



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

May 10, 2005

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:

**AMENDMENT OF TITLE 2 – ADMINISTRATION, LOS ANGELES COUNTY CODE
SECTION 2.08, SURPLUS PROPERTY SALES
(ALL DISTRICTS AFFECTED) (3-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Introduce, waive reading, and place on the agenda for adoption an ordinance amending Title 2, Administration, of the Los Angeles County Code, deleting Sections 2.08.155, 2.08.156 and 2.08.157, and amending Section 2.08.164 to increase from \$75,000 to \$500,000 the delegated authority of the Chief Administrative Officer (CAO) to sell surplus real property at public auction, subject to final approval by the Board of Supervisors, and to allow such auctions to be conducted at locations other than the property site or the Board room and to be conducted by vendors.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Government Code Sections 25538.1 and 25539 allow your Board to delegate to a designated County officer its statutory authority to sell surplus real property without any limitation in value, subject to confirmation and final approval of all sales by your Board. County Code Section 2.08.164 now delegates to the CAO your Board's authority to sell surplus properties with appraised market values of less than \$75,000. The proposed ordinance amends the County Code to increase the appraised market value limitation to \$500,000 to facilitate the disposal of surplus real property by reflecting both the realities of the existing real estate market and the value of the County's inventory of surplus real estate. To further expedite such sales, the proposed ordinance also allows the CAO to utilize the services of an outside vendor to market properties and conduct the auctions. Additionally, the proposed ordinance allows auctions to be held at a site other than the property site or the Board room.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this proposed ordinance will further the County Strategic Plan's Organizational Goal for Fiscal Responsibility (Goal 4), in that it will streamline the surplus property sales process, allowing for significant increases in the number of properties sold annually which will correspondingly increase the amount of proceeds collected from such sales.

FISCAL IMPACT/FINANCING

Inasmuch as proceeds from the sale of surplus real property are generally deposited in the Asset Development Implementation Fund, it is expected that net deposits into this Fund will increase as the ability to bring surplus properties to sale in a timelier manner will translate into an enhancement in the amount of funds derived from these sales on an annual basis. The cost to engage licensed real estate brokers to market and conduct the auction sales will be reflected in contracts with such vendors that will be submitted to your Board for approval. The costs will be paid out of the proceeds from the sales.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Chapter 2.08.164 is proposed to be amended to authorize the CAO to act on behalf of the Board of Supervisors concerning the sale of any interest in County-owned real property with an appraised fair market value not exceeding \$500,000. Any bids accepted by the CAO at public auction shall be subject to final approval by the Board of Supervisors through adoption of a resolution authorizing and directing the execution of a deed. Previously, this chapter delegated such authority to the CAO for surplus real property having a value under \$75,000.

Furthermore, County Code Sections 2.08.155, 2.08.156, and 2.08.157, which pertain to the process of implementing auction sales, are proposed to be deleted in that these procedures are detailed within the proposed modifications to Section 164. County Counsel has approved the proposed ordinance as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

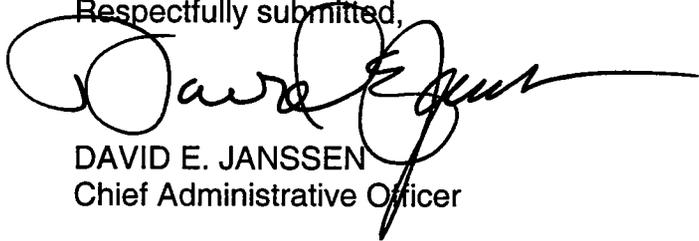
The recommended actions will provide the CAO the opportunity to implement sales methods that will result in the County's inventory of surplus properties being brought to market in an efficient manner which will maximize their value.

The Honorable Board of Supervisors
May 10, 2005
Page 3

CONCLUSION

It is requested that the Executive Officer of the Board of Supervisors return duplicate conformed copies of the adopted Board letter and two certified copies of the Minute Order to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", written over the typed name and title.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CB:CK:cc

Attachment

c: County Counsel

Ordinance.b

ANALYSIS

An ordinance amending Title 2 - Administration, of the Los Angeles County Code, deleting Sections 2.08.155, 2.08.156, and 2.08.157, and amending Section 2.08.164 to increase the delegated authority of the Chief Administrative Officer ("CAO") to sell surplus county real property. This ordinance also deletes the provisions delegating authority to the CAO to sell property where the estimated value does not exceed \$10,000.00. The ordinance authorizes the CAO to conduct auction sales of properties with appraised fair market value not exceeding \$500,000.00, to utilize an outside vendor to market the property and to conduct the auctions at locations other than the property site or the Board room. This ordinance sets forth procedures governing auction sales and brokerage fees and commissions.

RAYMOND G. FORTNER, JR.
County Counsel

By 
KATHLEEN D. FELICE
Senior Deputy County Counsel
Public Works Division

KDF:ia

(12/06/04) requested

(03/08/05) revised