



fce
Los Angeles County
Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

Mailing Address:
P.O. Box 194
Los Angeles, CA 90053

September 17, 1996

TO: BOARD OF DIRECTORS

FROM: JAMES de la LOZA *[Signature]*

SUBJECT: QUARTERLY REPORT (JUNE 1996 THROUGH SEPTEMBER 1996) ON BENEFIT ASSESSMENT AGREEMENTS

ISSUE

This Board Box Item outlines the MTA staff actions taken on Benefit Assessment Districts A1 and A2 cases during June 1996 through September 1996).

BACKGROUND

The Benefit Assessment District Program has an established appeals process (adopted on July 11, 1985 and amended by the MTA Board) for owners who regard the assessment on their property to be excessive or incorrect. 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 specifying the revised assessment. The MTA Legal Department reviews such stipulations before the property owner and MTA Chief Executive Officer or his designee sign an agreement. Attached is a report listing the agreements executed for the period between June 1996 to September 1996 (Attachment 1).

Frank Flores, Deputy Executive Officer, Capital Planning has signed the agreements as the MTA Chief Executive Officer's designee. MTA staff has notified the Los Angeles County Assessor's Office about the revisions. The property owners will be 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 this quarter were reduced from \$11.21 million to \$11.10 million for District A1 and from \$615,000 to \$606,000 for District A2.

Prepared by: Carol Dedeaux

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ATTACHMENT

The following is a list of the eight agreements executed during the period of June 1996 through September 1996 in which all parties concurred on the revised square footage and reduced assessments.

1. **Case Number A1-006-95, located at 319 West 5th Street**

Ruth Reinstein requested a reduction in the property's assessment because the building is vacant due to regulatory code. A field survey and review of the documentation from the City of Los Angeles substantiate the building is vacant due to regulatory code. The agreement reduces the assessment on the property from \$1,578 to \$1,126.

2. **Case Number A1-007-95, located at 315 West 5th Street**

449 South Broadway , L.L.C. requested a reduction in the property's assessment because the building is vacant due to regulatory code. A field survey and review of the documentation from the City of Los Angeles substantiate the building is vacant due to regulatory code. The agreement reduces the assessment on the property from \$31,538 to 46,768.

3. **Case Number A1-011-95, located at 409 West Olympic**

Ebrahim Banafsheha requested a reduction in the property's assessment because the property is used for manufacturing and wholesale uses. A field survey and review of the documentation from the City of Los Angeles substantiate the building uses. The agreement reduces their assessment on the property from \$26,010 to \$4,354.

4. **Case Number A1-012-95, located at 725 South Figueroa**

PPLA Plaza Limited Partnership requested a reduction in the property's assessment because the size of the property was incorrectly calculated. A review of the building plans substantiate the new square footage. The agreement reduces their assessment on the property from \$247,989 to \$203,044.

5. **Case Number A1-013-95, located at 634 South Spring**

The Mexican American Legal Defense and Educational Fund (MALDEF) requested a reduction in the property's assessment because the property is owned and occupied by nonprofit organizations. A field survey and review of the documentation from the City of Los Angeles and the State of California substantiate the nonprofit status of the property. The agreement reduces the assessment on the property from \$15,745 to \$0.

6. **Case Number A1-015-95, located at 112 West 5th Street**

Wangs' Trust requested a reduction in their property's assessment because the improvement is used as a residential hotel. A field survey and review of the documentation from the City of Los Angeles substantiate the building is used partially as a residential hotel. The agreement reduces the assessment on the property from \$21,083 to \$8,874.

7. **Case Number A2-001-95, located at 611 South Westlake Avenue**

Da-Yuh Development requested a reduction in the property's assessment because the building is partially used as a residential hotel. A field survey and review of the documentation from the City of Los Angeles substantiate that the building is used partially as a residential hotel. The agreement reduces the assessment on the property from \$7,742 to \$4,275.

8. **Case Numbers A2-003-95, A2-003-95 and A2-004-95, located at 511 South Bonnie Brae**

Jack Fullerton, et al requested a reduction in the properties' assessments because the building use was changed to residential apartment units. A field survey and review of the documentation from the City of Los Angeles substantiate that the properties use has been changed to residential apartment units. The agreement reduces the assessment on the properties from a total of \$5,432 to \$0.