



**REGULAR BOARD MEETING
JULY 24, 2008**

**SUBJECT: NEW PICO/RIMPAU BUS TERMINAL AT THE MIDTOWN CROSSINGS
DEVELOPMENT PROJECT**

**ACTION: ADOPT FINDING REGARDING THE FINANCING OF CONSTRUCTION
FOR THE NEW PICO/RIMPAU BUS TERMINAL**

RECOMMENDATION

Adopt a finding, pursuant to Section 33445(a)(2) of the California Health and Safety Code, that Los Angeles County Metropolitan Transportation Authority ("LACMTA") had no other reasonable means to finance the construction of the new Pico/Rimpau Bus Terminal except to require the new facility as part of the consideration for the sale of LACMTA's former Terminal 40 site to Etoile Holding (now CIM/PICO, the "Developer") in June 1999.

RATIONALE

The Community Redevelopment Agency of Los Angeles ("CRA/LA") has requested that we adopt a finding to meet the requirements of the California Health and Safety Code Section 33445(a)(2) ("Code Section"), that we have no other reasonable means of financing the new Pico/Rimpau bus terminal at the time the former terminal was approved for sale to the Developer.

The new Pico/Rimpau bus terminal was constructed by the Developer at a cost of \$5,185,159. CRA/LA has agreed to provide financial assistance to the Developer to cover certain costs of the public improvements associated with the development project including the bus terminal. The disbursement of the CRA/LA funds is contingent on our making the finding pursuant to the Code Section.

Background

In April 2005, we entered into a Development Agreement with the Developer for the sale our property located at 4646 West Pico Boulevard, Los Angeles ("Terminal 40"). The Developer planned to construct a commercial/retail development on the property bounded by Pico Boulevard on the north, San Vicente Boulevard on the west, Venice Boulevard on the south and West Boulevard on the east. Terminal 40 was surrounded by the developer's property

and was needed to complete the project. In exchange for our agreement to sell Terminal 40, the Developer agreed to (1) pay us \$650,000 as the Fair Market Value of our property; (2) construct a new transit terminal built to our specifications and operational needs, on adjacent Developer owned property at the Developer's sole cost and expense; (3) pay the operating expenses, landscaping, power sweeping and janitorial of the common areas, for the new terminal; (4) grant to us a permanent easement to the land that the new terminal will occupy; and (5) grant to us a non-exclusive easement for ingress and egress across the Developer's property to access the new terminal.

The sale of the Terminal 40 property to the Developer was consistent with our policy to pursue development of properties adjacent to transit facilities in order to increase ridership, improve safety and security, provide public amenities, increase economic development and increase our revenue. The proposed project addressed all of the aforementioned development goals.

However, the operational requirements of Terminal 40 were essential to the bus services provided by Santa Monica buses and us. The bus terminal was a 24-hour facility and served over 32,000 daily riders. A replacement terminal was a key component of the agreement to sell the property. Funds were not available in our operating or capital budget to build a new terminal to replace Terminal 40. Replacement of the terminal was not included in the current Long Range Plan nor contemplated in the immediate future. No other reasonable means of financing the replacement of the Terminal were available to us except to require the Developer to build the replacement facility at its sole cost and to provide all the associated property rights.


FINANCIAL IMPACT

There is no financial impact to us as a result of adopting this finding. The transit facility is built and operating. This action is required to permit CRA/LA to reimburse the developer for funds expended in building the facility

ALTERNATIVES CONSIDERED

The alternative available to the Board is to not adopt the recommended finding. This action is not recommended. The CRA/LA has approved funding to reimburse the developer and only needs our adoption of a finding that funds were not available from LACMTA to construct the facility. Funds were not available, the developer agreed to provide the funds to construct the facility and CRA/LA has agreed to reimburse the developer since the transit center is a vital community facility for the mid-town area.

Prepared By: Velma C. Marshall
Deputy Executive Officer - Real Estate



Roger Moliere
Chief, Real Property Management
and Development



Roger Snoble
Chief Executive Officer

