

Final Accepted + Mailed
Out to Task Force members
on 11-2-88

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GENERAL PLANNING CONSULTANT:
ISSUES & RESPONSES
ASSOCIATED WITH BATF MEETINGS OF
WEDNESDAY, OCTOBER 19, 1988

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Southern California Rapid Transit District

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October, 1988

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ISSUES AND RESPONSES ASSOCIATED WITH
BENEFIT ASSESSMENT TASK FORCE MEETING
OCTOBER 19, 1988

The Benefit Assessment Task Force (BATF) met on Wednesday, October 19, 1988, to initiate a process of reviewing issues and alternatives concerning the establishment of Benefit Assessment Districts for Phase II. At the end of the process, the BATF will make recommendations to the SCRTD Board of Directors, the Los Angeles City Council, and the Los Angeles County Board of Supervisors on the boundaries, the types of land uses to be assessed, and the assessment methodology. At the meeting, the SCRTD staff gave a presentation on the responsibilities and purpose of the Task Force, the status of the Metro Rail Project, the Federal, State and Local funding, the enabling legislation and legal process, the MOS-1 Benefit Assessment Program and urban rail benefits. As a result of the presentations and discussions, members of the Task Force raised a number of issues and/or questions. The issues and questions are listed below with a response.

Issue No. 1

How much of the \$75 million from Benefit Assessment is to be raised from MOS-2 and MOS-3?

The \$75 million is a minimum target amount for Phase II which encompasses eleven stations. The route extends west along Wilshire from the terminus of MOS-1 at Alvarado Street to Western Avenue, north along Vermont Avenue to Sunset Boulevard, west along Sunset to Highland Avenue and then north to the North Hollywood station. A map detailing the route is attached.

