

12

12

May 2, 1997



TO: BOARD OF DIRECTORS

FROM: LINDA BOHLINGER
INTERIM CHIEF EXECUTIVE OFFICER

Linda Bohlinger

Los Angeles County
Metropolitan
Transportation
Authority

**SUBJECT: AUTHORIZATION TO SELL APPROXIMATELY 29,167
SQUARE FEET OF RAILROAD RIGHT-OF-WAY IN SANTA
CLARITA**

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

RECOMMENDATION

Authorize the sale of two parcels of rail right-of-way located in the City of Santa Clarita, totaling approximately 29,167 square feet in area (the "Sale Property"), to the City of Santa Clarita (the "City") for \$263,000 to accommodate the widening of Railroad Avenue.

ORGANIZATIONAL IMPACT

The proposed sale will have no impact on the organization of the MTA.

BUDGET IMPACT

The sale of this property will result in net revenue of \$153,162 to the MTA. This amount represents 50% of the \$263,000 sale price, or \$131,500, plus an additional \$21,662 in compensation for lost lease revenue. The lost lease revenue results from a portion of an MTA lease located off of the Sale Property, but severed from the rest of the tenant's operations as a result of the sale. Since 50% of the MTA's 1991 purchase of the right-of-way was financed by Proposition 108 State Rail Bonds, the other 50% of the \$263,000 sales price will need to be refunded to the State or reprogrammed for use on another Los Angeles County transit project. Staff and the State are currently examining reprogramming options. Additional compensation for lost lease revenue from an advertising sign located just off of the Sale Property could be realized by the MTA, if the City chooses to remove the same to accommodate the road widening project. At present, the City is contemplating their alternatives with respect to this sign.

ALTERNATIVES CONSIDERED

The MTA could decline to sell the property to the City, but this alternative is not recommended for a number of reasons: (i) the City has threatened to condemn the Sale Property if we do not agree to sell it; (ii) the Sale Property is surplus to the needs of the

MTA and the SCRRA; (iii) just compensation is being offered for the Sale Property; (iv) the sale will generate revenue to the MTA; and (v) the road widening project planned by the City for the Sale Property will improve access to the new Newhall Metrolink Station planned for the area.

BACKGROUND/DISCUSSION

The Sale Property consists of two, approximately 14-foot-wide strips of railroad right-of-way lying adjacent to Railroad Avenue in the community of Newhall, city of Santa Clarita. The first strip measures approximately 1,184 feet in length, running between San Fernando Road and 8th Street. The second strip measures approximately 1,007 feet in length, running between 6th Street and San Fernando Road. The Sale Property is shown on Attachment "A".

The City has made an offer to purchase the Sale Property for \$263,000 (\$9.00 per square foot). Staff appraisers have reviewed the City's offer and the appraisal backing the same and have determined that the offered purchase price represents just compensation for the Sale Property.

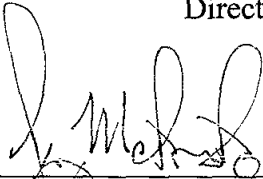
As part of the sale, the City will acquire approximately 2,380 square feet of a 5,950 square foot leasehold the MTA has granted to Bill Foster d.b.a. Bill's Muffler Service. The remaining 3,570 square feet of the leasehold will be severed from Mr. Foster's adjoining use by the Sale Property, and, will be of no further use to him. As such, the City has agreed to compensate the MTA for its lost revenue in the severed portion of the leasehold. The MTA's lost revenue has been valued at \$21,662. In addition, the MTA's rights in various utility crossing agreements will be assigned to the City to the extent of such rights over the Sale Property.

The City has agreed to coordinate its road widening project with the adjoining Newhall Metrolink Station project. In addition, the City has agreed to purchase the Sale Property in "as is" condition and pay all closing costs involved with the sale. The City has further agreed to follow applicable law with respect to relocating any businesses located on the Sale Property and the payment of goodwill as the result of the same.

