



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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Chief Administrative Officer

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March 12, 2002

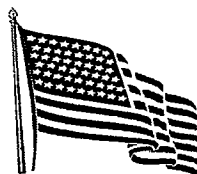
The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC SOCIAL SERVICES
OPTION TO PURCHASE REAL PROPERTY
14545 LANARK STREET, PANORAMA CITY
(THIRD) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Ratify the previous publication of the attached Notice of Intention to Exercise an Option to Purchase and make a finding that the property described in said notice is needed for future public benefit.
2. Consider the Negative Declaration together with any comments received during the public review process and find that this project will not have a significant effect on the environment. Find that the Negative Declaration reflects the independent judgment of the County, and approve the Negative Declaration. Find that the purchase of the subject property will have no adverse impact on wildlife resources and authorize the Chief Administrative Office (CAO) to complete and file a Certificate of Fee Exemption for this project.
3. Exercise the option to purchase the property for \$750,000 plus closing and title policy fees of approximately \$10,000, thereby consummating the purchase; and authorize the CAO to supplement the title policy to cover the full market value of the property at the County's cost.



United We Stand

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4. Authorize the CAO to open an escrow and sign the escrow instructions and other related documents effectuating the transaction.
5. Authorize the Auditor-Controller to draft a warrant covering the purchase price and related costs to the escrow company designated by the CAO.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to exercise the County's option to purchase the land and buildings at 14545 Lanark Street, Panorama City, for \$750,000 plus closing costs.

The lease covering the subject facility contains an option to purchase the premises between December 9, 2001, and June 8, 2002, including the improvements and land, for \$750,000. Staff has estimated the current market value of the property to be approximately \$1.9 million, or \$38 per square foot. The proposed exercise of the purchase option will allow the County to take advantage of its equity position in the lease.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we invest in public infrastructure, in order to strengthen the County's fiscal capacity. The exercise of the subject purchase option supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). In this case, we are maximizing the County's equity in the property by taking ownership through purchase of a leased facility at a below-market purchase price.

FISCAL IMPACT/FINANCING

Funding is available in the Rent Expense Budget for 2001-02 for the purchase price and the County's share of related title policy fees totaling approximately \$760,000.

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The current annual rent of \$81,000, of which County pays 10 percent or \$8,100 after Federal/State subvention, will terminate. After the County takes ownership, a two percent use allowance can be claimed against the subvention.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The property consists of 74,997 square feet of land (1.72 acres) improved with a two-story steel-frame building containing 49,360 square feet with subterranean and surface parking to accommodate 187 vehicles.

In 1967, the County entered into a build-to-suit lease agreement for the Department of Public Social Services (DPSS) with an option to purchase the subject office building. The term of this lease will expire on June 8, 2002, and the County has an option to purchase the property for \$750,000 during the final six months of the lease term.

An appraisal prepared by CAO staff has determined the property has a current fair market value of \$1.9 Million. The property is zoned M1-2La (Manufacturing) with a highest and best use for various commercial purposes. Pursuant to Section 65402 of the Government Code, the City of Los Angeles Planning Agency reviewed the proposed acquisition and found it to be consistent with the City's General Plan.

A preliminary structural evaluation of the building by the Department of Public Works (DPW) was inconclusive due to the unavailability of structural plans; it was recommended that a portion of the structural system be exposed for further investigation to determine if the building is suitable for continued County occupancy. However, because the County is considering the relocation in the near future of the DPSS office occupying this property, it may not be cost-effective to continue the structural investigation. If it is determined that the staff are likely to remain for an extended period, then further structural investigation will be conducted to determine if retrofit is necessary, as well as more economically appropriate than a relocation.

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In order to exercise the option to purchase the subject property, the County must publish a "Notice of Intention to Exercise an Option to Purchase" (attached) in accordance with the provisions of Government Code Section 25350. Following publication of the notice, which has been completed, the purchase option must be exercised by your Board prior to June 8, 2002, thereby consummating the purchase.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on County services.

LEGAL/ENVIRONMENTAL DOCUMENTATION

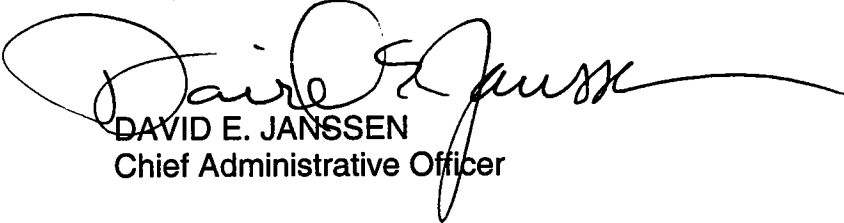
The CAO has made an initial study of environmental factors and has concluded that the exercise of the option to purchase would have no significant impact on the environment. Accordingly, a Negative Declaration has been prepared and a notice posted on the premises as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed Initial Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted, are attached. A fee must be paid to the State Department of Fish and Game when certain notices required by CEQA are filed with the County Clerk. The County is exempt from paying this fee when your Board finds that the project will have no significant impact on wildlife resources. This project is located on previously developed and urbanized land, and the Initial Study incorporated in the Negative Declaration concluded there will be no adverse effect on wildlife resources.

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CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return two certified copies of the Minute Order and the adopted, stamped Board letter to the CAO, Real Estate Division, at 222 South Hill Street, 4th Floor, Los Angeles, California 90012, for further processing.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:jf

Attachments (2)

c: County Counsel
Auditor-Controller
Department of Public Social Services

**NOTICE OF INTENTION
OF THE COUNTY OF LOS ANGELES TO EXERCISE
AN OPTION TO PURCHASE REAL PROPERTY LOCATED AT
14545 LANARK STREET, PANORAMA CITY**

NOTICE IS HEREBY GIVEN that it is the intention of the County of Los Angeles to exercise an option to purchase improved property for the sum of SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) from the Weissman Family Trust, the owner of said real property, said property being situated in the County of Los Angeles, State of California, commonly known as 14545 Lanark Street, Panorama City, and legally described as follows:

The easterly 250 feet of the westerly 910 feet of Lot 18, Tract No. 1532, in the City of Los Angeles, County of Los Angeles, State of California, as shown on map recorded in Book 22, pages 130 and 131, of Maps, in the office of the Recorder of said county.

