



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101

Hansen

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors

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Fifth District

October 30, 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:

**EXERCISE OF PURCHASE OPTION
DEPARTMENT OF PUBLIC SOCIAL SERVICES AND PROBATION DEPARTMENT
1326 WEST IMPERIAL HIGHWAY, LOS ANGELES
(SECOND) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Ratify the previous publication of the attached Notice of Intention and make a finding that the property described in said Notice of Intention 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 judgement 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 purchase option for \$1 plus escrow and title policy fees of approximately \$5,000, and authorize the CAO to supplement the title policy to cover the full market value of the property at the County's cost.
4. Authorize the CAO to open an escrow, sign the escrow instructions, and other related documents effectuating the transaction, and to consummate the purchase.

The Honorable Board of Supervisors
October 30, 2001
Page 2

5. Authorize the Auditor-Controller to draft a warrant covering the purchase price and related costs to the escrow company designated by the CAO.
6. Approve the project and authorize the CAO to implement the project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to exercise the County's option to purchase the land and buildings, comprised of the leased premises at 1326 West Imperial Highway, Los Angeles, and an adjacent gas station leasehold (Digas Site), which had been created on site by the original lessor, for \$1 plus closing costs.

The lease covering the subject facility contains an option to purchase the premises for \$1. Staff has estimated the current market value of the land to be approximately \$6.7 million, or \$10.50 per square foot, if vacant and subject to the remediation of any contaminated soils, and proper compaction. Based on the evaluation of Subsurface Soil Investigation Reports by the Department of Public Works (DPW), the fair market value of the land exceeds the costs to remediate the soil contamination. The proposed exercise of the \$1 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 4.2.2). In this case, we are taking ownership through purchase of a property anticipated to be needed for long-term use.

FISCAL IMPACT/FINANCING

Funding is available in the Rent Expense Budget for 2001-02 for the exercise of this purchase option and the County's share of related escrow and title policy fees totaling approximately \$5,000.

The Honorable Board of Supervisors
October 30, 2001
Page 3

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The facility provides 153,896 gross square feet of office space in a one-story building with mezzanine and 1,100 off-street parking spaces. The land area is approximately 640,332 square feet, or 14.7 acres.

The County of Los Angeles has occupied the facility since 1977 to house the Department of Public Social Services' (DPSS) Southwest Special office, Welfare Fraud Prevention and Investigation (WFPI), General Relief Opportunities for Work (GROW), and In-Home Supportive Services (IHSS), 661 employees; and the Probation Department's (PD) Centinela Area Office, Juvenile and Adult Supervision and Investigations Units, Gang Alternative Prevention Program (GAPP), and Temporary Assistance to Needy Families (TANF), 140 employees, serving the Athens area.

Pursuant to Section 65402 of the Government Code, the County Department of Regional Planning reviewed the proposed acquisition with respect to the County's General Plan and had no objections to the County's purchase of the property.

The County has spent approximately \$386,000 to remediate the Digas Site and obtain Phase I and 2 environmental assessment reports completed by CTL Environmental, Inc. (CTL). The assessments disclosed soil contamination associated with the Digas Site and debris and contamination from a former dump which had been located on the site. CTL and DPW have recommended additional testing to determine the extent of the contamination. DPW has prepared an evaluation matrix pertaining to cost which may be incurred as part of the additional assessment of the Digas Site and remediation which will be required. The indicated costs range from \$0.3 million to \$0.6 million for the former dump site, and \$1.9 million to \$3.3 million for the Digas Site. The high end of the range is largely dependent on whether there is ground water contamination. At the high end of the range, the net equity value of the real estate is estimated to be \$2.8 million. After the additional testing is done and the nature and extent of the contamination is further delineated, CAO will consult with County Counsel regarding the potential to recover testing and remediation costs from potential third parties.

The Honorable Board of Supervisors
October 30, 2001
Page 4

The CAO is currently considering construction of a new joint use facility on the site. Subsequent to completion of the County's purchase, a capital project proposal will be presented to your Board for approval. Funding for additional testing and remediation will be presented as part of the Board Letter for that project.

