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May 28, 1997



Los Angeles County
Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

TO: BOARD OF DIRECTORS

FROM: LINDA BOHLINGER
INTERIM CHIEF EXECUTIVE OFFICER

**SUBJECT: PUBLIC HEARING RE: NECESSITY FOR THE
ACQUISITION OF THAT CERTAIN REAL PROPERTY
LEASEHOLD INTEREST LOCATED AT 11277 CHANDLER
BOULEVARD, (C3-823) THE NORTH HOLLYWOOD
DISTRICT OF THE CITY OF LOS ANGELES**

RECOMMENDATION

The MTA should open the hearing on the proposed condemnation of the above described property interests, ask for the oral presentation of the staff report and take testimony from the record owner(s) or their representative(s) and from any representative of the City of Los Angeles who wishes to be heard on the above issues.

If the evidence warrants the necessary findings, it is recommended that the MTA make such findings and adopt the attached Resolution of Necessity authorizing the commencement of an eminent domain action to acquire the subject property interests.

ORGANIZATIONAL IMPACT

Acquisition of Parcel C3-823 is required for the construction and operation of the Metro Red Line, Segment 3 - North Hollywood Project.

BUDGET IMPACT

The acquisition of Parcel C3-823 is included in the approved Metro Red Line, Segment 3 - North Hollywood Project Budget, and funds are available to proceed with this acquisition.

ALTERNATIVE CONSIDERED

The subject property is required for the construction and operation of the Metro Red Line North Hollywood Station. The Board has the option to withhold adoption of the Resolution of Necessity. This would result in an additional delay in obtaining possession of the required property, and thereby cause delays and increased costs to the Metro Red Line, Segment 3 - North Hollywood Project.

BACKGROUND

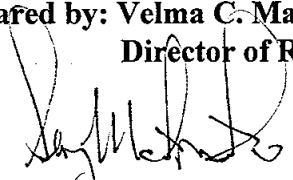
Pursuant to California Government Code Section 7267.2, a written offer was presented to the tenant for the leasehold interest of real property, on May 14, 1997, for the acquisition of MTA Parcel C3-823. To date, the offer has not been accepted because of the tenants claim of a substantial leasehold interest in the property owned by the MTA. Because of the imminent need of the subject property for construction purposes, staff recommends the acquisition of the subject property interests through eminent domain.

In accordance with the provisions of the California eminent domain law and Section 130220.5 of the California Public Utilities Code (which authorizes the MTA to acquire property by eminent domain), the MTA has prepared and mailed the required notice of this hearing to the record owner and the City Clerk of the City of Los Angeles, in order to allow him and his representatives an opportunity to appear at this hearing and be heard on the following issues (1) Whether the public interest and necessity require the proposed Project; (2) Whether the proposed Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; (3) Whether the subject property interest, which is the subject of this proceeding, is necessary for the proposed Project; and (4) Whether an offer was made in compliance with Government Code Section 7267.2. After all of the evidence has been received by the MTA from all interested parties, the MTA must make a determination as to whether the public interest and necessity require the acquisition of the subject property interest. In order to authorize the acquisition of the property interest, the MTA must, based upon all the evidence before it, find and determine that the questions stated above have been satisfactorily answered. If these findings and determinations are made, the MTA, in the exercise of its discretion, may then adopt a Resolution of Necessity which authorizes the acquisition of the subject property interest by eminent domain. Attached is evidence (Attachment 1) submitted by staff which supports adoption of the attached Resolution that has been approved by counsel, and which sets forth the required findings.