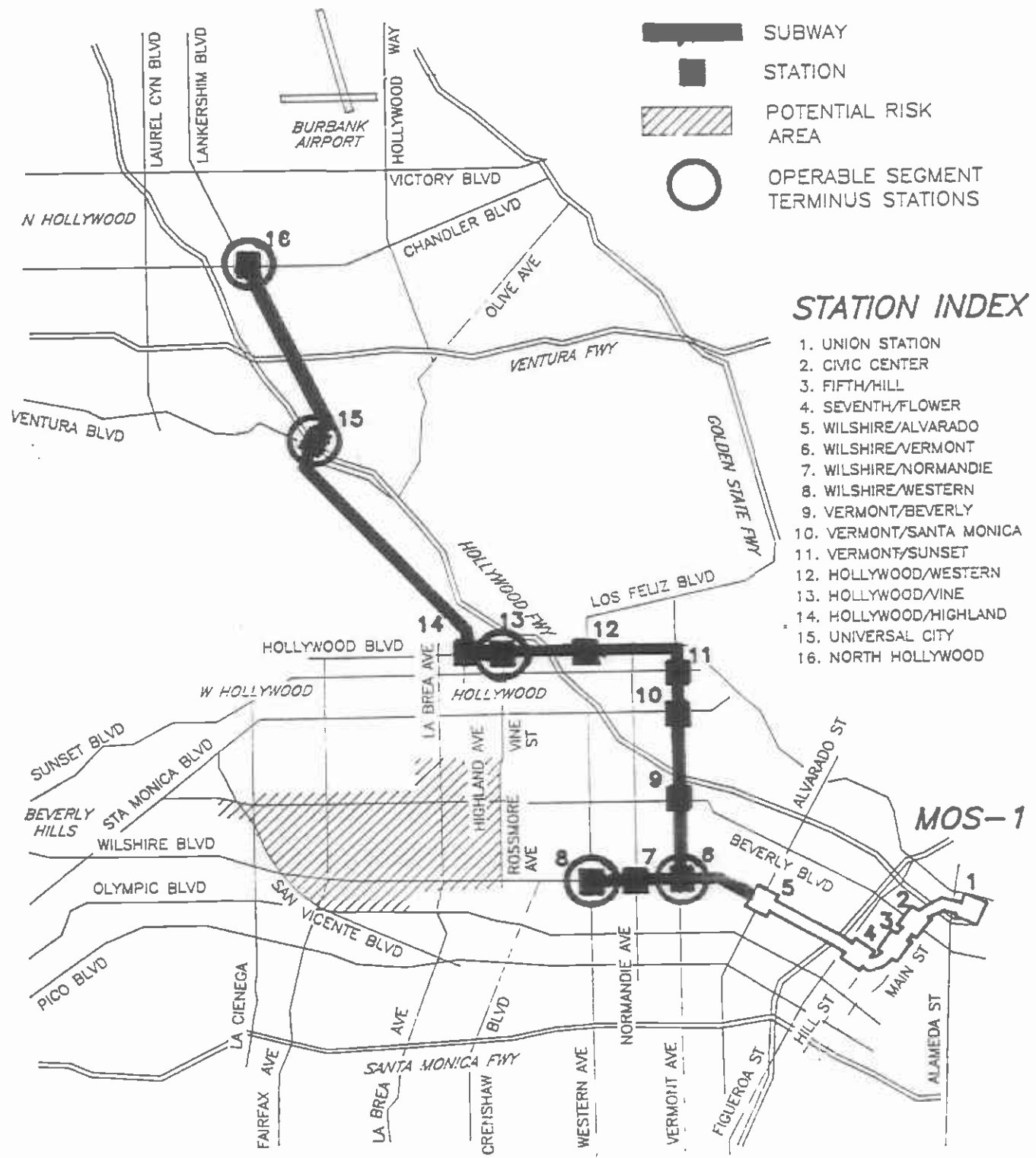
Issue No. 2





Are public agencies exempt from assessments?

If property is both owned and used by a public entity, then the property is exempt from assessments. If both conditions are not met, e.g. if a public entity is renting offices which are owned by a private party, then the property is assessed.

LOCALLY PREFERRED ALTERNATIVE VERMONT/HOLLYWOOD BLVD. SUBWAY

LPA ADOPTED BY SCRTO BOARD OF DIRECTORS JULY 14, 1988



-  SUBWAY
-  STATION
-  POTENTIAL RISK AREA
-  OPERABLE SEGMENT TERMINUS STATIONS

STATION INDEX

1. UNION STATION
2. CIVIC CENTER
3. FIFTH/HILL
4. SEVENTH/FLOWER
5. WILSHIRE/ALVARADO
6. WILSHIRE/VERMONT
7. WILSHIRE/NORMANDIE
8. WILSHIRE/WESTERN
9. VERMONT/BEVERLY
10. VERMONT/SANTA MONICA
11. VERMONT/SUNSET
12. HOLLYWOOD/WESTERN
13. HOLLYWOOD/VINE
14. HOLLYWOOD/HIGHLAND
15. UNIVERSAL CITY
16. NORTH HOLLYWOOD

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Issue No. 3

Were residential exemptions upheld in the validation suit?

The Superior Court ruled that Benefit Assessments for Metro Rail are in compliance with the Federal and California constitutions, therefore the residential exemption has been upheld.

Issue No. 4

What is the status of the legal challenges to Benefit Assessments?

A suit was initiated by SCRTD to validate the issuance of Benefit Assessment bonds for the purpose of obtaining a favorable bond rating. Opposing parties intervened in the suit. SCRTD prevailed at the Superior Court level and the Court upheld the District on all issues which were challenged. The decision has been appealed. No decision has been made at this time at the Appellate level.

Issue No. 5

Is the MOS-1 District precedent setting?

Can a different set of criteria be applied to Phase II?

The role of the Task Force is to review the station areas included in Phase II, the amount of revenue needed, the potential uses of the revenue (capital costs, maintenance and operation) and make recommendations on criteria for boundary setting, assessment methodology and assessable land uses which would be appropriate for Phase II. The non-CBD area differs from the CBD area (i.e intensity of development, land use patterns), and these factors and the consideration of equity among the station areas should be taken into account when developing criteria for Phase II. During the next two Task Force meetings, alternatives for boundary setting and rates will be presented. The Task Force will then evaluate the alternatives, adding or revising options, and make recommendations specifically for Phase II which may be different from MOS-1. However, the rates and boundaries ultimately adopted by the SCRTD Board must be able to withstand judicial review, be equitable, and relate benefit to assessments.

