

BOARD OF DIRECTORS September 28, 2006

SUBJECT: PUBLIC HEARING RE: RESOLUTION VOLUNTARILY

ABANDONING PROCEEDINGS FOR THE ACQUISITION OF PARCEL WE-616 FOR THE METRO EXPOSITION LIGHT RAIL

PROJECT

ACTION: ADOPT RESOLUTION OF VOLUNTARY ABANDONMENT

RECOMMENDATION

A. Hold a public hearing on the proposed resolution of voluntary abandonment.

B. Adopt the attached Resolution of Voluntary Abandonment authorizing and directing the abandonment of any and all proceedings to acquire fee simple title to Parcel WE-616, including, but not limited to, an eminent domain lawsuit filed by LACMTA to acquire said Parcel.

RATIONALE

Acquisition of Parcel WE-616 was required in connection with the construction and operation of the Metro Exposition Light Rail Project ("Project") for the widening of the north side Jefferson Boulevard at LaCienega. The Final Environmental Impact Statement/Report (FEIS/R) was prepared and released in 2005. Both the FEIS/R and the PE Design were completed by the issuance of the Record of Decision (ROD) from the Federal Transit Administration in February 2006. A written offer was presented to the owners of record, as required by California Government Code Section 7267.2, which the property owner did not accept. Because the Property was needed to proceed with construction of the Project and the widening of Jefferson Boulevard at La Cienega, LACMTA staff recommended the acquisition of the Parcel WE-616 through eminent domain. On July 27, 2006, the LACMTA Board adopted a resolution of necessity to acquire the property and authorized the use of eminent domain.

The LACMTA has prepared and mailed notice of this hearing to the owners of record, each tenant occupying the Property, and the City of Los Angeles, among others with interests in the Property, informing them of their right to appear and be heard at this hearing. After all of the testimony and other evidence have been received by the LACMTA from all interested parties, the LACMTA must determine whether to voluntarily abandon any and all proceedings pursuant to its July 27, 2006 resolution of necessity to acquire Parcel WE-616 by eminent domain. In order to adopt the resolution, the LACMTA must, based upon all the evidence before it, find and determine that the acquisition of the subject property is no longer required by the Project. Attached is evidence (Attachment 1) submitted by staff that supports adoption of the attached Resolution that has been approved by counsel.

FINANCIAL IMPACT

The funds to acquire the fee simple interests to Parcel WE-616 are included in the approved Metro Exposition Light Rail Project Budget, and are available to conclude the voluntary abandonment of this proceeding.

ALTERNATIVE CONSIDERED

The Board has the option to withhold adoption of the Resolution of Voluntary Abandonment. This would result in the eminent domain action proceeding to acquire the subject property and increased cost to the Project.

ATTACHMENTS

Attachment 1 - Staff Report

Prepared by: Velma C, Marshall

Director of Real Estate

Roger Moliere

Executive Officer

Property Management and Development

Roger Snoble

Chief Executive Officer

STAFF'S REPORT REGARDING THE VOLUNTARY ABANDONMENT OF THE ACQUISITION OF PARCEL WE-616 FOR THE METRO EXPOSITION LIGHT RAIL PROJECT.

BACKGROUND

Parcel WE-616 is legally described in the attached Exhibit "A" and is generally depicted in the parcel plat map attached hereto as Exhibit "B", all of which are incorporated herein by this reference.

On July 27, 2006, LACMTA adopted a resolution of necessity for the acquisition of Parcel WE-616 because it was required in connection with the construction and operation of the Metro Exposition Light Rail Project ("Project"). The parcel number, address, and record owner (as indicated by title report issued by Orange Coast Title Company), and nature of the property interest which was to be acquired (based upon the Final Environmental Impact Study/Environmental Impact Report (FEIS/R) for the Metro Exposition Light Rail Project), is listed below:

Parcel Number	Parcel Address	Owner	Interest Sought
WE-616	3351 La Cienega Blvd 5633 – 5717 W.	Mauricio Pier, President La Cienega Jefferson, LLC, a	Fee Simple
	Jefferson Boulevard	California Limited Liability Company	

The property contains approximately 34,458 square feet of land and is improved with four buildings containing approximately 19,676 square feet. The property is occupied by the following tenants: Clear Channel Outdoor, Vista Media, Batz Auto Upholstery (Miguel Batz), Rick & Son Automotive (Richard Greenwood), Peter Thomashevski Architects (Peter Thomashevski), Limey Wood Shop (Jeff Titmass), Jefferson Recycling (Al Diament) and Classbenz.com (Mauricio Pier).