ATTACHMENTS

- Attachment 1 - Staff Report
- Attachment 2 - Resolution of Necessity

Prepared by: Velma C. Marshall
Director of Real Estate



Terry Matsumoto
Interim Deputy Chief Executive Officer
Finance and Administration

APPROVED AS TO FORM:
Dewitt W. Clinton
County Counsel


Deputy

ATTACHMENT 1

STAFF REPORT REGARDING THE NECESSITY FOR THE ACQUISITION OF PARCEL C3-823 FOR THE METRO RED LINE, SEGMENT 3 - NORTH HOLLYWOOD STATION PROJECT

BACKGROUND

The subject property is required for the construction and operation of the Metro Red Line North Hollywood Station. Parcel C3-823 consists of a lease with a fast food establishment known as "Bud's Red Hots" and is located at 11277 Chandler Boulevard, North Hollywood. The lease has been in effect since January 12, 1987 and was assigned to the Los Angeles County Metropolitan Transportation Authority (MTA) on March 12, 1991 as part of the assignment of leases, after the acquisition of the Burbank Right of Way.

The subject improvements are located on a designated portion of a 5.11 acre parcel of land situated between Chandler Boulevard and Tujunga Avenue to the west, and Lankershim Boulevard to the east. The area occupied by the lessee is approximately 1,296 square feet (27 feet wide by 48 feet deep) and is improved with a 345 (15 feet by 23 feet) square foot building.

The lease includes a termination clause which may be enforced, however, because the termination is the result of a public improvement project (construction of the Metro Rail North Hollywood station), the lessee is being offered the fair market value for any and all lessee owned improvements. The acquisition of the property interest of Parcel C3-823 consists of a leasehold interest needed for the widening of Chandler Boulevard.

A written offer was personally made to the tenant on May 14, 1997 for the acquisition of the required property interest. During subsequent telephone conversations, the tenant indicated his rejection of the MTA's acquisition offer and an unwillingness to negotiate a settlement.

Following is an analysis as to whether the public interest and necessity require the acquisition of the subject property interests.

A. The public interest and necessity require the Project.

The public interest and necessity require the project for the following reasons:

1. The project will provide significant improvements in transportation and attendant access to economic (employment) opportunities for low income, elderly, young, and handicapped persons living in the Los Angeles area;
2. Implementation of the project will result in annual regional energy savings of 2,759 billion BTUs;

3. The project will reduce the need for parking in the Hollywood and Universal City districts of the City of Los Angeles by providing an alternative means of transportation competitive in rush-hour travel times with the automobile;
4. The project will be a major link in the 150-mile county-wide rail transit system, and will thereby provide alternative means of transportation during fuel crises and increased future traffic congestion;
5. The project will generate increased economic activity in the area, resulting in the following estimated regional benefits in the year 2000:
 - \$35-70 million in secondary economic activity;
 - \$8.6-15.1 million in additional annual recurring sales and property taxes;
 - 3,000-5,000 full-time equivalent project-related work force.

It is recommended that based on the above evidence the MTA find and determine that the public interest and necessity require the Project.

- B. The proposed Project is planned and located in the manner that will be the most compatible with the greatest public good and least private injury.

On December 19, 1988, the Los Angeles County Transportation Commission (now referred to as the Los Angeles County Metropolitan Transportation Authority) became the grantee for Metro Rail and subsequently agreed to negotiate with the Federal Transportation Administration for federal funding for Segment 3 of the Metro Red Line Project. Segment 3 consists of three extensions of approximately 11.6 miles. The three extensions include the North Hollywood Extension, the Mid-City Extension, and the East Side Extension

The focus of this finding of Necessity is the development of the North Hollywood Station for the North Hollywood Extension. This Extension begins just west of the Hollywood/Vine Station of the Metro Red Line, Segment 2 Project, and continues west under Hollywood Boulevard to the Hollywood/Highland Station. From this station, the alignment turns northwest, under the Hollywood Hills, to the Universal City Station, and terminates at the North Hollywood Station located at Lankershim Boulevard and Chandler Boulevard.

This alignment was selected following substantial community involvement in the process. Three public hearings were held on various options. Numerous public meetings were held within the community, and elected officials, business leaders, neighborhood organizations and interested citizens were consulted throughout the process.

