



DAVID E. JANSSEN
Chief Administrative Officer

County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
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HAMMOND
✓

Board of Supervisors

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October 16, 2001

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:

**RESOLUTION AND NOTICE OF INTENTION TO SELL
OPTION TO PURCHASE REAL PROPERTY
923 EAST REDONDO BOULEVARD, INGLEWOOD
(SECOND) (4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the Negative Declaration attached hereto and find that the recommended actions will have no significant impact on the environment pursuant to the California Environmental Quality Act (CEQA).
2. Make a finding that it is in the County's interest to offer at public auction, its right to purchase real property legally described in the attached Resolution and Notice of Intention, and adopt the Resolution setting a date for public auction.
3. Set the date of consummation for November 27, 2001, and instruct the Executive Officer, Board of Supervisors, to obtain publication of an abridged Resolution and Notice of Intention in accordance with Section 25528 of the Government Code.

BDLTR.REDONDO

Together We Can Conserve Energy



The Honorable Board of Supervisors
October 16, 2001
Page 2

IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:

1. Approve the sale of the County's purchase option to the successful bidder; instruct the Mayor to execute the conveyance document when prepared by the Chief Administrative Office (CAO) and approved as to form by County Counsel, and authorize the CAO to negotiate and execute a 30 month lease back of the property at a rate of \$0.65 per square feet per month on a triple net basis, or \$312,000 per year.
2. In the event no bids are received, instruct and authorize the CAO to exercise the option to purchase the property at the \$745,000 option amount, plus closing costs and take any other actions incidental thereto.
3. Authorize the CAO to execute all documents necessary to complete the sale, purchase, and lease transaction, and authorize the Auditor-Controller to deposit the net proceeds in the Asset Development Implementation Fund in the event a sale of the option is consummated.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

To offer at public auction a purchase option on real property currently leased and occupied by the Department of Public Social Services (DPSS).

- In 1971, the County entered into a build-to-suit lease agreement with an option to purchase the subject office building. The term of this lease will expire on December 9, 2001, at which time the County has an option to purchase the property for \$754,000. An appraisal prepared by CAO staff has determined the property has a current fair market value of \$3 Million after refurbishment.
- A recent structural evaluation of the building by the Department of Public Works (DPW) recommends seismic upgrades if the building is purchased for long term County use.

The Honorable Board of Supervisors
October 16, 2001
Page 3

- DPW has recommended that the seismic performance of the building be improved by installing wall anchors around the perimeter of the building at an estimated cost of \$427,000.
- It has therefore been determined that because it may not be economically feasible, or cost effective for the County to retrofit the building, that the County's purchase option be offered at public auction. A sale will be conditional upon the successful bidder's agreement to immediately enter into a lease-back with the County for 30 months at the rate of \$0.65 per square foot on a triple net basis. A lease-back of the property will be advantageous to the County since rent payments and operating costs may qualify for subvention by Federal and state governments of up to 94 percent (94%).
- In the event that minimum bid requirements for purchase of the option are not met, the County will exercise the option, identify opportunities for relocation of this DPSS operation to another facility in a manner consistent with strategic plan goals for the department, and offer the property at public auction at a minimum bid equal to market value. DPSS will be considered for co-location in a design build lease being considered for the SPA 6 Region. Fifteen submittals were received by the CAO and are being reviewed for selection and submission to your Board.

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. This sale supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2).

FISCAL IMPACT/FINANCING

In an effort to generate interest and market this option to purchase, it has been determined by staff of the CAO that this property interest be offered for a minimum bid value of \$1,755,000.

The Honorable Board of Supervisors

October 16, 2001

Page 4

- This is an all cash sale with 20 percent (20%) down payment at the time of the auction and the balance payable at the close of the escrow.
- The sale of the option to purchase is conditional upon the buyer's agreement to enter into a lease-back with the County for a term of 30 months at the rate of \$0.60 per square foot triple net. It is anticipated that annual lease payments and operating cost will total approximately \$625,000. These costs will be subvented up to 94 percent (94%) by Federal and state governments.
- Proceeds from the sale of the purchase option will be deposited in the Asset Development Implementation Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The property, as shown on the attached map, consists of 62,690 square feet of land improved with a two-story reinforced masonry block building containing 40,000 square feet with subterranean and surface parking to accommodate 158 vehicles.

