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Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE  
JULY 21, 2005**

**SUBJECT: ACQUISITION OF 490 BAUCHET STREET**

**ACTION: APPROVE ACQUISITION OF 490 BAUCHET STREET**

**RECOMMENDATION**

Approve the acquisition of 490 Bauchet Street from Sempra Energy Utilities for a total purchase price of \$2,500,000 plus any required title and escrow fees.

**RATIONALE**

Los Angeles County Metropolitan Transportation Authority (LACMTA) is seeking to purchase the above-referenced property for construction of a new central warehouse building to be occupied by the Materiel and Logistics and Facilities Maintenance Departments. The property is strategically located adjacent to the Regional Rebuild Center (RRC) and will essentially be annexed directly into the RRC facility.

Provision of the additional bulk warehousing and maintenance space adjacent to the RRC is required to support further centralization of the warehousing and maintenance capabilities into an expanded RRC facility. This project will also allow the relocation of several Materiel and Facilities functions currently located at the South Park (Location 14) facility to this more centrally located facility.

The new warehouse building will be constructed to provide bulk material storage space for bus and rail materials, parts, supplies, and will provide shop space for Facilities Maintenance personnel displaced from South Park. Construction of the building will also free up storage space currently located within the RRC, allowing Facilities Maintenance to also relocate some additional functions, such as the sign printing shop into the RRC.

**Property Description**

The property is located at 490 Bauchet Street, Los Angeles and contains approximately 60,540 square feet or 1.39 acres. The site is currently improved with a building that will be demolished by Sempra prior to LACMTA's acquisition of the property. The property is currently contaminated with several chemicals that are by-products of the former Aliso Street Manufactured Gas Plant (MGP) that encompassed approximately 56 acres in the area located on the east side of downtown Los Angeles in the 1940s and early 1950s. Sempra has developed a

Remedial Action Workplan (“RAW”) in cooperation with the Department of Toxic and Substance Control (“DTSC”) that evaluated the most efficient methods to remediate the site so that the resultant contaminants will be reduced to a level that is protective of human health and the environment. Sempra has agreed to deliver a “No Further Action” letter from the DTSC stating that the soil on the property has been remediated to a level acceptable for industrial uses. The Purchase and Sale Agreement will document Sempra’s responsibility and associated liability for the remediation of the property.

### **Property Value**

LACMTA obtained an appraisal of the property in January 2005. Based on the appraisal prepared by an independent fee appraiser, the recommended fair market value of the property, as if environmentally clean, was \$2,420,000 or \$40/sq. ft. Sempra indicated that they were entertaining offers to acquire the property from several private entities that were interested in acquiring the property. They would consider a sale to LACMTA if we were able to meet the highest offer that they received. Sempra received an offer to acquire the property for \$2,500,000. Since this offer was only \$80,000 or 3.2% higher than LACMTA’s appraisal, staff made a conditional offer to purchase the property for \$2,500,000, subject to Board approval.

### **FINANCIAL IMPACT**

Funds for acquisition of the property are available in the approved FY06 budget under Cost Center 3341, Capital Project 202168, 490 Bauchet Street Project. Funds for construction of the new warehouse building will be budgeted in the future as an FY07 Capital Project.

### **ALTERNATIVE CONSIDERED**

If this parcel is not acquired, a search for a replacement facility will have to be undertaken. Due to the limited available properties in the vicinity of the RRC, it is not likely that a more suitable site would be found in proximity to the RRC without a substantial increase in costs or delay in availability due to contaminated soil. Sempra is in the process of remediating this site and expects to be completed by the end of the year.

### **NEXT STEPS**

Upon approval of the Board of Directors, LACMTA will acquire the subject property from Sempra. Facilities Engineering will complete design of the facility after acquisition, and construction of the facility would take place in FY07 pending approval of funding.

### **ATTACHMENTS**

**Attachment 1 – Parcel Plat**

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**Don Ott**  
**Executive Officer, Administration**



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**Roger Snoble**  
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