It is anticipated that this locally preferred alternative alignment (LAP) will have daily rail boardings of just under 300,000. The project may promote additional growth and the concentration of development in designated Centers. Additional property tax and sales tax revenues will accrue to the City of Los Angeles as a result of new development

occurring in conjunction with the Project. The loss of property tax revenue from parcels acquired by MTA for the project would be negligible relative to increases in property tax revenues from new development. Tax revenues could increase even more with development incentives which encourage joint development of MTA property around stations.

The final supplemental Environmental Impact Statement/Subsequent Environmental Impact Report was approved on August 4, 1989. The Final EIR incorporated refinements to the basic project description and considered all of the environmental impacts of the Segment 3 alignment. The Modified Initial Study and Addendum to the Supplemental Environmental Impact Statement/Subsequent Environmental Impact Report dated June 1994 was approved on July 19, 1994. This report examined changes to the Universal City Station layout that included changes in the circulation, parking, land acquisition and access shaft on the south side of the Hollywood Freeway.

Due to its bulk, the Final SEIS/SEIR is not physically included in the MTA's agenda packet for this public hearing. However, this document should be considered in connection with this matter. Said documents will be available for each Director's review.

It is recommended that, based upon the foregoing, the MTA find and determine that the Project is located in the manner that will be most compatible with the greatest public good and the least private injury.

C. The subject property interests are necessary for the proposed project.

Section B above sets forth the extensive efforts undertaken in order to ensure that the route alignment selected for the Project would be in accord with the greatest public good and least public injury.

The acquisition of the leasehold interest is immediately required for the construction and operation of the North Hollywood station in connection with the Metro Red Line, Segment 3, Project.

The subject property interest is legally described more specifically in Exhibit "A", attached hereto, and is generally depicted in the parcel plat map attached hereto as Exhibit "B", both of which are incorporated herein by this reference.

D. An offer was made in compliance with Government Code Section 7267.2.

California Code of Civil Procedures Section 1245.230 requires that a Resolution Necessity contain a declaration that the governing body has found and determined that either the offer required by Section 7267.2 of the California Government Code has been made to the owner(s) of record, or the offer has not been made because the owner(s) cannot be located with reasonable diligence.

California Government Code Section 7267.2 requires that an offer be made to the owner or to the owners of record and in an amount which the agency believes to be just compensation. The amount must not be less than the agency's approved appraisal of the fair market value of the property. In addition, the agency is required to provide the owner(s) with a written statement of, and summary of the basis for, the amount it established as just compensation.

The MTA staff has taken the following actions as required by California law for the acquisition of the subject property interests:

1. Obtained an appraisal to determine the fair market value of the property interests;
2. Reviewed and approved the appraisal, and established just compensation;
3. Determined the owner of the subject property interests by examining the county assessor's records, and
4. Made a written statutory offer to the property owner for the full amount of just compensation, which was not less than the approved appraised amount.

In order to construct the North Hollywood Station Metro Red Line, Segment 3, Project, the acquisition of the leasehold interest is required for the widening of Chandler Boulevard. Thus, staff recommends that the MTA Board find that the acquisition of the subject property interest is necessary.

ATTACHMENT

Attachment 1 - Legal Description (Exhibit "A")

Attachment 2 - Plat Map (Exhibit "B")

EXHIBIT A

PARCEL NO. C3-823-1 APN 2350-12-901 ESTATE: LEASE; TERMINATION OF
TITLE COMPANY: (NONE) CCU: C0351 ADDRESS: 5341 LANKERSHIM BLVD.
GRANTOR (LEASEHOLDER): TOM GEAS

LEGAL DESCRIPTION

PARCEL C3-823-1(LEASEHOLD INTEREST)

