



November 24, 2025

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

Subject: Adopt Resolution of Necessity for the State Route 91 Improvement Project Between State Route 57 and State Route 55

Overview

The Orange County Transportation Authority is implementing the State Route 91 Improvement Project between State Route 57 and State Route 55. The project requires acquisition of property interests from public and private parties adjacent to the existing freeway and city streets. Currently, staff has been unable to reach or finalize an agreement to purchase required property interests from the subject property owner. It is necessary for the Board of Directors to adopt a resolution of necessity and commence the eminent domain process to obtain possession of required property interests to maintain the project delivery and construction schedules.

Recommendation

Adopt Resolution of Necessity No. 2025-083 to authorize and direct General Counsel to prepare, commence, and prosecute a proceeding in eminent domain for the purpose of acquiring necessary right-of-way and real property interests for the State Route 91 Improvement Project between State Route 57 and State Route 55.

Background

The acquisition of public and private properties is often required to implement transportation projects, even though extensive efforts are made during the planning and design process to avoid or minimize the impacts to public and private properties. Cooperative Agreement nos. C-9-1274, C-4-2212, C-4-2213, and C-4-2214 between the Orange County Transportation Authority (OCTA) and the California Department of Transportation (Caltrans) were approved by the Board of Directors (Board) on June 10, 2019, and May 13, 2024. These documents define the roles and responsibilities of OCTA and Caltrans for final design and right-of-way (ROW) acquisition for the State Route 91 (SR-91)

Improvement Project between State Route 57 (SR-57) and State Route 55 (SR-55) (Project). Pursuant to the cooperative agreements, OCTA is the lead implementing agency for final design and ROW acquisition for the Project. The environmental document and project report were approved by Caltrans on June 22 and June 24, 2020, respectively.

Discussion

Construction of the Project will impact 18 properties between SR-57 and SR-55, including one multi-residential property, eight commercial/industrial properties, and nine vacant properties. Seven of the properties are identified as partial acquisitions and no properties are identified as full acquisitions. The remaining 11 properties are all identified as temporary acquisitions only. The Project does not require any displacement of tenants/occupants; however, there may be voluntary relocations of small businesses on one property due to impacts to their parking facilities. The real property interests needed to construct the proposed freeway improvements for the Project include partial fee interests (FEE), permanent highway easements (PHE), temporary construction easements (TCE), and a sewer easement (SE). The partial FEEs, PHEs, and TCEs are required for roadway construction, soundwalls, and retaining walls. The SE is required to replace a portion of an existing City of Anaheim (City)-owned SE that will be extinguished as a result of the acquisition of the PHE and construction of the proposed freeway improvements. The existing SE is owned by the City for the operation and maintenance of an underground sewer line. These facilities are not impacted by the project construction.

The Project is being delivered in three segments: SR-55 to Lakeview Avenue (Segment 1), La Palma Avenue to SR-55 (Segment 2), and Acacia Street to La Palma Avenue (Segment 3). The required property interests for Segment 1 have been acquired, and construction began in spring 2025. Segment 2 is in the final design approval phase, with ROW acquisition activities currently in process. The required property interests for Segment 3 have been acquired, and construction is anticipated to commence in mid-2026. Staff has been unable to reach or finalize an agreement to purchase the property interests from one subject property for Segment 2. Consequently, there is a need to proceed with a Resolution of Necessity (RON) for the property interests from the subject property to ensure the construction remains on schedule.

Resolution No. 2025-083 pertains to the acquisition of one PHE and one SE over a portion of the property owned by SA Properties A, LLC, a Delaware Limited Liability Company. The acquisition of the subject PHE is needed to construct the freeway improvements, and the acquisition of the subject SE is needed to replace the portion of an existing City-owned SE that will be extinguished as a result of acquisition of the PHE and construction of the proposed freeway improvements. The property owner, through its legal representative, provided

OCTA staff with the attached written notice of the intent to appear and be heard on the proposed adoption of RON No. 2025-083 (Attachment A).