ATTACHMENTS

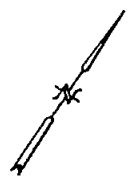
Attachment "A" - Plat of the Sale Property

Prepared by: Velma C. Marshall
Director of Real Estate



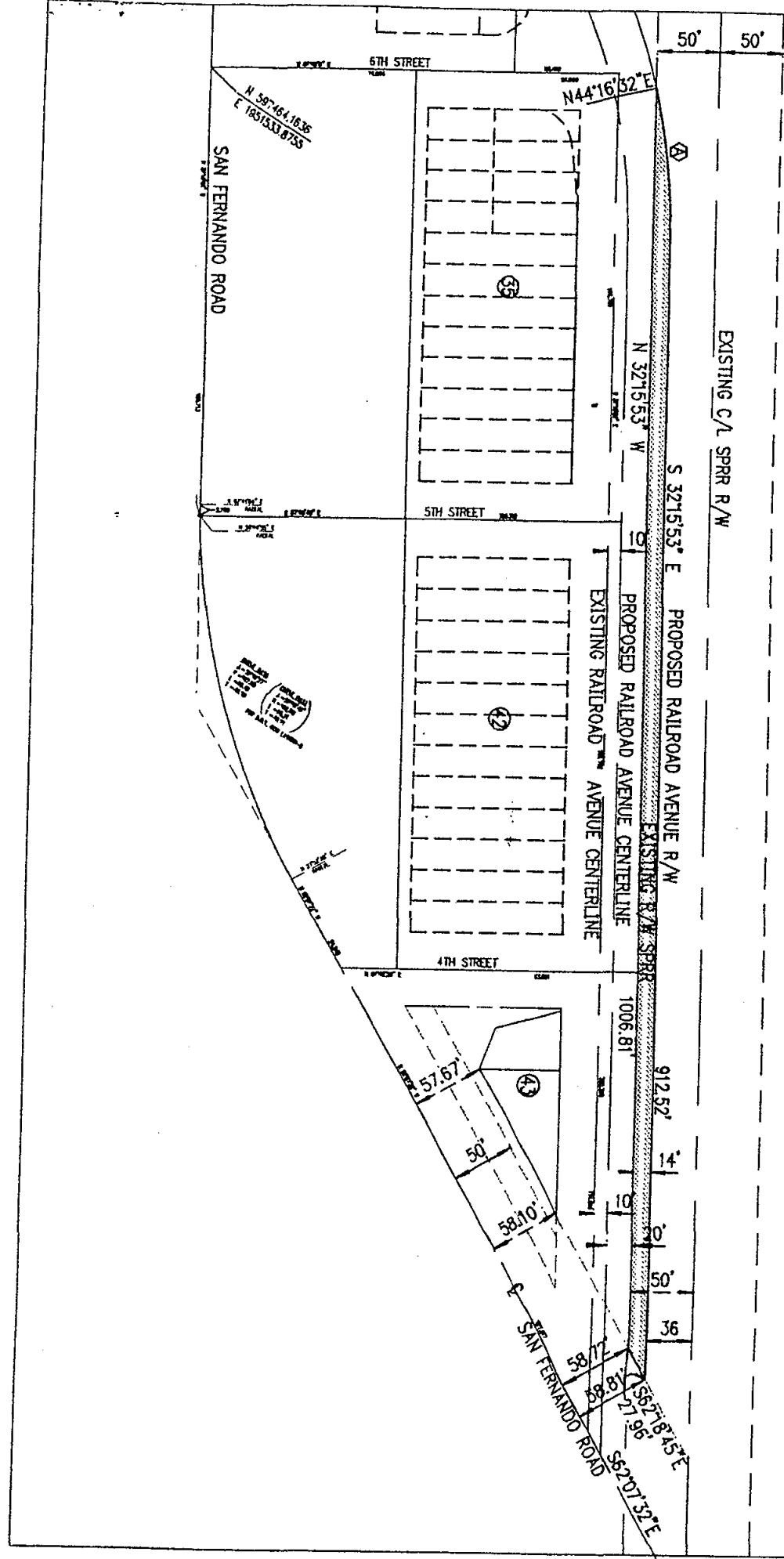
TERRY MATSUMOTO
Interim Deputy Chief Executive Office

CURVE DATA
 $\Delta = 132^{\circ}6'36''$
 $R = 509.72$
 $L = 119.60$

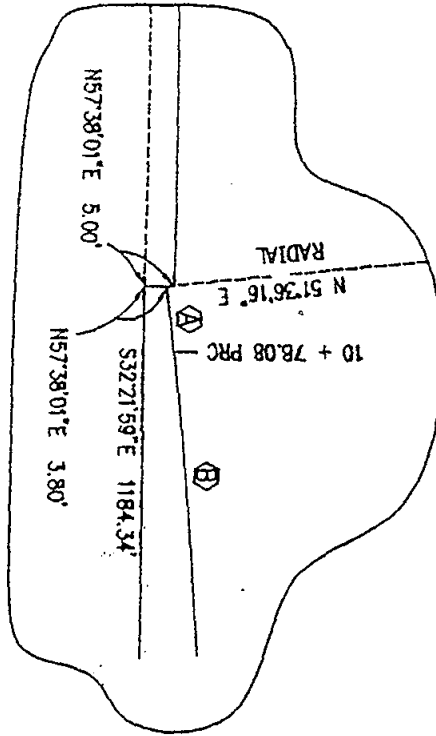


SANTA CLARITA RAILROAD AVENUE
 AREA = 413,715 SQUARE FEET
 SCALE 1" = 120'