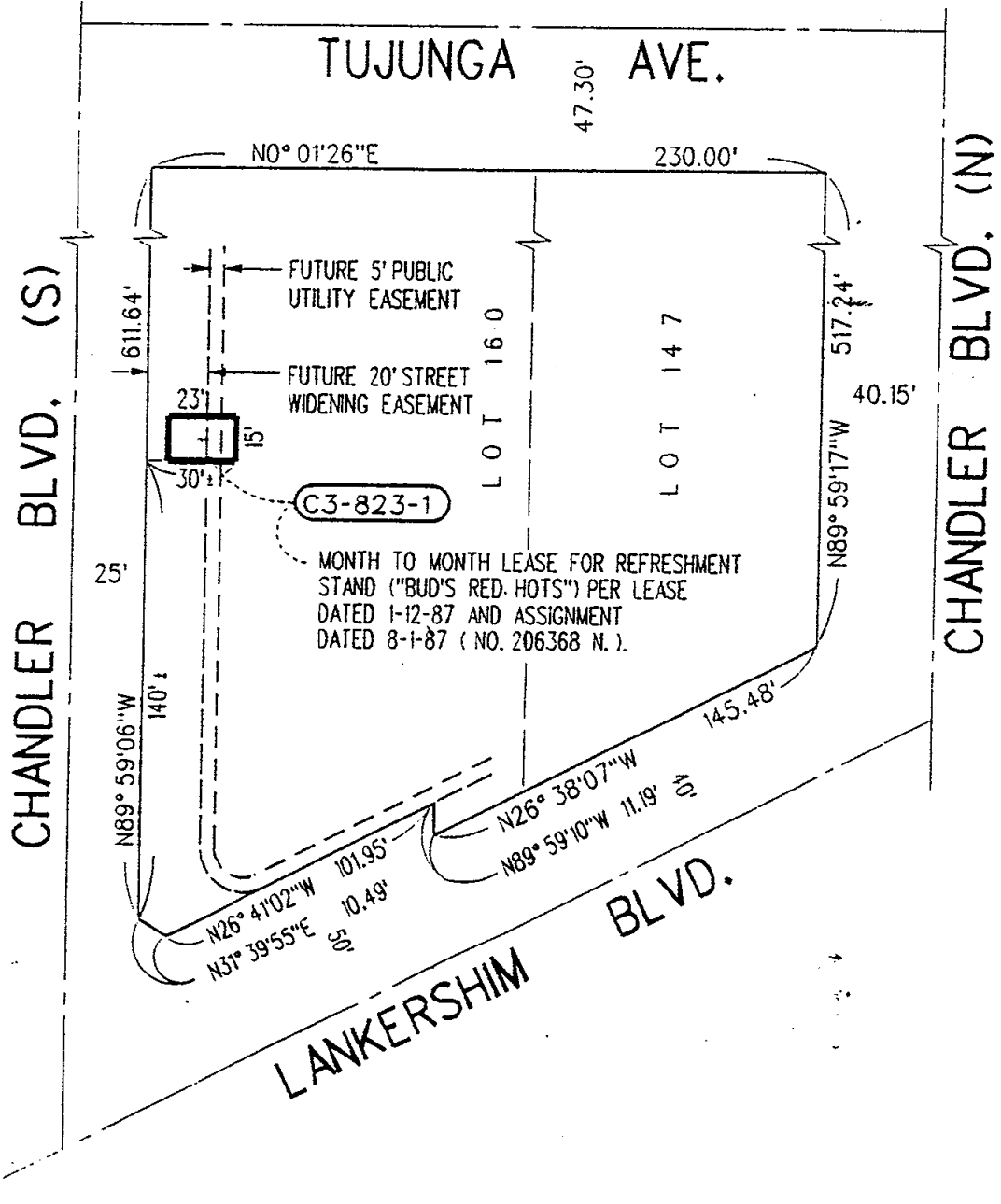
THE LAND AND ANY EXISTING IMPROVEMENTS AND FACILITIES THEREON, IN THAT PORTION OF LOT 160 OF PROPERTY OF THE LANKERSHIM RANCH LAND AND WATER CO., IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 31, PAGES 39 THROUGH 44 OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS DESCRIBED IN THAT CERTAIN LEASE NO. 206368N, MADE JANUARY 12, 1987, BETWEEN EUGENE AND SANDRA LAU, INDIVIDUALS, AND SOUTHERN PACIFIC TRANSPORTATION COMPANY, SAID LAND BEING APPROXIMATELY SHOWN AS PARCEL C3-823-1 ON THE MAP TITLED "PARCEL PLAT C3-823" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