- The property has an Inglewood City zoning of C3 (Heavy Commercial) with a highest and best use for various commercial purposes.
- This sale as recommended is in compliance with Sections 25520 to 25538, inclusive, of the California Government Code.
- The Notice of Intention contains a condition that the successful bidder enter into a lease-back with the County concurrent with the close of escrow on terms and conditions consistent with the current fair market value of the property.
- In recognition of the fact that the County may need to exercise the purchase option, the City of Inglewood was notified pursuant to Government Code Section 65402, and upon review, their department of Planning and Research found a potential acquisition consistent with the County's General Plan. The Office of County Counsel has approved all documents as to form, and the County's saleable interest in this property.

The Honorable Board of Supervisors
October 16, 2001
Page 5

ENVIRONMENTAL DOCUMENTATION

The CAO has made an initial study of environmental factors and has concluded that either the sale of the option to purchase or 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 CEQA and the State CEQA Guidelines, Section 10572.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on County services.

CONCLUSION

The Executive Office/Board of Supervisors is requested to return to the CAO, Real Estate Division, Property Management Section, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, one stamped copy of the adopted Board letter, a certified copy of the public advertising, and the original of all documents submitted for execution by the Mayor.

Respectfully submitted,


DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:GM:kb

Attachments (2)

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

**RESOLUTION AND NOTICE OF INTENTION TO SELL
PURCHASE OPTION AT PUBLIC AUCTION**

**923 EAST REDONDO BOULEVARD
INGLEWOOD**

WHEREAS, the Board of Supervisors of the County of Los Angeles, State of California, ("Board of Supervisors"), has found and determined that it is in the County's interest to sell at public auction the County's right to purchase real property.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors, as follows:

1. That it is the intention of said Board of Supervisors, on the 27th day of November, 2001, 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, to sell at public auction, the County's right to purchase real property located at 923 East Redondo Boulevard in the City of Inglewood, County of Los Angeles, as legally described in Exhibit "A" attached hereto and incorporated herein by reference and made a part hereof as though set forth in full.

2. The property consists of 62,690 square feet of land zoned C3 (Commercial, City of Inglewood). It is improved with a two-story, reinforced masonry block building containing 40,000 square feet built in 1971 with approximately 158 subterranean and surface parking spaces.

3. The minimum bid that will be considered by the Board of Supervisors is One Million Seven Hundred Fifty-Five Thousand Dollars (\$1,755,000). Any bid less than that amount will not be considered by the Board of Supervisors. Said Board of Supervisors reserves the right to reject any and all bids and cancel the sale at any time.

4. The sale will be for all **CASH** under the following terms and conditions:

SUBJECT TO AND BUYER TO ASSUME:

- a. All taxes, interest, penalties and assessments of record, if any.
- b. Covenants, conditions, restrictions, reservations, easements, rights and rights-of-way of record, if any.
- c. Buyer's agreement to enter, concurrent with the close of escrow, into a lease-back of the property with the County for a term of thirty months (30), at a triple net base rate of \$0.65 per square foot. All other terms and conditions of the lease shall be substantially in accordance with a standard County lease document, which is available for review as provided in Paragraph Number 12 below.

5. Sealed bids must be filed in the Executive Office, Board of Supervisors, Room 383 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, prior to 9:30 a.m. on the day of the auction as set forth in Paragraph Number One above.

6. At the time of the auction, sealed bids will be opened and oral bids will be heard provided that the first oral bid exceeds by at least 5 percent (5%) the amount of the highest sealed bid. Should two or more sealed bids be identical as to highest bid amounts, priority shall be established as to the bid received first in accordance with Paragraph Number Five above. When bidding on the property, a bidder will be required to identify himself and state clearly the amount of the bid. It is the intention of this paragraph that the following bid requirements and/or conditions set forth herein shall apply to sealed bids and oral bids alike.