DPW has inspected the facility and concurs with the plan to demolish the existing structures for future construction, thus precluding the need to retrofit in accordance with the County Building Code.

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" in accordance with the provisions of Government Code Section 25350. Following publication of the Notice, which commenced the week of October 8, 2001, the purchase option must be exercised by your Board at a public hearing prior to November 2, 2001, thus allowing the County to consummate the transaction and acquire title through escrow.

Accordingly, attached for your Board's information and ratification is a Notice of Intention to Exercise an Option to Purchase said property from the owners, U.S. Bank, as Trustee under a Trust Agreement dated May 31, 1985, at the specified price of \$1.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Based on the analysis of DPW concerning the soil remediation costs, it is the recommendation of this office that the exercise of the purchase option is in the best interest of the County and provides a favorable means of acquiring County owned space to continue to serve the subject community.

LEGAL/NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that the exercise of this option will 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


The Honorable Board of Supervisors
October 30, 2001
Page 5

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.

CONCLUSION

It is requested that the Executive Officer, 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, CA 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
Probation Department

**NOTICE OF INTENTION BY THE COUNTY OF LOS ANGELES TO
EXERCISE AN OPTION TO PURCHASE REAL PROPERTY
LOCATED AT 1326 WEST IMPERIAL HIGHWAY, LOS ANGELES**

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 ONE DOLLAR (\$1.00) from U.S. Bank, as Trustee under Trust Agreement dated May 31, 1985, the owner of said real property, said property being situated in the County of Los Angeles, State of California, commonly known as 1326 West Imperial Highway, Los Angeles, and legally described in the attached Exhibit "A".

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.

County shall pay one-half of all escrow charges. Seller shall furnish to the County an ALTA policy of title insurance from a company acceptable to the County, insuring the record title of said property in an amount not less than the purchase price of ONE AND NO/100 DOLLARS (\$1.00) 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 intends to increase the level of coverage of the title insurance policy to the estimated market value of said property at it's sole cost and expense.

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 30th day of October, 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. 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

Attachment

1326 Imperial Highway
A.P.N. 6079-004-001, 003, 005, and 006
A.P.N. 6079-005-001
A.P.N. 6079-006-010
T.G. 703 (J7)
T.G. 704 (A6)
I.M. 084-197
S.D. 2