PREPARED BY: Paul D. Wise
PAUL D. WISE L.S.4249, EXPIRES 6-30-2000

GRANTOR : TOM GEAS EXHIBIT "B"
 DESCRIPTION : PORTION OF LOTS 147 & 160, PROPERTY OF LANKERSHIM RANCH
 LAND AND WATER CO., M.R. 31-39 / 44
 BENCH MARK : N/A
 TITLE REPORT : NONE ADDRESS : 5341 LANKERSHIM BLVD.
 ASSESSORS REF. 2350-12-901 R.O.W. REFERENCE RW-C114, C3-823

The data shown on this map and/or plat are compiled from public sources and are subject to field verification. Bearings are based on California Coordinate System Zone VII coordinates obtained from Los Angeles City Survey Division.

NO.	DATE	REVISION DESCRIPTION



PARCEL NO.	C3-823 (TOTAL)	C3-823-1 (LEASE)		
AREA - SQUARE FEET	131,098	345		

M LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
METRO RED LINE

ENGINEERING MANAGEMENT CONSULTANT
 (Logo: EDM/JM)

APPROVED BY:
 (Signature) 1/13/97
 WTA PROJECT MANAGER DATE

SUBMITTED BY: (Signature) S. 3428

PARCEL PLAT
C3-823

CONTRACT NO./DESIGN UNIT
 C0351

SCALE
 1" = 60'

DATE
 12/17/96

DRAWN BY
 C. SY

CHECKED BY
 P. WISE

REV. DATE
 REV. NO.

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RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY DECLARING CERTAIN REAL
PROPERTY INTERESTS NECESSARY FOR PUBLIC PURPOSES
AND AUTHORIZING THE ACQUISITION THEREOF

THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
HEREBY FINDS, DETERMINES AND RESOLVES AS FOLLOWS:

Section 1.

The Los Angeles County Metropolitan Transportation Authority is a public entity organized and existing pursuant to Chapter 2 of Division 12 of the California Public Utilities Code (commencing with Section 130050).

Section 2.

The property interest described hereinafter is to be taken for public use, namely, for public transportation purposes and all uses necessary, incidental or convenient thereto, and for all public purposes pursuant to the authority conferred upon the Los Angeles County Metropolitan Transportation Authority to acquire property by eminent domain by California Public Utilities Code Sections 30000-33018, inclusive, and particularly Section 30503, Sections 130050-132314, inclusive, and particularly Section 130220.5, Code of Civil Procedure Sections 1240.010-1273.050, inclusive, and Article I, Section XIX of the California Constitution.

Section 3.

The property interest to be acquired is that leasehold interest of Thomas A. Geas, dba Bud's Red Hots, and any other person holding an interest in Lease No. 206368N (effective January 1, 1987) originally between Southern Pacific Transportation Company, lessor, and Eugene and Sandra Lau, lessees, in and to the leased portion of Parcel No. C3-823.

The above-referenced parcel of real property is described more specifically in Exhibit "A", attached hereto, and is generally depicted in the Parcel Plat Map attached hereto as Exhibit "B", both of which are incorporated herein by this reference.

Section 4.

