



County of Los Angeles
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May 18, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
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Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

MOTION TO SUPPORT SB 575 (CALDERON) WHICH WOULD PROVIDE FOR THE SALE OF THE FRED C. NELLES CORRECTIONAL FACILITY IN THE CITY OF WHITTIER (ITEM NO. 17, AGENDA OF MAY 22, 2007)

Item No. 17 on the May 22, 2007 agenda is a motion by Supervisor Knabe to support SB 575 (Calderon), instruct the Chief Administrative Officer to send letters to Governor Schwarzenegger and the Los Angeles County Legislative Delegation urging support for this bill, and instruct our Sacramento advocates to pursue enactment of this legislation.

As introduced on February 22, 2007, SB 575 would declare the intent of the Legislature to enact legislation to facilitate the sale of the former Fred C. Nelles Youth Correctional Facility (Nelles) in the City of Whittier.

Nelles opened as a State reform school in 1891 and was rebuilt in 1945 to accommodate a rising population of youthful offenders. The Governor's FY 2004-05 Proposed Budget called for closure of the Nelles facility and the Legislative Analyst's Office (LAO) recommended approval of the proposal because of the substantial decline in the ward population and the resulting excess capacity of the system. The LAO further indicated that the facility should be closed because it was old, was expensive to maintain, and had high operating costs. In 2004, the State closed Nelles having determined that its closure would save \$74 million in deferred maintenance costs and \$14 million in annual operating expenses.

Each Supervisor
May 18, 2007
Page 2

Also in 2004, AB 2190 (Calderon) would have granted the City of Whittier the right of first refusal to purchase the Nelles property; however, the bill died in the Senate Governmental Organization Committee. The author indicated in the Senate Public Safety Committee analysis of AB 2190 that the closure of the facility would stimulate the local economy and provide an opportunity to develop the land which would be critical to the housing, governmental, retail and commercial needs of the community.

According to the author's staff, SB 575 is a two-year bill which is currently in the Senate Rules Committee awaiting assignment to a policy committee. However, the author is considering moving the bill forward this year, and making it an urgency measure which would be effective upon the Governor's signature. Senator Calderon's staff further indicated that he is in negotiations with the Governor to obtain a commitment that the facility will not be re-opened as a correctional facility as part of the correctional reform process. The Nelles facility remains State surplus property eligible for sale; however, the State Department of General Services has not yet established a schedule for opening the bidding process.

Because there is no existing Board policy regarding the sale of surplus State property, a position on SB 575 is a matter for Board policy determination.

SB 575 is sponsored by the City of Whittier, and there is no registered support or opposition.

DEJ:GK
MAL:MS:hg

c: Executive Officer, Board of Supervisors
County Counsel