

November 15, 2022

MOTION BY SUPERVISOR SHEILA KUEHL

AUTHORITY TO EXERCISE OPTION TO PURCHASE THE WEST LOS ANGELES COURTHOUSE LOCATED AT 1633 PURDUE AVENUE, LOS ANGELES, BY THE COUNTY OF LOS ANGELES FROM THE JUDICIAL COUNCIL OF CALIFORNIA AND CONSUMMATE THE PURCHASE

The purpose of this motion is to delegate authority to consummate the acquisition of the West Los Angeles Courthouse (Courthouse), located at 1633 Purdue Avenue, Los Angeles (Assessor's Parcel Numbers 4261-011-908, -909, -910, -913, -914, and -915) (Property), pursuant to the Lease Agreement with Option to Purchase between the County and the Judicial Council, as amended, which action was initiated by the Board on October 18, 2022 in accordance with the Government Code. As outlined in my October 18, 2022 motion, the acquisition of the Property from the Judicial Council of California (Judicial Council) is in furtherance of the proposed redevelopment of the Property to provide affordable and mixed-use housing for the local population.

Section 25353 of the California Government Code authorizes the Board to purchase real property necessary for use of the County for buildings or for other public purposes. Pursuant to Government Code sections 25350 and 6063, a Notice of Intention to Purchase (Notice) must be published for the County to acquire real property where the purchase price exceeds \$50,000. The Notice must contain a description of the property proposed to be purchased, the price, the seller, and the date and time the Board will meet to consummate the purchase. The Notice must be published at least once a week for three successive weeks prior to the Board's consummation of the proposed acquisition. At the October 18, 2022 Board meeting, the Board approved the Notice for the acquisition of the Property for a purchase price of \$35,780,000, from the Judicial Council, and set November 15, 2022, as the date for the Board to meet to receive public comment and consummate the proposed acquisition. The

MOTION

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Board further instructed the Executive Office - Clerk of the Board of Supervisors to publish the Notice at least once a week for three successive weeks prior to November 15, 2022. The Notice has been published as required by law.

The October 18, 2022 motion also instructed the Chief Executive Officer, or her designee, to work with the appropriate County departments and Supervisorial Board office to locate the balance of the purchase price in the amount of \$32,202,000 to complete the acquisition of the Property, and funds for closing costs, estimated to be \$30,000. The Chief Executive Office has identified the Asset Development Implementation Fund as a funding source for the balance of the purchase price, which will be reimbursed from an equivalent future lump-sum payment from the proposed development of the Property, anticipated in Fall 2024. The now estimated \$40,000 for closing costs, in addition to the estimated \$30,000 due diligence costs, will be funded by Catalytic Development Funds available to the Third District previously allocated to the Economic Development budget unit for the West Los Angeles Courthouse.

1. **I, THEREFORE, MOVE** that the Board of Supervisors 1. Find that the below actions are within the scope of the statutory exemption from the California Environmental Quality Act (CEQA) determined by the Board on October 18, 2022 to apply to the proposed acquisition of the West Los Angeles Courthouse, located at 1633 Purdue Avenue, Los Angeles, California (Assessor's Parcel Numbers 4261-011-908, -909, -910, -913, -914, and -915) (Property). Government Code section 11011(k)(1) exempts from CEQA the disposition of surplus State real property made on an "as is" basis. Appropriate environmental studies and documentation will need to be completed prior to returning to the Board for consideration and approval of any

discretionary action that may impact the environment, such as entering into a lease with a developer for development of the Property.