(a) The acquisition of the above-described property is necessary for the development, construction, operation and maintenance of the Metro Red Line, Segment 3 - North Hollywood Project ("Project");

(b) The environmental impacts of the Project alignment were considered in the August 1989 Final Supplemental Environmental Impact Statement/Subsequent Environmental Impact Report and the Modified Initial Study and Addendum to the Supplemental Environmental Impact Statement/Subsequent Environmental Impact Report dated June 1994 for this Project; and

(c) The Los Angeles County Metropolitan Transportation Authority has reviewed and considered the Modified Initial Study and Addendum to the Supplemental Environmental Impact Statement/Subsequent Environmental Impact Report, before and as part of the process of determining whether to acquire the above-named property, and approved the same on July 19, 1994.

Section 5.

The Los Angeles County Metropolitan Transportation Authority hereby declares that it has found and determined each of the following:

(a) The public interest and necessity require the proposed Project;

(b) The proposed Project is planned and located in the manner which will be most compatible with the greatest public good and the least private injury;

(c) The property interest sought to be acquired, which has been described herein, is necessary for the proposed Project; and

(d) The offer required by Section 7267.2 of the Government Code has been made to the owners of record.

Section 6.

Legal counsel is hereby authorized and directed to take all steps necessary to commence legal proceedings, in a court of competent jurisdiction, to acquire the property interest described above by eminent domain. Counsel is also authorized and directed to seek and obtain an Order Of Immediate Possession of said property interest in accordance with the provisions of the eminent domain law and is directed that the total sum of probable just compensation fixed by the Superior Court in its order determining and establishing security for said immediate possession be deposited with the Clerk of said Superior Court.

Counsel is further authorized, pursuant to Section 30258 of the Public Utilities Code, to associate with, at its election, a private law firm for the preparation and prosecution of said proceedings.

GEORGIA BROUSSARD-HAMILTON,

I, ~~Georgia Broussard-Hamilton~~ MTA Board Secretary of the Metropolitan Transportation Authority, do hereby certify that the foregoing Resolution was duly and regularly adopted by the Metropolitan Transportation Authority at a meeting held on the _____ day of _____, 1997.

DATE: _____

Georgia Broussard-Hamilton
MTA Board Secretary

APPROVED AS TO FORM:


OFFICE OF THE COUNTY COUNSEL

resmta.823

EXHIBIT A

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TITLE COMPANY: (NONE) CCU: C0351 ADDRESS: 5341 LANKERSHIM BLVD.
GRANTOR (LEASEHOLDER): TOM GEAS

LEGAL DESCRIPTION

PARCEL C3-823-1(LEASEHOLD INTEREST)

