



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
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TO: BOARD OF DIRECTORS AUGUST 8, 2003

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER 

FROM: JAMES L. de la LOZA
EXECUTIVE OFFICER 

SUBJECT: REPORT ON BENEFIT ASSESSMENT DISTRICTS
AGREEMENTS

ISSUE

This Board Box Item outlines the MTA staff actions taken on Benefit Assessment Districts A1 and A2 cases during January 2003 through July 2003. This report is submitted as an informational item. No Board action is required.

BACKGROUND

The Benefit Assessment Districts Program has an established appeals process (adopted on July 11, 1985 and amended by the MTA Board) for owners who have issues regarding the assessment on their property. In most cases, MTA staff and the owners can agree on the proper assessment after reviewing all the relevant information. Written stipulations are then drawn up on properties that have changed their uses to manufacturing, nonprofit, residential hotel and/or vacant due to code, specifying the revised assessment. Properties that involve calculation issues, in most cases, are changed administratively (without stipulations). The MTA Legal Department reviews such stipulations before the property owner and MTA Chief Executive Officer or designee sign an agreement. Attached is a report listing the agreements executed and a listing of the properties that had their assessments administratively changed for the period between January 2003 through July 2003 (Attachment 1).

All the agreements have been executed and MTA staff has notified the Los Angeles County Assessor's Office about the revisions. The property owners are issued new Joint Consolidated Tax Bills reflecting the revised assessments as a result of the approved agreements.

These revised assessments can be made without substantially reducing the amount required to repay the A1 and A2 Districts bonded indebtedness. The annual assessments during this period was reduced slightly to **\$13.34 million** for District A1 and remained unchanged for District A2.

NEXT STEPS

The next status update will be issued in January 2004.

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Benefit Assessment Districts Program

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ATTACHMENT 1

The following is a list of the three agreements executed during the period of January 2003 through July 2003 in which all parties concurred on the revised square footage and reduced assessments.

1. **Case Number A1-016-01 located at 721 South Main Street**

Dewey Hotel Limited Partnership requested a reduction in the Property's assessment because the improvement is non-profit owned and used. A field survey, Articles of Incorporation that verifies the non-profit status of the Property owner, and the property's Joint Consolidated Tax Bill issued by Los Angeles County Assessor's office indicating Welfare Exemption, all verify the non-profit status of the owner and Property. The agreement reduces the Property's assessment from \$5,816 to \$0.

2. **Case Number A1-02-02 located at 501 South Broadway Street**

Harpro LLC requested a reduction in the Property's assessment because the improvement is vacant due to regulatory code above the first floor. A field survey and an application for Building Permit, and Certification of Occupancy issued July 10, 2002 issued by the City of Los Angeles all substantiate that the building is vacant due to regulatory code. The agreement reduces the Property's assessment from \$64,946 to \$5,840.

3. **Case Number A1-004-02 located at 224 East Boyd Street**

Boyd Hotel Limited Partnership requested a reduction in the Property's assessment because the improvement is non-profit owned and used. A field survey, Articles of Incorporation that verifies the non-profit status of the Property owner, and City of Los Angeles Housing Department Approval of Non-profit status document all verify the non-profit status of the owner and Property. The agreement reduces the Property's assessment from \$2,389 to \$0.