES CONSIDERED

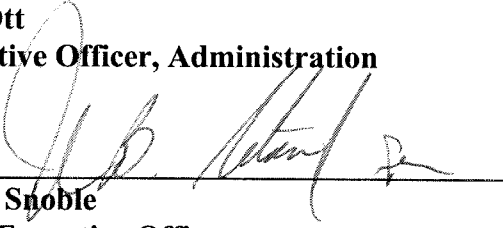
The alternative to selling this property is to retain it for future transit or administrative requirements of LACMTA. No immediate needs were identified. The property was acquired with Federal funds for the Metro Gold Line Eastside Extension and if the property was retained for non-transit requirements, LACMTA would have to repay the FTA for the property that was purchased with Federal funds under the Full Funding Grant Agreement. Since the property is no longer required for that Project and funds obtained from the sale of the property can be reallocated to the Project's funding plan, it is feasible to sell the property for cash to the City of Los Angeles.

ATTACHMENT - Parcel Plat

Prepared by: Velma C. Marshall
Director of Real Estate

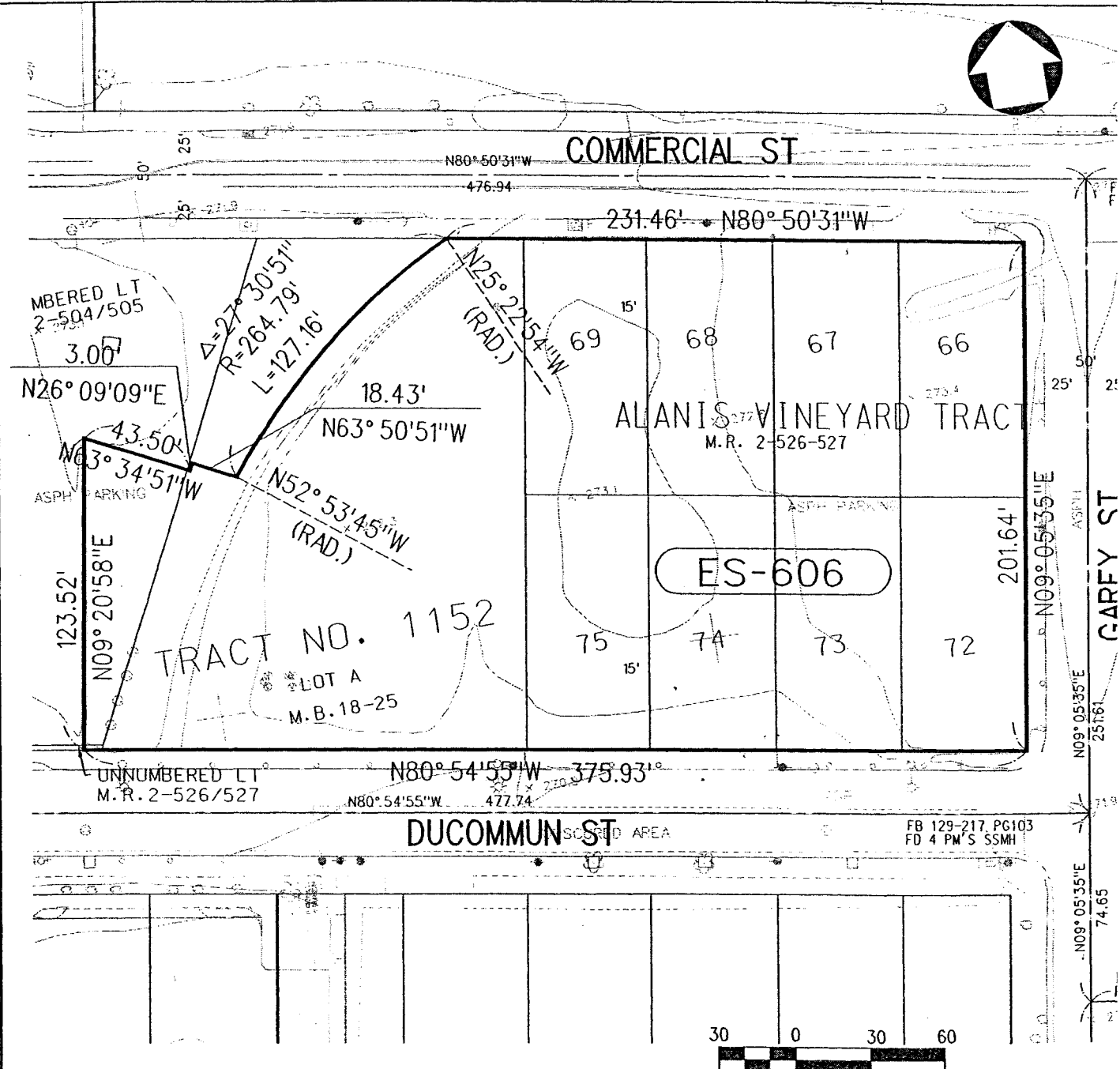
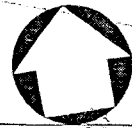


Don Ott
Executive Officer, Administration



Roger Snoble
Chief Executive Officer

DESCRIPTION : LOTS 66 THRU 69 AND 72 THRU 75 ALANIS VINEYARD TRACT;		Bearing are based on North American Datum of 1983 (NAD 83).	
M.R. 2-526/527; AND A PORTION OF LOT A, TRACT NO. 1152; M.B. 18-25			
BENCH MARK : N/A			
TITLE REPORT :	ADDRESS : 527 E. COMMERCIAL STREET	1	3/28/02 REVISED TO FULL TAKE
ASSESSORS REF. 5173-002-010	R.O.W. REFERENCE PI-013; ES-606	NO.	DATE
			REVISION DESCRIPTION



PARCEL NO.	TOTAL PARCEL	ES-606 (FEED)	
NET AREA - SQUARE FEET	67,290	67,290	

M LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY EASTSIDE LRT PROJECT

EASTSIDE LRT PARTNERS on behalf of:
 Parsons Brinckerhoff Quade & Douglas, Inc.
 Jenkins Cole Harland, Inc.
 Harland Thomas, Inc.

APPROVED BY: _____
 MTA PROJECT MANAGER DATE _____

SUBMITTED BY: ELRT PROJECT MANAGER

PARCEL PLAT

ES-606

SHEET 1 OF 1

CONTRACT NO./DESIGN NO.	C0800
SCALE	1"=60'
DATE	3/05/02
DRAWN BY	S BASHIRI
CHECKED BY	L E RUSH
REV. DATE	REV. #