A written offer to acquire the fee simple interest to Parcel WE-616 was made to the property owner on June 7, 2006. The offer was rejected and the owner's opinion of the value of the property is substantially higher than the approved just compensation established by LACMTA. An acceptable settlement could not be reached with the owner of Parcel WE-616. Offers were also made to the owner and to each tenant to acquire the fixtures and equipment that was not considered moveable or realty.

Pursuant to the LACMTA's July 27, 2006 resolution of necessity, outside counsel for LACMTA in coordination with the County Counsel filed an eminent domain action to acquire the subject property on August 7, 2006. An offer to Vista Media for its advertising sign was accepted after the eminent domain lawsuit was filed. LACMTA's counsel has confirmed that Vista Media will

rescind the agreement to acquire its advertising sign contingent upon the approval of this resolution. Also, the offer to acquire fixtures and equipment from Limey Wood Shop was accepted. LACMTA staff has confirmed that Limey Wood Shop will rescind the agreement to acquire its fixtures and equipment contingent upon the approval of this resolution. LACMTA's staff and counsel are not aware of any other offers that were accepted.

On August 7, 2006, the LACMTA deposited probable compensation with the Court in the sum of \$3,197,245.00 for the acquisition of the subject property and obtained an order for pre-judgment possession, which will not be effective until 90 days after it was served on the defendants. Accordingly, the effective date of the order for prejudgment possession is on or after November 15, 2006, depending upon the date of service of the individual defendants. LACMTA staff is unaware of any tenants that have moved from the subject property or committed to a lease of space elsewhere.

On or about August 28, 2006, the property owner, La Cienega Jefferson, LLC filed an answer to the complaint in eminent domain and an application for withdrawal of \$3,100,000 of the amount on deposition with the Court as probable compensation in the eminent domain proceeding. LACMTA filed an objection to the application on the grounds that other parties had interests in the proceeds sought to be withdrawn, among other issues. The Court set a hearing on the objections to the property owner's application to withdraw money on deposit which is currently scheduled to be held on September 26, 2006.

The following is an analysis as to why the attached Resolution of Voluntary Abandonment should be adopted. Additional information justifying the adoption of the Resolution is contained in the FEIS/Report adopted by LACMTA on December 15, 2005 and the other environmental documents and analysis referenced therein.

The LACMTA Board voted to certify the Mid-City Exposition Light Rail Transit Project FEIS/R in December 2005. The Board adopted a modified Locally Preferred Alternative (LPA) with a rail route from 7th and Metro Center, via a connection along Flower Street in Downtown Los Angeles, to the Washington/National intersection in Culver City. The modified LPA incorporated the north side widening of Jefferson Boulevard west of La Cienega Boulevard. Prior to adoption by the Board, the FEIS/R was circulated and reviewed by interested and concerned parties, including private citizens, community groups, the business community, elected officials and public agencies. Public hearings were held to solicit citizen and agency comments.

Previously, it was believed that Parcel WE-616 was required for the widening of Jefferson Boulevard to the north in order to provide an additional left turning lane for automobile and bus traffic turning left onto La Cienega Boulevard. However, it has been determined that the acquisition of this Parcel and the widening of Jefferson Boulevard will no longer be necessary. Since this is a lesser included project, LACMTA staff believes that this reduction in work is considered in the environmental documents discussed above.

LACMTA staff believes that this reduction in the scope of the project would be in the interest of the greatest public good and the least private injury. In addition, LACMTA's staff and counsel are unaware of any facts that lead them to believe that the defendants named in the eminent domain proceeding have materially changed positions in reliance upon the LACMTA's resolution of necessity or the eminent domain action. Accordingly, it is recommended that the attached resolution be approved.

ATTACHMENTS

Resolution of Voluntary Abandonment

RESOLUTION OF THE

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY VOLUNTARILY ABANDONING THE ACQUISITION OF CERTAIN REAL PROPERTY FOR THE METRO EXPOSITION LIGHT RAIL PROJECT (MTA PARCEL WE-616)

THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY HEREBY FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:

Section 1.

The Los Angeles County Metropolitan Transportation Authority ("LACMTA") is a public entity organized and existing pursuant to Chapter 2 of Division 12 of the California Public Utilities Code (commencing with Section 130050).

Section 2.

On July 27, 2006, the LACMTA Board declared that the property interests described hereinafter were necessary to be taken for public use in connection with the development, construction, operation and maintenance of the Metro Exposition Light Rail Project ("Project") and the widening of Jefferson Boulevard.

Section 3.

The LACMTA hereby determines that it is no longer necessary to acquire the property interests described hereinafter for the Project. There has been no material change in position caused as the result of the LACMTA's resolution of necessity or the eminent domain action filed pursuant to it. Accordingly, the LACMTA hereby voluntarily abandons the acquisition of LACMTA Parcel WE-616 which is described below.

Section 4.

