



July 28, 1998

TO: BOARD OF DIRECTORS

FROM: JAMES L. de la LOZA, EXECUTIVE OFFICER

**SUBJECT: QUARTERLY REPORT
(JANUARY 1998 THROUGH JUNE 1998)
ON BENEFIT ASSESSMENT AGREEMENTS**

Los Angeles County
Metropolitan
Transportation
Authority

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ISSUE

This Board Box Item outlines the MTA staff actions taken on Benefit Assessment Districts A1 and A2 cases during January 1998 through June 1998. This report is submitted as a 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 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 on properties that have changed their uses to manufacturing nonprofit, residential hotel and/or vacant due to code, specifying the revised assessment. Properties that have been incorrectly calculated 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 1998 through June 1998 (Attachment 1).

Frank Flores, Deputy Executive Officer, Capital Development and Programming 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 for this period were reduced from \$11.183 million to \$10.881 million for District A1 and \$0.584 million to \$0.580 million for District A2.

Prepared by: Carol Dedeaux, Transportation Program Manager
Benefit Assessment Districts Program

5. **Case Number A1-04-97, located at 1054 Wilshire Boulevard, Los Angeles**

Goldsun One, Inc. requested a reduction in the property's assessment because the improvement had been demolished and the property is now vacant land. A field survey substantiated that the building had been demolished. The agreement reduces the assessment on the property from \$3,570 to \$1,614.

6. **Case Number A1-06-97, identified as parcel 5173-019-010, Los Angeles**

Leung and Carson Hom requested a reduction in the property's assessment because the improvement was incorrectly calculated. The Assessor's Office had submitted the incorrect square footage for the parcel. However, the legal description and plot map of the parcel substantiate the parcel was incorrectly calculated. The agreement reduces the assessment on the property from \$ 3,744 to \$1,458.

7. **Case Number A1-07-97, located at "the Hall of Records", Los Angeles**

The Los Angeles Philharmonic requested an exemption because the Association is a non profit agency located in the City's Hall of Records building. Documents from the Internal Revenue Service stating that the Los Angeles Philharmonic Association was recognized to be exempt from the Federal income tax as described in Section 501 (c) (3) of the Internal Revenue Code verifies the claim. The agreement reduces the assessment on the property from \$502 to \$0.

8. **Case Numbers A1-08-97 and A1-09-97, located at 646 and 740 South Broadway, Los Angeles**

646 South Broadway Associates LLC and 740 South Broadway Associates, LLC requested a reduction in the properties' assessments because the improvements are vacant due to regulatory code. If a building or part of a building must be kept vacant due to building , fire, safety, or other regulatory codes as enforced by a governmental jurisdiction, that building or portion is not assessable. A field survey and review of the documents from the City of Los Angeles, Department of Fire substantiate the building is vacant and cannot be occupied due to City regulatory code requirements. The agreement reduces the assessment on the property from \$20,883 to \$4,121.

9. **Case Number A1-10-97, located at 617 West 7th Street, Los Angeles**

Hiro Real requested a reduction in the property's assessment because the improvement is vacant due to regulatory code. If a building or part of a building must be kept vacant due to building, fire, safety, or other regulatory codes as enforced by a governmental jurisdiction, that building or portion is not assessable. A field survey and a letter from the City of Los Angeles, Department of Building and Safety substantiates the building is vacant due to regulatory code. The agreement reduces the assessment on the property from \$44,096 to \$6,784.

10. Case Number A1-11-97, located at 737 South Broadway, Los Angeles

Stanley Black requested a reduction in the property's assessment because the improvement is vacant due to regulatory code above the first floor and that the improvement square footage was incorrectly calculated. If a building or part of a building must be kept vacant due to building, fire, safety, or other regulatory codes as enforced by a governmental jurisdiction, that building or portion is not assessable. A field survey and a letter from the City of Los Angeles, Department of Building and Safety substantiate the building is vacant due to regulatory code and that the improvement was incorrectly calculated. The agreement reduces the assessment on the property from \$12,852 to \$1,681.