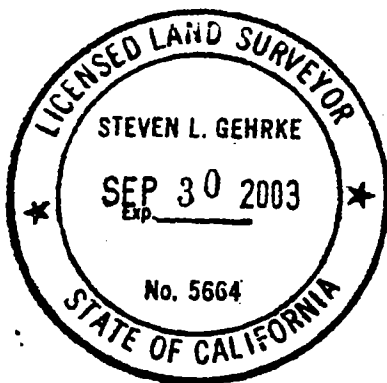
LEGAL DESCRIPTION

THOSE PORTIONS OF LOTS 4 AND 5 OF THE R.W. POINDEXTER'S SUBDIVISION OF A PORTION OF SECTION 12, TOWNSHIP 3 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 59, PAGE 82 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF TRACT NO. 24080, RECORDED IN BOOK 683 PAGES 35 AND 36 OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, DISTANT THEREON NORTH 0 DEGREES 10 MINUTES 27 SECONDS EAST 314.41 FEET FROM THE SOUTHERLY LINE OF SAID LOT 4; THENCE NORTH 73 DEGREES 36 MINUTES 13 SECONDS EAST 294.21 FEET; THENCE NORTH 76 DEGREES 26 MINUTES 09 SECONDS EAST 295.33 FEET; THENCE NORTH 74 DEGREES 41 MINUTES 21 SECONDS EAST 92.69 FEET, MORE OR LESS, TO THE EASTERLY LINE OF THE WESTERLY 5.13 ACRES OF SAID LOT 5; THENCE ALONG SAID EASTERLY LINE NORTH 0 DEGREES 10 MINUTES 54 SECONDS EAST 806.02 FEET TO THE SOUTHERLY LINE OF A STRIP OF LAND 25.00 FEET WIDE DESCRIBED IN DEED RECORDED IN BOOK 1144 PAGE 149 OF DEEDS, IN SAID OFFICE; THENCE ALONG THE SOUTH LINE OF SAID STRIP, SOUTH 89 DEGREES 59 MINUTES 07 SECONDS WEST 658.41 FEET TO A POINT DISTANT NORTH 89 DEGREES 59 MINUTES 07 SECONDS EAST 133.26 FEET FROM THE EASTERLY SIDE LINE OF NORMANDIE AVENUE, 80.00 FEET WIDE, AS DESCRIBED IN DEED RECORDED IN BOOK 24067 PAGE 385, OF OFFICIAL RECORDS, IN SAID OFFICE; THENCE SOUTH 0 DEGREES 10 MINUTES 27 SECONDS WEST 165.00 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN DEED RECORDED IN BOOK D188 PAGE 810, OF OFFICIAL RECORDS, IN SAID OFFICE; THENCE SOUTH 89 DEGREES 59 MINUTES 07 SECONDS WEST 133.26 FEET TO SAID EASTERLY SIDE LINE OF NORMANDIE AVENUE; THENCE ALONG SAID EASTERLY SIDE LINE, SOUTH 0 DEGREES 10 MINUTES 27 SECONDS WEST 557.08 FEET TO THE NORTHWEST CORNER OF SAID TRACT NO. 24080; THENCE FOLLOWING THE BOUNDARY OF SAID TRACT NO. 24080, NORTH 89 DEGREES 59 MINUTES 07 SECONDS EAST

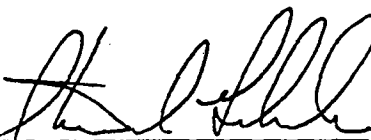
133.36 FEET AND SOUTH 0 DEGREES 10 MINUTES 27 SECONDS WEST 260.56 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL OIL AND MINERAL RIGHTS BELOW A DEPTH OF 500 FEET WITHOUT THE RIGHT OF SURFACE ENTRY THEREOF, AS EXCEPTED AND RESERVED BY SAN CAYETANO LAND AND EXPLORATION COMPANY, A CALIFORNIA CORPORATION, IN DEED RECORDED MARCH 26, 1969, IN BOOK D4318 PAGE 714, OFFICIAL RECORDS, IN SAID OFFICE.



Description Approved JUL 05 2001

James A. Noyes
Director of Public Works

By 
Licensed Land Surveyor

SLG:in:PS:ldSLG1

EXHIBIT A

**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 1326-1330 West Imperial Highway, Los Angeles, California, which will be used by the Departments of Public Social Services and Probation for office space, and for other governmental purposes. The facilities, located in the Second Supervisorial District approximately ten miles from the Los Angeles Civic Center, include 153,896 square feet of office space located on two levels and the use of 1,100 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 1326-1330 West Imperial Highway, Los Angeles, located in the Second Supervisorial District approximately ten miles southwest of the Los Angeles Civic Center and .25 miles north of the Century (105) freeway. (See attached map.)

The building to be purchased is approximately 32 years old, is privately owned and has been used for County office purposes for years. Located at the site are 1,100 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 25 years, in which will be located the Departments of Public Social Services and Probation and other County offices. It is anticipated that an average of 740 employees will be occupying the premises with the maximum employee occupancy anticipated to be 926 per day. In addition to the employees, it is anticipated that an average of 1,050 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 (C4Lc) in the General Plan.

III. Environmental Setting

The project site is located in an area of commercial facilities. The site includes approximately 14.38 acres of developed property, and is bordered by streets on three 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 County 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:

None required

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 6, 2001.

NEGATIVE DECLARATION

Department Name: Public Social Services and Probation
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. Location of Project (plot plan attached)

1326-1330 West Imperial Highway
Los Angeles

3. Name of Project Proponent

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

4. 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 6, 2001, which constitutes the Initial Study of this project.

5. 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.

6. Mitigation Measures Included in Project

None required

<u>Date</u>	<u>Real Property Agent</u>	<u>Telephone</u>
February 6, 2001	Mitchell Kohl	(213) 974-4325

DATE POSTED - 2/20/01

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 6, 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 - 1326-1330 West Imperial Highway, Los Angeles

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)