7. The successful bidder will be required at the close of the auction to deposit 20 percent (20%) of the minimum bid amount with the FIRST FIVE THOUSAND DOLLARS (\$5,000.00) in cash or cashier's check, and execute a Purchase Agreement for the full amount of the successful bid. In addition:

- a. The balance of the amount due must be paid in cash or cashier's check not later than ninety (90) days from the date of auction as specified in Paragraph Number One herein, or prior to the close of escrow on the property.
- b. The transfer of the County's right to exercise the option will not pass to Purchaser until the total bid amount is paid in full to the County, and all terms and conditions of the sale have been met.

8. Purchaser must sign any and all documents and pay whatever fees are required following the auction.

9. No warranty or representation is made by the County with respect to location, size and zone of the leased property. Such data is set forth for information only and shall not be deemed to be part of the legal description of the property to which the purchase option being offered for sale or sold pertains. The purchase option will be sold using the legal description contained in Exhibit "A".

10. The leased property to which the purchase option pertains exists in its "as is" condition, without any warranty, express or implied or representation by County as to its physical condition or structural suitability for the existing use, and including but not limited to, the condition of the soils or groundwaters on or under the property, and the presence of pollutants or contaminants therein; nor as to the content of any materials in or on the premises including, without limitation, the presence of asbestos within the structure.

11. Copies of the title report and map showing the location and size of the property and the current lease of the property by the County are available for inspection in the office of Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012.

12. If Purchaser fails to abide by the terms and conditions as set forth above, said sale, at the option of the County, may be rescinded and all or part of the first Five Thousand Dollars (\$5,000.00) down payment may be held by the County to offset any damages, costs or expenses which may accrue to the County by reason of said Purchaser's failure to comply.

The foregoing Resolution was on the _____ day of _____ 20____, adopted by the Board of Supervisors of the County of Los Angeles, and ex-officio the governing body of all other special assessment and taxing districts for which said Board so acts.

VIOLET VARONA-LUKENS
Executive Officer, Board of Supervisors

By _____

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By  _____
Deputy County Counsel

RESOL.REDONDO

BDLTR.REDONDO

EXHIBIT "A"
923 REDONDO BOULEVARD, INGLEWOOD

LEGAL DESCRIPTION

Lots 2 to 18, inclusive, and the east half of Lot 19, inclusive, of Tract 4476, in the City of Inglewood, County of Los Angeles, State of California, as shown on map filed in Book 49, pages 23 and 24, of Maps, in the office of the Recorder of said County.

Bdltr.Redondo_LEGAL.923

**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 905-931 East Redondo Boulevard, Inglewood, 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 Second Supervisorial District approximately eight miles from the Los Angeles Civic Center, include 40,000 square feet of office space located on two levels and the use of 158 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 905-931 E. Redondo Boulevard, Inglewood, located in the Second Supervisorial District approximately eight miles southwest of the Los Angeles Civic Center and two miles northwest of the San Diego (405) freeway. (See attached map.)

The building to be purchased is approximately 30 years old, is privately owned and has been used for County office purposes for years. Located at the site are 158 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 30 years, in which will be located the Department of Public Social Services and other County offices. It is anticipated that an average of 239 employees will be occupying the premises with the maximum employee occupancy anticipated to be 299 per day. In addition to the employees, it is anticipated that an average of 220 members of the public will be visiting the facility per day 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 (C3In) in the City of Inglewood General Plan.

III. Environmental Setting

The project site is located in an area of commercial facilities. The site includes approximately 1.44 acres of developed property, and is bordered by streets on two sides.

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 Inglewood.
- 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 February 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) 905-931 East Redondo Boulevard
Inglewood

b. Name of Project Proponent

County of Los Angeles
Chief Administrative Office, Real Estate Division
222 S. Hill Street, 4th Floor
Los Angeles, CA 90020

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 February 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, Leasing and Space Management and is attached hereto.

5. Mitigation Measures Included in Project

None required.

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

DATE POSTED - 2/13/01

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 90020

<u>Agent</u>	<u>Telephone</u>
Mitchell Kohl	(213) 974-4325
3. Date Information Form Submitted - February 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 - 905-931 East Redondo Boulevard, Inglewood

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.

(1326NegDec)