

November 26, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**ACQUISITION OF REAL PROPERTY FOR
MID-VALLEY COMPREHENSIVE HEALTH CENTER
7501 VAN NUYS BOULEVARD, VAN NUYS
(THIRD) (4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed project and the proposed amendment to the existing lease are categorically exempt from the California Environmental Quality Act (CEQA).
2. Adopt the enclosed Resolution of Necessity to acquire, by eminent domain, property required for the long-term parking needs of the Mid-Valley Comprehensive Health Center.
3. Instruct County Counsel to file condemnation proceedings and take the necessary action to obtain an Order of Immediate Possession.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The enclosed Resolution of Necessity, if adopted, will authorize the County of Los Angeles to acquire, by eminent domain, the fee title to property located at 7501 Van Nuys Boulevard, Van Nuys (Subject Property), adjacent to the Department of Health Services' (DHS) Mid-Valley Comprehensive Health Center, required to augment the amount of onsite parking for the patients, visitors, and employees of that facility.

- The Mid-Valley Health Center has onsite parking for 144 vehicles; however, with 179 employees and an estimated patient and visitor volume of 450 to 550 per day, the onsite parking is not sufficient. In order to mitigate this parking shortfall, the County, since 1994, has leased a 180 space parking lot located on the Subject Property.
- The County currently leases the parking lot for \$2,500 per month. The Subject Property has recently been sold to a new owner. The new owner has recently notified the County that the monthly rent will be increased to \$7,500 per month effective December 1, 2002. Staff has determined that the requested monthly rent is in excess of what is typically charged for surface parking in the Van Nuys area. However, the terms of the lease do not prohibit the Lessor from increasing the monthly rent. This increase is within the delegated authority granted to the Chief Administrative Office (CAO) and can be handled administratively.
- Under the current lease arrangement, the Lessor may cancel and force DHS to vacate on 30 days notice. Staff has canvassed the neighborhood, has determined that there is very limited street parking, and has been unable to locate any nearby properties that could accommodate the County's parking needs.
- The new owner has indicated to CAO staff that he plans to convert the Subject Property to a health club. This use of the property would be inconsistent with the continued use of the property by DHS for supplemental parking for the Mid-Valley facility.
- Acquisition of the fee title will allow the County to end the current disadvantageous lease arrangement and will eliminate the imminent risk of eviction and with it the loss of a substantial amount of much-needed parking for the Mid-Valley facility.

FISCAL IMPACT/FINANCING

The value of the fee to be acquired is estimated to be \$2,050,000 plus any additional condemnation processing costs. Funding for this acquisition will be provided through the Asset Development Implementation Fund which is administered by the CAO.

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Until such time as the County obtains possession of the Subject Property through the condemnation process (estimated to take approximately two months), the monthly cost of this amended lease will be \$7,500. Sufficient funding for the proposed lease amendment is included in the 2002-03 Rent Expense Budget and will be charged back to DHS.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Mid-Valley Comprehensive Health Center provides health care and related services to an estimated 450-550 people each day. Such services include internal medicine, woman's care, pediatrics, family medicine, pharmacy, radiology, immunizations, behavioral health, cardiology, dental, endocrinology, ophthalmology, podiatry, and rheumatology.

The Subject Property, located adjacent to the Mid-Valley Comprehensive Health Center, consists of 2.2 acres of land and is improved with a parking lot and a 28,073 square foot one-story building.

Pursuant to Section 1245.210 et seq. of the Code of Civil Procedure, prior to adopting the attached Resolution of Necessity, your Board must find and determine that: (1) the public interest and necessity require this 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 Subject Property is necessary for this project, and (4) the offer as required by Section 7267.2 of the Government Code has been made to the owners of record. In addition to the foregoing, these findings and determinations are appropriate for the following reasons:

- The acquisition of fee title will enable the County to continue to provide parking necessary for patients, visitors and employees to the Mid-Valley Comprehensive Health Center without having to pay above-market rent or risk eviction.
 1. The County cannot economically replace the 180 vehicle parking lot that is currently leased on the Mid-Valley Health Center property.
 2. The Subject Property is the only parcel within close proximity to the Mid-Valley Health Center that can accommodate the required parking.

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- The CAO has established an amount which it believes to be just compensation based upon an appraisal of the fair market value and has made offers to the owner of record in the amount of this appraisal.
- The City of Los Angeles Planning Department, pursuant to Section 65402 of the Government Code, has been apprised of the proposed acquisition of this parcel, and has not indicated any objection to the acquisition. A Notice of Exemption has been filed with the County Clerk.
- Code of Civil Procedure Section 1245.235 requires that a public hearing be held prior to the adoption of the Resolution of Necessity. Notice of the hearing has been sent to each affected property owner as required by the above Code Section.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

This project and the proposed lease amendment are exempt from the requirements of the CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed acquisition is in the best interests of the County and will maintain the existing amount of parking spaces so that DHS can continue to offer the public accessible and affordable health service programs.

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CONCLUSION

This action is in the County's interest. Enclosed are one original and four duplicates of the proposed Resolution of Necessity. Upon adoption, please retain two copies for your files. It is requested that the Executive Officer, Board of Supervisors, return one original and two copies of the executed Resolution of Necessity, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, California 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:CK:pb

Attachments

c: County Counsel
Department of Health Services

7501VanNuys.b