Issue No. 6

Is the Task Force bound by the 1/2 mile radius limitation?

What are the legal restrictions on boundaries, rates, etc.?

The Public Utilities Code 33000 et seq. restricts the maximum extent of the boundaries of a benefit assessment district within the central business district of the City of Los Angeles to one mile from a station's centerpoint and to one-half mile from the centerpoint of a station at any other location. The Public Utilities Code 33000 et seq. also states, in regard to determining rates, that the assessment must be based on the square footage of the parcel or the improvement or both. The revenue from a special benefit assessment district can only be used for a rail transit station or related facility located within that district. Benefit assessments must be calculated to reflect, as accurately as possible, the benefit received by the property assessed as a result of the transit project. These are the only restrictions contained in the enabling legislation on the setting of boundaries and rates.

Issue No. 7

Does a uniform policy need to be applied to all stations in a district?

The question of equity across the stations must be considered. Depending on the proximity of the stations and the distance of the recommended boundary, some stations may be in the same districts. For example, the assessment areas for the stations along Wilshire Boulevard may overlap, thus creating one district for these stations with a uniform assessment rate and structure. A legal opinion concerning the requirement of a uniform policy among the stations/districts within Phase II has been requested from the SCRTD Legal Department and will be presented to the Task Force as soon as it is available. Cost and ease of administration must also be considered when adopting a boundary and rate structure.

Issue No. 8

How are stations which have districts that overlap treated?

If the boundaries of stations overlap, the stations may be in the same benefit assessment district. In the CBD MOS-1 Benefit Assessment District, there are four stations with overlapping boundaries. The perimeter of the combined stations is the boundary for the district.

Issue No. 9

Under the MOS-1 Benefit Assessment rules, does the assessment apply to both the square footage of the parcel and the improvement?

The assessment is based on the square footage of assessable improvements or the square footage of the parcel, whichever is larger for commercial and office uses. For industrial and wholesale uses, the assessment is based solely on the square footage of the parcel. The "How To Calculate Metro Rail Benefit Assessments" brochure describes in detail the calculations and presents examples on how the assessments are determined for various parcels and improvements. This brochure was included in the Task Force notebooks distributed at Meeting 1, on October 19, 1988.

Issue No. 10

How are parking structures assessed in the MOS-1 Benefit Assessment Districts?

Parking structures are not assessed. The parcels on which they are located, however, are assessed. On a parcel containing both an office building and a parking structure, the basis for the assessment is the square footage of the building (not including the parking structure) or the square footage of the parcel, whichever is greater.

Issue No. 11

In MOS-1, when do new buildings get assessed, for example, a phased development?

Changes in land use and development in an assessment district are updated annually. Properties which have been issued an occupancy permit are added to the assessment list and will be assessed at the then current rate on the next annual Joint Consolidated Tax Bill.

Issue No. 12

Is special consideration given to redevelopment areas?

Four of the five stations in MOS-1 are located in redevelopment areas. These stations were not treated differently than the Wilshire/Alvarado station which is not located in a redevelopment area. The location of a station in a redevelopment area would encourage development to occur and would be an added incentive to build in the redevelopment area.

Issue No. 13

What is the assessable square footage of Phase II?

The amount of square footage by land use type will be presented and discussed in Task Force meetings 2 and 3.

Issue No. 14

What is the cost of each station?

The estimated cost per station in 1985 dollars is:

Wilshire/Vermont	\$109,101,300
Wilshire/Normandie	47,937,700
Wilshire/Western	46,846,500
Vermont/Beverly	46,846,500
Vermont/Santa Monica	47,937,700
Vermont/Sunset	46,846,500
Hollywood/Western	46,937,700
Hollywood/Vine	46,119,000
Hollywood/Highland	48,443,900
Universal City	75,329,300
North Hollywood	43,341,400

Issue No. 15

How are long-term lease holders affected by benefit assessments?

The assessment is levied on the property owners. The terms of the individual lease with the property owner would determine how the lease-holder is affected. If there is a pass through provision in the lease, the lessee may be responsible for the payment of the assessment.