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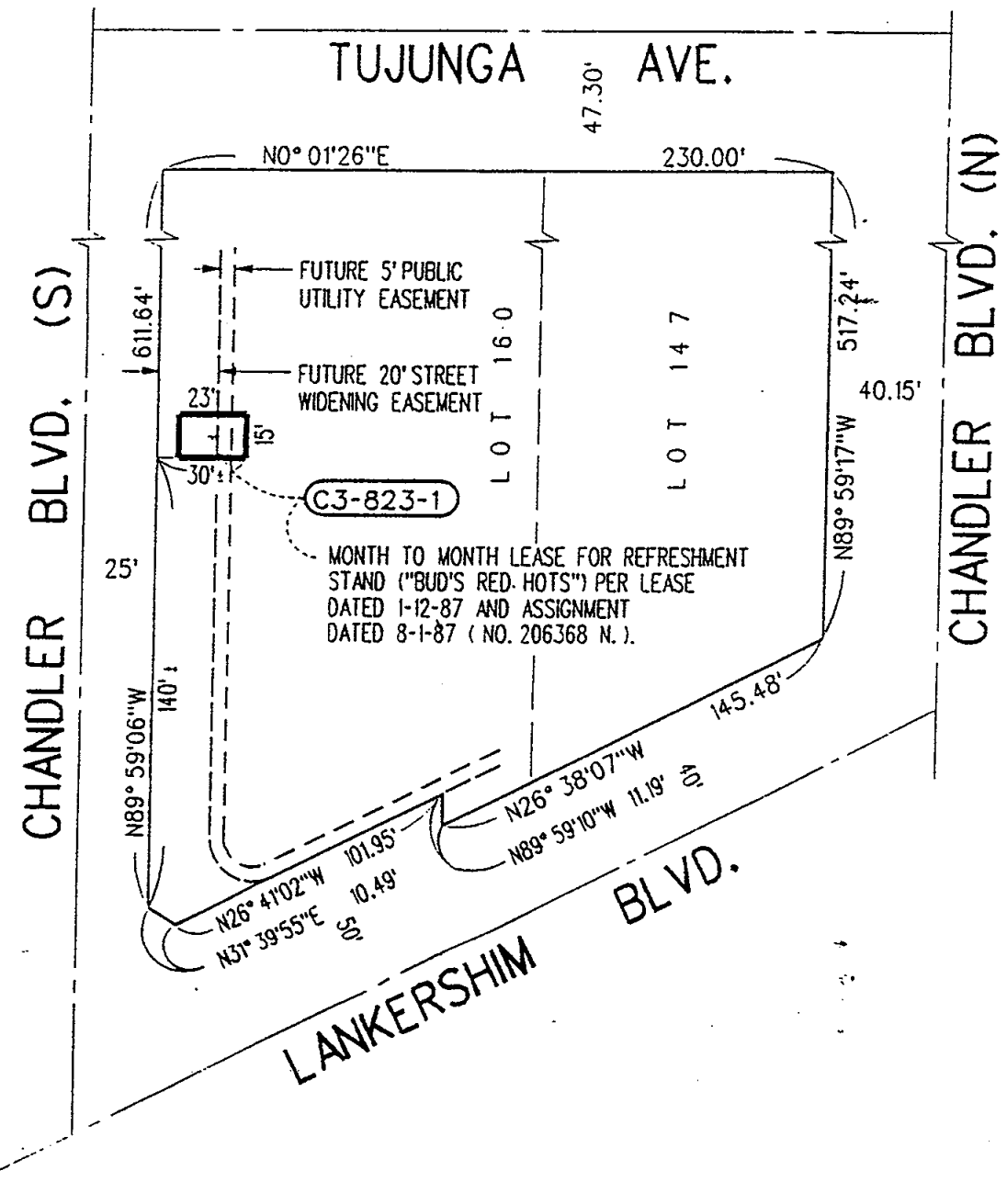
PREPARED BY: _____

Paul D. Wise

PAUL D. WISE

L.S.4249, EXPIRES 6-30-2000

GRANTOR : TOM GEAS		EXHIBIT "B"		The data shown on this map and/or plat are compiled from public sources and are subject to field verification. Bearings are based on California Coordinate System Zone VII coordinates obtained from Los Angeles City Survey Division.
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LAND AND WATER CO., M. R. 31-39 / 44				
BENCH MARK : N/A				
TITLE REPORT : NONE		ADDRESS : 5341 LANKERSHIM BLVD.		
ASSESSORS REF. 2350-12-901		R.O.W. REFERENCE RW-C114, C3-823		NO. DATE REVISION DESCRIPTION



PARCEL NO.	C3-823 (TOTAL)	C3-823-1 (LEASE)		
AREA - SQUARE FEET	131,098	345		

M LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
METRO RED LINE

ENGINEERING MANAGEMENT CONSULTANT

APPROVED BY:

[Signature] 1/13/97

WTA PROJECT MANAGER DATE

SUBMITTED BY: *[Signature]* S. J428

PARCEL PLAT

C3-823

CONTRACT NO./DESIGN UNIT	
C0351	
SCALE	1"=60'
DATE	12/17/96
DRAWN BY	C. SY
CHECKED BY	P. WISE
REV. DATE	REV. NO.

24-052-1188 0003 1/13/97/03/PLAT/C3823-049