



**OPERATIONS COMMITTEE  
NOVEMBER 18, 2004  
CLOSED SESSION**

**SUBJECT: DIVISION 10 EXPANSION PROJECT (“PROJECT”)**

**ACTION: APPROVAL OF REVISED JUST COMPENSATION FOR PARCEL WI-100**

**RECOMMENDATION**

Approve the revised Just Compensation for the following parcel, subject to approval by the Federal Transit Administration (“FTA”) and an offset for the cost of environmental remediation of the property (if applicable), and to pay escrow fees, title insurance costs, and relocation benefits pursuant to federal and state regulations:

<b>Parcel No</b>	<b>Owner</b>	<b>Property Interest</b>	<b>Just Compensation</b>
WI-100	Arnold W. & Ruth Carlson, Trustees of the Arnold & Ruth Carlson Family Trust	Fee Simple	\$16,637,000
	Various Owners	Fixtures & Equipment	\$323,670
<b>Total</b>			<b>\$16,960,670</b>

**RATIONALE**

Acquisition of the subject parcel is required for the planned construction and operation of the Bus Division 10 Expansion Project. The Project will provide additional capacity to the existing Division 10 Bus Facility. The Board previously approved Just Compensation in the amount of \$9,541,200 for the acquisition of Parcel WI-100 at its June 24, 2004 meeting. Staff made an offer to acquire the parcel to the owner of record and the offer was rejected. The Board subsequently adopted a Resolution of Necessity authorizing the commencement of an eminent domain action to acquire the property.

The Los Angeles Superior Court requires public agencies to deposit the amount of probable just compensation with the court in order to obtain an Immediate Order of Possession in a condemnation case. The amount of probable just compensation must be based on an appraisal that was prepared no longer than 6 months prior to the date the condemnation complaint is filed. The date of value for the appraisal that just compensation was based on

was March 12, 2004. Therefore, an updated appraisal was obtained with a new date of value of September 27, 2004. The current market value of Parcel No. WI-100 is \$16,960,670. A description of the parcel and an appraisal analysis are discussed in Attachment 1.

### FINANCIAL IMPACT

Funds to acquire Parcel WI-100 are included in the proposed FY05 budget under Cost Center 8510, Project 800111, Accounts 53104 and 53105.

### ALTERNATIVE CONSIDERED

The acquisition of this parcel is required to expand Division 10 for bus operations. If an agreement is not reached with the owner for the amount of the revised just compensation or an administrative settlement, staff will authorize Counsel to initiate the condemnation process. Any further delays in the Project would result in the unavailability of additional bus maintenance and storage capacity needed to accommodate the introduction of 60-foot articulated buses into the MTA's service fleet.

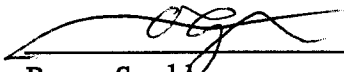
### ATTACHMENTS

Attachment 1 – Summary of Basis for Just Compensation  
Attachment 2 – Parcel Plat

Prepared By: Velma C. Marshall  
Director of Real Estate



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Don Ott  
Executive Officer, Administration



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Roger Snoble  
Chief Executive Officer

**SUMMARY OF BASIS FOR JUST COMPENSATION  
(PARCEL WI-100)**

- Address:** 101 E. Cesar Chavez Avenue and  
600-815 Mission Road, Los Angeles, CA
- Property Owner:** Arnold W. and Ruth Carlson, Trustees of the Arnold and Ruth  
Carlson Family Trust
- Site Description:** The subject parcel is an irregular shaped parcel consisting of  
twenty-one (21) lots containing approximately 368,083 net  
square feet or 8.5 acres. There are six (6) auto glass and other  
auto related repair shops/businesses operating on the subject  
parcel. In addition, there are four (4) outdoor advertising  
signboards located on the property.
- Recommended  
Just Compensation:** \$16,960,670: consisting of \$16,637,000 and \$323,670 for  
Fixtures & Equipment
- Appraisers:** *Real Property.* Gary Valentine, MAI – Valentine Appraisal &  
Associates
- Improvements Pertaining to Realty.*  
The Rice Group, Inc.
- Highest & Best Use:** Highest and best use is to demolish existing structures and the  
development of a mixed-use development encompassing retail  
uses, professional office uses and/or light industrial uses and  
developed by dividing the property into smaller parcels  
according to the most economic sizes.

**Appraisal Summary: - Real Property**

The recommended just compensation is based on the appraisal prepared by Gary Valentine. Mr. Valentine utilized the Sales Comparison Approach to reach his estimate of fair market value for the subject property. In determining the fair market value, the appraiser divided the subject property into five separate units based on the improvements and use of the area.

**Sales Comparison Approach**

The appraiser analyzed twelve land sales to complete his analysis. After making adjustments for time, location, size, shape, and access, the adjusted land values ranged from

\$39.02/sf to \$150.50/sf. The appraiser concluded the value of the subject property (broken in five parcels) as follows:

Zone	Unit Value	Size (Net useable sq. ft.)	Estimated Value
<b>Zone A</b>	<b>\$65.00/sq. ft.</b>	<b>44,378</b>	<b>\$2,884,880</b>
<b>Zone B</b>	<b>\$65.00/sq. ft.</b>	<b>28,221</b>	<b>\$1,834,365</b>
<b>Zone C*</b>	<b>\$25.00/sq. ft.</b>	<b>146,405</b>	<b>\$2,910,125</b>
<b>Zone D</b>	<b>\$62.00/sq. ft.</b>	<b>35,330</b>	<b>\$190,460</b>
<b>Zone E</b>	<b>\$60.00/sq. ft.</b>	<b>79,460</b>	<b>\$4,767,600</b>
<b>Zone F</b>	<b>\$56.00/sq.ft</b>	<b>34,289</b>	<b>\$1,920,284</b>
<b>Billboards</b>			<b>\$ 130,000</b>
<b>TOTAL</b>		<b>368,083 sq. ft</b> 8.5 acres	<b>\$16,637,304</b> <b>\$16,637,000 RD</b>

\*Net value after deduction for removal of uncertified fill from site

In addition, there are 4 signboards on the subject property located on Mission Road. The signboards are approximately 12'x 24' in size and are lighted and double sided. The appraiser estimated the economic rent from these signboards at \$130,000.

**Summary and Recommendation:**

The recommended just compensation for Parcel WI-100 is based on the Sales Comparison Approach used by Mr. Valentine estimated at \$16,637,000(Rounded).

**Appraisal Summary: Improvements Pertaining to Realty:**

In valuing the “immovable” fixtures and equipment (F&E), the appraiser determined the replacement cost new, the fair market value in place and the liquidated value of the F&E. The fair market value in place is analyzed on the basis of the purchase cost new of the item less depreciation with consideration given for the additional cost incurred to place the asset in service. The appraiser concluded that the total fair market value in place for all of the “immovable” fixtures and equipment and four signboards at \$323,670. The total value is allocated between the owner and tenants located on the property.

**Recommended Just Compensation:**

Recommended Just Compensation for the fee simple interest, billboards and immovable fixtures and equipment for Parcel W1-100 is \$16,960,670.

Real Property:	\$16,637,000
Fixtures & Equipment:	<u>323,670</u>
<b>TOTAL</b>	<b>\$16,960,670</b>

# Entire Subject Property Appraiser's Economic Units

