

COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

LLOYD W. PELLMAN
County Counsel

July 28, 2003

TDD
(213) 633-0901
TELEPHONE
(213) 893-2279
TELECOPIER
(213) 617-7182

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

Dear Supervisors:

SETTLEMENT OF CONDEMNATION CASE
LOS ANGELES UNIFIED SCHOOL DISTRICT v. PANORAMA, LLC,
COUNTY OF LOS ANGELES, ET AL.

LOS ANGELES SUPERIOR COURT CASE NUMBER BC 273 148
14550 LANARK STREET, PANORAMA CITY, CALIFORNIA
THIRD SUPERVISORIAL DISTRICT (3-VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the County Counsel's office to accept the amount of \$165,000, plus prejudgment interest of approximately \$2,800, in settlement of the County's claims for compensation in the referenced eminent domain lawsuit instituted by the Los Angeles Unified School District.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Los Angeles Unified School District ("LAUSD") has commenced eminent domain proceedings to acquire a parcel of property located at 14550 Lanark Street, Panorama City ("Subject Property"), for use as part of a new high school project. The Subject Property was improved with an office building and parking lot. The County is the lessee of the Subject Property, which is owned in fee by Panorama, LLC.

The County has asserted a claim for compensation in the eminent domain proceedings for certain tenant improvements which the County installed on the Subject Property. The proposed settlement will resolve a dispute with LAUSD over the amount of compensation owed to the County for these tenant improvements.

Both the County and LAUSD have obtained appraisals of the Subject Property. These appraisals conflict with each other regarding the value of the improvements installed by the County. The proposed settlement amount is within the range of values established by these appraisals and would constitute a reasonable compromise of the dispute.

The Chief Administrative Office concurs with the County Counsel's office that the proposed settlement is fair and reasonable and would save the significant litigation costs required to present this case to a jury.

Implementation of Strategic Plan Goals

The settlement is consistent with the County Strategic Plan Goal of Fiscal Responsibility since the settlement would provide a fair and reasonable amount of compensation to the County for the tenant improvements installed on the Subject Property.

FISCAL IMPACT/FINANCING

If the settlement is approved, the County will receive the amount of \$165,000, plus prejudgment interest in the approximate amount of \$2,800.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Subject Property is approximately 70,000 square feet and is improved with a one-story office building of approximately 30,000 square feet and a paved parking lot. The County occupied the Subject Property pursuant to a 15-year lease that commenced on January 1, 1995, and was used by the County's Department of Public Social Services ("DPSS") as office space for DPSS employees, as classrooms for employee training, and as the site of a General Relief Opportunities for Work program.

Over the course of the lease, the County installed several tenant improvements on the Subject Property, including carpeting, a key card access system, and electrical and communication upgrades.

The LAUSD and Panorama, LLC, have reached a settlement as to the amount of just compensation to be paid by the LAUSD to Panorama, LLC, for Panorama, LLC's, interest in the Subject Property. This settlement amount is separate from and independent of the proposed settlement amount for the County's improvements.

IMPACT ON CURRENT SERVICES

Not applicable.

CONCLUSION

The proposed settlement is fair to all parties and is in the County's best interest.

Very truly yours,

LLOYD W. PELLMAN
County Counsel

LWP:MTY:ia

c: David E. Janssen
Chief Administrative Officer

Violet Varona-Lukens, Executive Officer
Board of Supervisors