



FINANCE & BUDGET COMMITTEE
SEPTEMBER 16, 2004

SUBJECT: SALE OF PROPERTY

ACTION: AUTHORIZE THE SALE OF REAL PROPERTY TO THE LOS ANGELES
COMMUNITY REDEVELOPMENT AGENCY

RECOMMENDATION

Authorize the sale of certain real property located at the northeast corner of Lankershim Boulevard and Weddington Street (APN: 2350-015-901) in the City of Los Angeles to the Los Angeles Community Redevelopment Agency (CRA) for \$298,000.

RATIONALE

The subject property, which contains approximately 7,631 square feet, is located at the northeast corner of the intersection of Lankershim Boulevard and Weddington Street in the North Hollywood area of the City of Los Angeles. MTA purchased the parcel from the CRA in April 1997 for \$154,089. The parcel was required for the construction, installation and operation of a blast release shaft associated with the Metro Red Line Project. The CRA is acquiring the property for the widening of Lankershim Boulevard and the Phase II NoHo Commons Redevelopment Project. This Project covers an approximate 6-acre site extending from Chandler Boulevard to Weddington Street along Lankershim. The project will include 180 residential units.

The subject property is not required for any future MTA transit projects other than the existing blast release shaft. The sale of the property will be subject to a reservation of a five-foot clear easement area around the shaft for maintenance and airflow.

Pursuant to MTA's Disposition of Surplus Real Property Policy, real property may be sold directly to a public agency at their request without providing notice to other agencies or calling for a competitive bid, at a price representing the fair market value and upon determination that the public agency's use shall be for low to moderate income housing as described in Government Code Section 54220. This sale meets these criteria.

FINANCIAL IMPACT

The sale of this property will generate a one-time payment to MTA in the amount of

\$298,000. The sale will eliminate on-going maintenance costs, and the responsibilities and liabilities associated with ownership of a vacant parcel. Since this parcel was purchased with local funds, the revenue received from the sale will be deposited in the general fund account and used for transportation related purposes.

Property Value

CRA retained Joe J. Villegas, MAI, to appraise the Property. The appraisal was subsequently reviewed by CRA and submitted to MTA for its review. MTA's staff appraiser reviewed the appraisal report, conducted a field inspection and concluded that the value recommended by the Villegas appraisal represented Fair Market Value. The appraiser concluded that the Highest and Best Use of the property would be to assemble the site with the adjacent site north of the subject property. He analyzed five (5) commercial and one (1) residential land sale in the surrounding area that resulted in an adjusted price range per square foot from \$28.57 to \$56.14. Based on his analysis of the sales considering property rights conveyed, financing, condition of sale, market conditions, location, access, and zoning, he determined a land value of \$39.00 per square foot. The unit value applied to the parcel size of 7,631 square feet indicates a value of \$297,609 or \$298,000 rounded.

ALTERNATIVES CONSIDERED

The alternative to selling this property is to retain it for preservation of the existing transit facility. The MTA Construction Department was consulted to determine if the excess property around the shaft could be sold. The Department agreed that the entire parcel was not required as long as certain restrictions were agreed to by CRA. The following reservations and restrictions will be included in the conveying deed: (1) a five-foot (5') clear easement is reserved around the shaft area for maintenance and airflow; (2) no exhaust facilities from any new building to be located within twenty feet (20') of the shaft; and (3) all building plans must be reviewed by MTA Engineering Staff under the City of Los Angeles' ZI-1117 Building and Safety clearance program. CRA agreed to these reservations and restrictions.

ATTACHMENT - Parcel Plat
Prepared by: Velma C. Marshall
Director of Real Estate



Don Ott
Executive Officer, Administration



Roger Snoble
Chief Executive Officer

2350 15

100'

2003

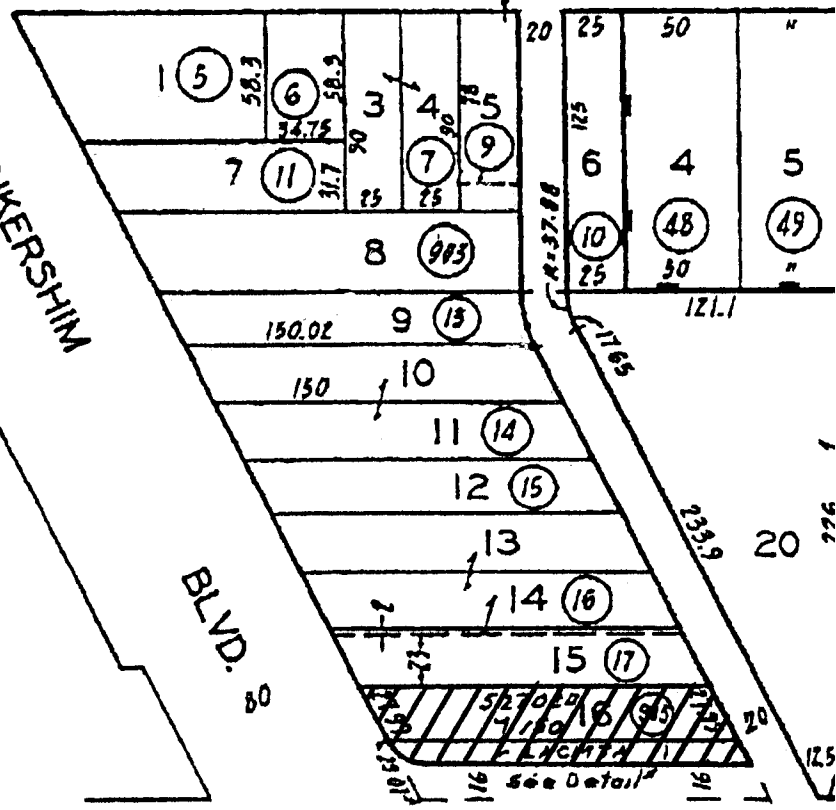


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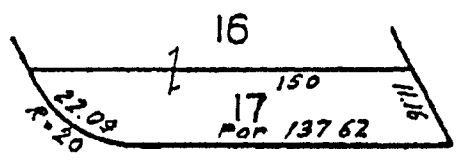
80 CHANDLER

8

30 LANKERSHIM



16



DETAIL
NO SCALE

BLVD. 80

66 WEDDINGTON