2. Instruct the Chief Executive Officer, or her designee, to perform the normal and customary due diligence on the Property to determine it meets all County requirements before purchase. Costs associated with the due diligence, currently estimated at \$30,000, shall be paid by Catalytic Development Funds available to the Third District which were previously allocated to the Economic Development budget unit for the West Los Angeles Courthouse.
3. Subject to completing due diligence on the Property, authorize the Chief Executive Officer, or her designee, to, within 30 days, execute the Notice Exercising Purchase Option and the Purchase and Sale Agreement, approved as to form by County Counsel, and to thereafter promptly purchase the Property for \$35,780,000 in accordance with the timeframe and terms of the approved Purchase and Sale Agreement, plus closing costs in an amount not to exceed \$40,000, and authorize the Chief Executive Officer, or her designee, to take all further actions necessary and appropriate to complete the transaction, including opening and management of escrow, any administrative adjustments to the transfer documents, execution of all the requisite documentation for the completion of the transfer, and acceptance of the deed conveying title to the Property to the County of Los Angeles.
4. Authorize the issuance of warrants, as directed by the Chief Executive Officer, for the

purchase and any other related transactional costs.

5. Instruct the Assessor's Office to place the parcels described above under the complete ownership of the County, and remove the Property from the tax roll effective upon the transfer of title to the County of Los Angeles.
6. Establish and approve the West Los Angeles Courthouse Acquisition, Capital Project No. 70034.
7. Approve the attached appropriation adjustment to transfer \$32,202,000 from the Asset Development Implementation Fund, and \$40,000 from the Economic Development budget unit, for a total transfer amount of \$32,242,000, to the West Los Angeles Courthouse Acquisition, Capital Project No. 70034, to fully fund the balance of the purchase price and associated escrow costs for acquisition of the Property.
8. Direct that the Asset Development Implementation Fund will be reimbursed in the full amount of \$32,202,000, without interest charges, from an equivalent future lump-sum payment from the proposed development of the Property, anticipated in Fall 2024.

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November 15, 2022

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE

FY 2022-23

4 - VOTES

SOURCES		USES	
ASSET DEVELOPMENT IMPLEMENTATION FUND		ASSET DEVELOPMENT IMPLEMENTATION FUND	
B13-3303		B13-CF-6100-40029	
APPROPRIATIONS FOR CONTINGENCIES		OTHER FINANCING USES	
DECREASE APPROPRIATION	32,202,000	INCREASE APPROPRIATION	32,202,000
VARIOUS CAPITAL PROJECTS		VARIOUS CAPITAL PROJECTS	
WEST LOS ANGELES COURTHOUSE ACQUISITION		WEST LOS ANGELES COURTHOUSE ACQUISITION	
A01-CP-96-9919-65099-70034		A01-CP-6006-65099-70034	
OPERATING TRANSFERS IN - CAPITAL PROJECTS		CAPITAL ASSETS - LAND	
INCREASE REVENUE	32,202,000	INCREASE APPROPRIATION	32,242,000
ECONOMIC DEVELOPMENT		ECONOMIC DEVELOPMENT	
A01-EW-2000-10170			
SERVICES & SUPPLIES			
DECREASE APPROPRIATION	40,000		
SOURCES TOTAL	\$ 64,444,000	USES TOTAL	\$ 64,444,000

JUSTIFICATION

Transfer \$32,202,000 from Asset Development Implementation Fund (ADIF) and \$40,000 from the Economic Development budget unit to the West Los Angeles Courthouse Acquisition, Capital Project No. 70034 to fund the purchase and related escrow closig costs for the property.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 NOV 15 2022

James Yun

Digitally signed by James Yun
Date: 2022.11.09 17:27:19
-08'00'

AUTHORIZED SIGNATURE

JAMES YUN, MANAGER, CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

CELIA ZAVALA
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR---

ACTION

RECOMMENDATION

Lan Sam

Digitally signed by Lan Sam
Date: 2022.11.09
17:35:23 -08'00'

BY

DATE

11/09/2022

APPROVED AS REQUESTED

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

Matthew J. Diaz

Digitally signed by Matthew J. Diaz
Date: 2022.11.09
18:37:09 -08'00'

BY

DATE

11/9/22

B.A. NO. 044