

January 24, 2003



Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**TO:** BOARD OF DIRECTORS

**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 July 2002 through December 2002. 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 July 2002 through December 2002 (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 **\$13.44 million** for District A1 and **\$0.89 million** for District A2.

**NEXT STEPS**

The next status update will be issued in July 2003.

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Benefit Assessment Districts Program

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The following is a list of the eight agreements executed during the period of July 2002 through December 2002 in which all parties concurred on the revised square footage and reduced assessments.

1. **Case Number A1-006-01 located at 415 South Main Street**

Old Financial District, L.P. requested reduction in the Property's assessment because a portion of the Property's improvement is used as residential. A field survey, a copy of all the San Fernando Building leases verified the residential use. The agreement reduces the Property's assessment from \$6,456 to **\$1,622**.

2. **Case Number A1-007-01 and A1-008-01 located at 411 and 408 South Main Street**

Old Financial District, L.P. requested a reduction in the Properties' assessments because portions of the improvements are used as residential. A field survey, a copy of 2002 City of Los Angeles Certificate of Occupancy verified the residential status of the Properties. The agreements reduce the Properties' assessments on the properties from \$7,994 to **\$3,021**.

3. **Case Numbers A1-009-01 located at 415 South Main Street**

BankHouse LLC on behalf of Judith Lambert requested a reduction in the Property's assessment because a portion of the improvement is used as residential. A field survey and a copy of the all the San Fernando Building leases indicate square footages used as residential. The agreement reduces the Property's assessment from \$1,386 to **\$1,081**.

4. **Case Number A1-010-01 located at 429 South Main Street**

BankHouse LLC requested a reduction in the Property's assessment because a portion of the improvement is being used as residential. A field survey and a copy of all the San Fernando Building leases verifies the Property's garage used as residential. The agreement reduces the Property's assessment from \$4,121 to **\$3,215**.

5. **Case Number A1-013-01 located at 412 W. 6<sup>th</sup> Street**

J2 Investments requested a reduction in the Property's assessment because the improvement is used for wholesale businesses. A field survey and a copy of the permits and leases indicate square footages used as wholesale. The agreement reduces the Property's assessment from \$24,507 to **\$2,158**.

6. **Case Number A1-014-01 located at 410 South Spring Street**

BankHouse LLC requested a reduction in the Property's assessment because the improvement is residential. A field survey and a copy of 2002 City of Los Angeles Certificate of Occupancy verified the residential status of the Property. The agreement reduces the Property's assessment from \$2,630 to **\$1,078**.

7. **Case Numbers A2-003-01, A2-004-01, A2-005-01, A2-006-01, A2-007-01 and A2-008-01 located at 1800 Wilshire Blvd, 653, 673 and 697 South Burlington Ave and 697 and 681 South Burlington Ave**

Pueblo Nuevo Development requested a reduction in the Properties' assessments because the improvements are non-profit owned and used. A field survey, a valid Welfare Exemption, and Articles of Incorporation all verify the non-profit status of the owner and the use. The agreements reduce the Properties' assessments from \$11,457 to \$0.