11. Case Number A1-12-97, located at South Grand, LLC, Los Angeles

South Grand, LLC requested a reduction in the property's assessment because the improvement is vacant due to regulatory code. If a building or part of a building must be kept vacant due to building, fire, safety, or other regulatory codes as enforced by a governmental jurisdiction, that building or portion is not assessable. A field survey and review of the documentation from the City of Los Angeles, Department of Building and Safety substantiate the building is vacant due to regulatory code. The agreement reduces the assessment on the property from \$10,724 to \$1,585.

12. Case Number A1-13-97, located at 217-219 West 6th Street, Los Angeles

Ezra Aslan 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 buildings uses. The agreement reduces the assessment on the property from \$2,906 to \$837.

13. Case Number A2-01-97, located at 417 South Bonnie Brae, Los Angeles

Jen Hou Wung, requested an exemption in the property's assessment because the improvement is a residential apartment building and that there is no retail on the premises. A field survey and review of the documentation from the Old Republic Title Company substantiates the improvement is a residential apartment building. The agreement reduces the assessment on the property from \$3,774 to \$0.

14. Case Number A2-02-97, located at 1920 West 3rd, Los Angeles

Rev. Emmanuel N. Ku of the Korean Church of Southern California requested an exemption because the property is owned and used by a non-profit organization. A field survey and documentation from the Internal Revenue Service stating that the Korean Church of Southern California was recognized to be exempt from the Federal income tax as described in Section 501 (c) (3) of the Internal Revenue Code substantiate the exemption. The agreement reduces the assessment on the property from \$1,387 to \$0.

The following is a list of the properties that have had their assessment changed administratively because the properties were incorrectly calculated:

1. Case Number A1-02-97, identified as parcel 8940-365-261, Los Angeles

Five Star Parking requested a reduction in the property's assessment because the property square footage was incorrectly calculated. Five Star Parking is a possessory interest parking lot located in the Music Center. A possessory interest is an assessable interest that is located within an exempt property. The original assessment was based on 1,463,171 square feet of assessable office space instead of non-assessable parking. The assessment was reduced from \$248,739 to \$43,246.

2. Case Number A1-16-97, located at 201 North Los Angeles Street, Los Angeles

Arlene Lee requested a reduction in the property's assessment because the property's square footage was incorrectly calculated. The Assessor's Office had submitted the incorrect square footage for the parcel. However, a copy of the floor plan and lease agreement for the improvement substantiates the area was incorrectly calculated. The assessment was reduced from \$255 to \$186.

ATTACHMENT 1

The following is a list of the fourteen agreements executed during the period of January through June 1998 in which all parties concurred on the revised square footage and reduced assessments.

1. Case Number A1-013-96, located at 222 S. Hill Street, Los Angeles

Kaichiro Kawada requested a reduction in the property's assessment because the building was incorrectly calculated. A field survey showed the building has 5 irregular shaped stories and that 7 stories had been calculated for the assessment. The agreement reduces the assessment on the property from \$9,738 to \$8,046.

2. Case Number A1-20-96, located at 1000 West 6th Street, Los Angeles

Westover Holding, Inc. requested a reduction in the property's assessment because the improvement is vacant due to regulatory code. If a building or part of a building must be kept vacant due to building, fire, safety, or other regulatory codes as enforced by a governmental jurisdiction, that building or portion is not assessable. A field survey and review of the documentation from the Department of Building and Safety, Fire Safety Deficiency Notice substantiates that the building is vacant due to regulatory code. The agreement reduces the assessment on the property from \$19,009 to \$10,441.

3. Case Number A1-22-96, located at 700 Wilshire Boulevard, Los Angeles

Lloyd Butler Family Trust requested a reduction in the property's assessment because the improvement is vacant due to regulatory code. If a building or part of a building must be kept vacant due to building, fire, safety, or other regulatory codes as enforced by a governmental jurisdiction, that building or portion is not assessable. A field survey and review of the documents from the Department of Building and Safety stating that the building is not in compliance with the Los Angeles Municipal Code, Section 91.8604, substantiate the building is vacant due to regulatory code. The agreement reduces the assessment for the property from \$12,913 to \$2,325.

4. Case Number A1-03-97, located at 226 South Main Street, Los Angeles

The Roman Catholic Archbishop of Los Angeles requested a reduction in the property's assessment because the improvement had been demolished and the property is now vacant land. A field survey substantiated that the building had been demolished. The agreement reduces the assessment on the property from \$7,625 to \$3,147.