In accordance with Government Code Section 7267.2, OCTA is required to present a written offer of just compensation to the property owner, based on an appraisal, and is required to negotiate in good faith in an effort to reach a settlement. The property owner has been given substantially more time than the 30 days required by the Federal Highway Administration to consider OCTA's written offer. In the event OCTA is unable to reach a settlement in a timely manner, staff may request Board approval of the RON for the property interests to commence eminent domain proceedings. This will allow OCTA to seek court approval of an early Order of Possession and access to the property to allow the Project to maintain the construction delivery schedule. Provided the Board approves the RON, staff will continue to negotiate with the property owner to reach a settlement. A history of the communication to negotiate an agreement with the property owner is described in Attachment B. The communication includes OCTA staff and legal counsel conducting a Condemnation Panel Review meeting with the property owner to discuss the need for the property rights required in an effort to reach an agreement and avoid the need to commence eminent domain proceedings.

OCTA must secure possession of the property interests in the subject property for Segment 2 by June 2026, to meet project schedule deadlines. Delay in acquiring the property interests in this property will cause project delays. Proceeding with the RON will ensure that project schedules are maintained.

The "List of Property Owner" and "Photo Aerial Exhibit," Attachments C and D respectively, provide information on property ownership and location.

Acquisition of the subject property interests is being conducted in accordance with OCTA's Real Property Policies and Procedures and Caltrans guidelines. The required property interests were identified, engineered, and appraised by OCTA. The full appraised amount for the respective property interests to be acquired was offered to the property owner under the requirements of Governmental Code Section 7267.2.

In order to proceed with the acquisition of the property interests required for the Project, and to comply with state and federal laws for a ROW acquisition, the Board is requested to adopt the RON for the subject property. This action will allow OCTA to commence eminent domain proceedings to acquire the needed property interests.

The following resolution is recommended:

- Resolution No. 2025-083 (SA Properties A, LLC, a Delaware Limited Liability Company) – Action is recommended for the acquisition of one PHE and one SE over a portion of the property to accommodate the construction of the freeway improvements and to replace a portion of an existing City-owned SE that will be extinguished as a result of the acquisition of the PHE and construction of the proposed freeway improvements.

Eminent domain proceedings commence with action by the Board to adopt a RON in accordance with the California Code of Civil Procedure Section 1245.240, which requires an affirmative vote of two-thirds of the Board members. The Board is requested to determine whether the following criteria have been met:

1. The public interest and necessity require the Project
2. The Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury
3. The property interests sought to be acquired are necessary for the Project
4. The offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record

Any property owner and/or its designated representative affected by a RON may request an appearance to speak to the Board when the RON is considered on matters of project design and the impact to the subject property. The issue regarding compensation for the value of the property or interests to be acquired affected by the RON should not be discussed. In the event the Board approves the RON, OCTA's General Counsel will proceed with litigation to obtain possession and ultimate use of the property interests. Staff will continue negotiation with the property owner throughout the eminent domain process with the objective of reaching an agreement on the acquisition without the necessity of trial.

Summary

The acquisition of specified real property interests is required for the construction of the Project. A statutory offer has been made to the property owner and negotiation is ongoing. Adoption of RON No. 2025-083, and commencement of eminent domain proceedings, is requested to maintain the project delivery schedule.

Attachments

- A. Letter from Michael Leifer, Palmieri, Hennessey & Leifer, LLP, to Clerk of the Board, Orange County Transportation Authority, Dated October 27, 2025, Re: Resolution of Necessity Hearing – November 24, 2025, Assessor's Parcel Numbers 360-071-41, 360-071-44, and 360-071-24
- B. Correspondence/Contact Summary with Property Owner, Resolution No. 2025-083
- C. List of Property Owner, State Route 91 Improvement Project Between La Palma Avenue and State Route 55, Board of Directors Exhibit Matrix
- D. Photo Aerial Exhibit, Resolution No. 2025-083 (SA Properties A, LLC)
- E. Resolution No. 2025-083

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