

DECEMBER 2, 2014

MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND MICHAEL D. ANTONOVICH

Ensuring Compliance with Board-adopted Facility Location Policy and Development of Policy Governing Unsolicited Real Property Acquisitions

The County of Los Angeles (County) has tremendous leverage in real estate negotiations pertaining to the acquisition and/or lease of buildings for County use. Extraordinary care and diligence that preserves fairness, ensures efficiency of operations, provides equal opportunity, and reinforces public trust must be undertaken when considering the acquisition and lease of properties.

The Facility Location Policy (Policy) was unanimously approved by the Board of Supervisors (Board) on July 24, 2012 and requires that when searching for property, whether for sale or lease, the Chief Executive Officer (CEO) establish a service area for the facility, identify location alternatives, summarize the benefits and drawbacks of each location alternative, and submit a location recommendation for each facility to the Board for final selection. Consistent compliance with this Policy is imperative in order for the Board to ensure that real estate opportunities are consummated in a transparent, cost-effective and prudent manner.

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In the past, the CEO has identified real estate opportunities for the County through unsolicited offers from brokers. This type of circumstance creates an opportunity for brokers with relationships with County staff to significantly profit in commission fees from a transaction. Unsolicited offers to sell or lease real estate to the County pose unique and potentially alarming issues for County officials, comparable to a sole source contract. A policy should be put in place to govern these types of negotiations.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Chief Executive Officer to include a Facility Location Policy analysis consistent with its requirements in all Board Letters accompanying authority to initiate real property acquisitions or for Board approval of leases; and
2. Direct County Counsel to develop and recommend to the Board for its consideration a policy regarding the transmittal, receipt and acceptance of unsolicited real property for acquisition and leases that may provide an unfair advantage to the parties associated with the potential transaction, and that addresses the potential for ethical impropriety and ensures transparency.

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