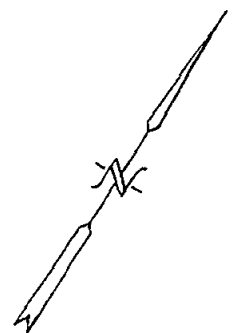
Attachment "A"
 (Page 1 of 2)



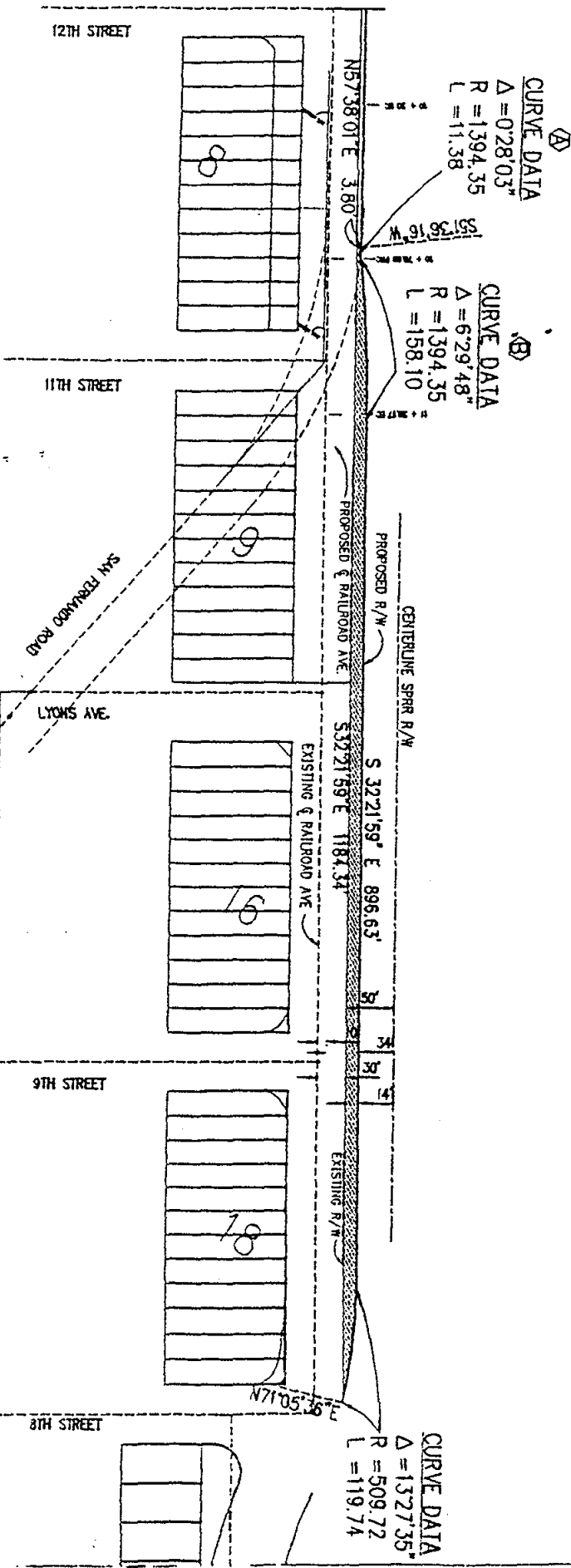
SANTA CLARITA - RAILROAD AVENUE
 AREA = 15,452 SQUARE FEET MORE OR LESS



NO SCALE



Attachment "A"
 (Page 2 of 2)



CURVE DATA
 $\Delta = 0^{\circ}28'03''$
 $R = 1394.35$
 $L = 11.38$

CURVE DATA
 $\Delta = 6^{\circ}29'48''$
 $R = 1394.35$
 $L = 158.10$

CURVE DATA
 $\Delta = 13^{\circ}27'35''$
 $R = 509.72$
 $L = 119.74$