



**Metro**

Metropolitan Transportation Authority

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**PLANNING AND PROGRAMMING COMMITTEE  
NOVEMBER 16, 2005**

**SUBJECT: WILSHIRE/VERMONT METRO RED LINE STATION JOINT  
DEVELOPMENT**

**ACTION: APPROVE ALLOCATION OF FUNDS FOR THE RELOCATION OF THE  
COUNTY OF LOS ANGELES FROM LACMTA OWNED PROPERTY**

**RECOMMENDATION**

Amend the FY06 budget to add \$450,000 of expenditures to the General Fund and authorize right-of-way lease revenues to pay for the relocation of the County of Los Angeles Department of Mental Health from the LACMTA owned building located at 3160 West 6<sup>th</sup> Street as committed to at the time of building purchase.

**RATIONALE**

The building located at 3160 West 6<sup>th</sup> Street was purchased by LACMTA for the construction and operation of the Wilshire Vermont Metro Red Line Station ("Red Line Station") in November 1995. At the time of purchase, the three story, 45,138 square foot building was occupied by the County of Los Angeles. Since demolition of the building was not required for construction or operation of the subway, LACMTA entered into a lease with the County for its continued occupancy of the building. The agreement with the County included a provision that the County was entitled to relocation benefits in accordance with the California Uniform Relocation Act ("Uniform Act") when required to move out of the building.

In February 2004, the Board approved the sale of an approximately 2.59-acre portion of the Red Line Station site to the Los Angeles Unified School District ("LAUSD") for construction of a middle school, and in January 2005, LACMTA entered into a Purchase and Sale Agreement ("Agreement") with LAUSD to accomplish the same. Construction of the school requires the demolition of the office building, and thus the relocation of the County. The Agreement requires LACMTA to relocate the County from the office building at LACMTA's sole cost. LACMTA agreed to do this since LACMTA's relocation obligation already existed under the County's lease, independent of the property's intended use. The February 2004 Board Report referenced LACMTA's obligation to relocate the County, indicating an estimated cost of \$120,000. Since that time the cost of the relocation has become more

defined, increasing to \$450,000. The original estimate did not take into consideration the cost of relocating the County's communication system, which is an eligible cost under the Uniform Act.

A Notice of Termination was issued to the County on February 8, 2005 terminating the Lease Agreement effective February 8, 2006. During the past year, the County has worked cooperatively with staff to locate replacement office space and plans to vacate the office building by the required date. A relocation consultant was retained by LACMTA to work with the County to provide relocation assistance and to determine the relocation costs that are eligible for payment under the California relocation guidelines.

### **FINANCIAL IMPACT**

The funds for this expenditure will be added to the FY06 budget in Project # 401007, Wilshire/Vermont Joint Development, cost center number 6510, Real Estate Department. The funds are available in the General Fund balance, right-of-way lease revenues. General Fund revenues are being used since the MOS-2 capital project budget is closed.

The California relocation guidelines identify the category of costs that are eligible for payment. The actual payment paid to the County will be based on the actual, documented costs expended by the County or invoiced to LACMTA directly by the vendor providing the moving services. The categories and the estimated costs listed in Attachment 1 are based on estimates and bids obtained by the County and the relocation consultants.

### **ALTERNATIVES CONSIDERED**

LACMTA is required to pay for the relocation expenses associated with the relocation of the County whenever the lease is terminated. There is no alternative to the requirement to pay for the relocation expense; however, staff reviewed several alternatives to identify the source of funds available for payment. Allocating funds from the General Fund (right-of-way lease revenues) has been determined to be the most feasible source of funds to cover this obligation.

### **ATTACHMENTS**

Attachment 1 – Estimated Relocation Expenses

Prepared by Velma C. Marshall, Director of Real Estate



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Don Ott, Executive Officer  
Human Services



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Roger Snoble  
Chief Executive Officer

## COUNTY OF LOS ANGELES RELOCATION ESTIMATE

	RELOCATION CATEGORY	ESTIMATED COST
1.	Packing, moving and unpacking moveable personal property, including full replacement value insurance during transit	\$15,000.00
2.	Re-letting Signs and Replacing Stationery and Business Cards	\$-0-
3.	Reestablishment Expenses	\$10,000.00
4.	Utility Transfer Fees (Estimate)	\$20,000.00
5.	Professional Services for move planning	\$-0-
6.	Equipment disconnection and reconnection	\$305,000.00
7.	Purchase and Installation of Substitute Personal Property (Based on bids for the cost of moving existing personal property which will not be relocated to the new facility). This amount sets the maximum amount that will be paid for the installation of substitute personal property)	\$20,000.00
8.	Permits related to Equipment Reconnection of Substitute Personal Property (Estimate)	\$5,000.00
9.	Direct Losses of Tangible Personal Property	\$-0-
	<b>SUBTOTAL</b>	<b>\$375,000.00</b>
10	Contingency @ 20%	\$75,000.00
	<b>TOTAL</b>	<b>\$450,000.00</b>