The property which is the subject of this resolution is located in the City of Los Angeles, and is more particularly identified as follows:

- (a) The fee simple title and to Parcel No. WE-616, containing approximately 34,458 square feet.
- (b) Parcel WE-616 is described in Exhibit "A," attached hereto, and is generally depicted in the Parcel Plat Map attached hereto as Exhibit "B," both of which are incorporated herein by this reference.

Section 5.

(a) The environmental impacts of the Project were evaluated in the Mid-City Exposition Light Rail Project Final Environmental Impact Report ("FEIR") and the Mid-City Exposition Light Rail Transit Project Final Environmental Impact Statement ("FEIS") for this Project; and

(b) The LACMTA has reviewed and considered the FEIR and FEIS and determined that the decision not to widen Jefferson Boulevard as part of the Project has no environmental impacts and thus requires no further environmental review.

Section 6.

LACMTA's legal counsel is hereby authorized and directed to take all steps necessary to voluntarily abandon any and all legal proceedings for the acquisition of Parcel WE-616. Said proceedings have been filed in a lawsuit in Los Angeles County Superior Court as Case No. BC356538. LACMTA's legal counsel is also authorized to take other actions as necessary to conclude the eminent domain proceedings and seek a dismissal order terminating the proceedings in court.

I, MICHELLE JACKSON, Secretary of the LACMTA, do hereby certify that the foregoing Resolution was duly and regularly adopted by the LACMTA at a meeting held on the 28th day of September, 2006.

DATED:_____ MICHELLE JACKSON
MTA Secretary

APPROVED AS TO FORM: RAYMOND G. FORTNER, JR. County Counsel

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Bv:			

Exhibit "A"

THE NORTHERLY 53.18 FEET OF THE SOUTHERLY 80.18 FEET OF THE WESTERLY 660 FEET OF THE EASTERLY 680 FEET OF LOT 29 IN THE SUBDIVISION OF THE SOUTHERN PORTION OF THE RANCHO RINCON DE LOS BUEVES, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 53 PAGE 25, OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID NORTHERLY 53.18 FEET AND SAID SOUTHERLY 80.18 FEET BEING MEASURED ALONG THE EASTERLY LINE OF SAID LOT.

EXCEPT THEREFROM THE EASTERLY 20 FEET THEREOF.

ALSO EXCEPT THAT PORTION OF SAID LAND INCLUDED WITHIN THE FOLLOWING DESCRIBED LINES:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF LA CIENEGA BOULEVARD, 100 FEET WIDE "FORMERLY JEFFERSON BOULEVARD", AS SHOWN ON THE MAP OF TRACT NO. 14457, RECORDED IN BOOK 309 PAGES 25 TO 27 INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY, WITH THE NORTHERLY LINE OF THAT CERTAIN STRIP OF LAND 100 FEET WIDE, AS DESCRIBED IN DEEDS TO THE LOS ANGELES AND INDEPENDENCE RAILROAD COMPANY RECORDED IN BOOK 47 PAGE 152 AND IN BOOK 53 PAGE 522, BOTH OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTHERLY ALONG SAID PROLONGATION, A DISTANCE OF 27.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE WESTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT, A DISTANCE OF 661.47 FEET, MORE OR LESS, TO THE WESTERLY LINE OF THE EASTERLY 680.00 FEET OF SAID LOT 29; THENCE NORTHERLY ALONG SAID WESTERLY LINE, A DISTANCE OF ONE FOOT TO A LINE THAT IS PARALLEL WITH AND DISTANT 28.00 FEET NORTHERLY, MEASURED AT RIGHT ANGLES, FROM SAID SOUTHERLY LINE; THENCE EASTERLY ALONG SAID LAST MENTIONED PARALLEL LINE, A DISTANCE OF 418.27 FEET; THENCE SOUTHERLY AT RIGHT ANGLES, A DISTANCE OF 0.60 FEET; THENCE EASTERLY PARALLEL WITH SAID SOUTHERLY LINE, A DISTANCE OF 129.20 FEET; THENCE NORTHERLY AT RIGHT ANGLES, A DISTANCE OF 0.60 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 28.00 FEET NORTHERLY, MEASURED AT RIGHT ANGLES, FROM SAID SOUTHERLY LINE; THENCE EASTERLY ALONG SAID LAST MENTIONED PARALLEL LINE TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 8.50 FEET, AND BEING TANGENT AT ITS POINT OF ENDING TO SAID NORTHERLY PROLONGATION; THENCE NORTHEASTERLY ALONG SAID CURVE TO ITS POINT OF ENDING; THENCE SOUTHERLY ALONG SAID PROLONGATION TO THE TRUE POINT OF BEGINNING.

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LOS ANGELES, STATE OF CALFORNIA.				
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