SUBJECT TO:

1. All delinquent taxes, penalties and costs which were, or are, a lien against said property, and the prorated share of the unpaid current taxes which are a lien against said property prorated for the fiscal year for which the same are, or will be due and payable, prorated to the date of the close of escrow, shall be paid in escrow from Seller's fund to the Tax Collector of Los Angeles County.
2. Such other conditions, restrictions, reservations, rights and rights of way of record, if any.

Seller shall pay all escrow charges. In addition, Seller shall furnish to the County a CLTA policy of title insurance from a company acceptable to the County, insuring the record title of said property in an amount not less than SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) to be vested in the County of Los Angeles, a body corporate and politic, free and clear of all encumbrances except those herein set forth. County may elect to supplement the policy of title insurance to insure the property for an amount equal to the full market value of the property.

NOTICE IS HEREBY GIVEN that the purchase of the property will be considered for consummation by the Board of Supervisors of the County of Los Angeles, on the 12th day of March, 2002, at 9:30 A.M., in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012. No obligation will arise against the County and in favor of the Seller with respect to the purchase of the property described herein until the Board of Supervisors approves the purchase on the named consummation date.

Violet Varona-Lukens
Executive Officer
of the Board of Supervisors
of the County of Los Angeles

**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE**

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to purchase facilities located at 14545 Lanark Street, California, which will be used by the Department of Public Social Services for office space, and for other governmental purposes. The facilities, located in the Third Supervisorial District approximately 18.5 miles from the Los Angeles Civic Center, include 49,360 square feet of office space located on two levels and the use of 187 off-street parking spaces. There will be no expansion of the existing privately-owned premises for this project.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

Mitigation measures for this project are discussed in Section V of the attached initial study.

INITIAL STUDY

I. Location and Description of Project

These proposed leased premises are located at 14545 Lanark Street, Panorama City, located in the Third Supervisorial District approximately 18.5 miles northwest of the Los Angeles Civic Center and 2.5 miles west of the Hollywood (170) freeway. (See attached map.)

The building to be purchased is approximately 34 years old, is privately owned and has been used for County office purposes for years. Located at the site are 187 off-street parking spaces for use in conjunction with the leased premises.

This project consists of exercising an option to purchase a facility that has been leased/occupied by the County for 34 years, in which will be located the Department of Public Social Services and other County offices. It is anticipated that an average of 410 employees will be occupying the premises with the maximum employee occupancy anticipated to be 434 per day. In addition to the employees, it is anticipated that an average of 41,000 members of the public will be visiting the facility per month for purposes of client interviews. No expansion of existing premises will occur for this project and no alterations, except for interior redecorating, will be performed for this project.

II. Compatibility with General Plan

This project site is identified as commercial in the General Plan.

III. Environmental Setting

The project site is located in an area of commercial facilities. The site includes approximately 75,000 square feet of developed property, and is bordered by a street on one side.

IV. Identification of Environmental Effects

- A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines will be necessary.
- B. The project will not conflict with adopted environmental plans and goals of the City of Los Angeles.
- C. The project will not have a substantial demonstrable negative aesthetic effect on the proposed site. The existing facility will continue to be maintained by the County as previously maintained under the lease arrangement.

- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project, nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. The acquisition project will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic, nor will it affect the carrying capacity of the present street system. This is a continued use of an office facility for office purposes under a different ownership.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area with the County as an occupant under the present lease arrangement.
- L. The proposed developed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expand a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No increased energy consumption is anticipated by the County's continued use of the premises.
- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.

R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

A. None required.

B.

VI. Initial Study Preparation

This study was prepared by the Los Angeles County Chief Administrative Office, Real Estate Division, Departmental Contact: Mitchell Kohl . This study was completed on August 7, 2001.

NEGATIVE DECLARATION

Department Name: Public Social Services
Project: Purchase of leased facility

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project County to exercise its option to purchase leased property
2. a. Location of Project (plot plan attached): 14545 Lanark Street
Panorama City

b. Name of Project Proponent

County of Los Angeles
Chief Administrative Office, Real Estate Division
222 S. Hill Street, 4th Floor
Los Angeles, CA 90012

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated August 7, 2001, which constitutes the Initial Study of this project.

4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the Chief Administrative Office, Real Estate Division, and is attached hereto.

5. Mitigation Measures Included in Project

None required.

<u>Date</u>	<u>Real Property Agent</u>	<u>Telephone</u>
August 7, 2001	Mitchell Kohl	(213) 974-4325

DATE POSTED - 12/10/01

NOTICE OF PREPARATION OF NEGATIVE DECLARATION

This notice is provided as required by the California Environmental Quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
Chief Administrative Office
2. Address/Phone No. - 222 South Hill Street, 4th Floor
Los Angeles, California 90012

<u>Agent</u>	<u>Telephone</u>
Mitchell Kohl	(213) 974-4325
3. Date Information Form Submitted - August 7, 2001
4. Agency Requiring Information Form - Los Angeles County
Chief Administrative Office
5. Name of Proposal, if Applicable - Purchase of Leased Facility
6. Address of Facility Involved - 14545 Lanark Street, Panorama City

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2. above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con el agente designado para asistencia en obtener una traduccion.

(14545LanarkNegDec)