


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0640-01395-0002

Date: February 27, 2007

To: The Budget and Finance Committee

From: Karen L. Sisson, Interim City Administrative Officer 

Subject: **CHICAGO BUILDING--PROPOSED PURCHASE**

Our report dated February 22, 2007 responded to directions from Council about the proposed purchase of the property at 2130 East First Street, in Los Angeles, commonly known as the Chicago Building (CAO No. 0640-01395-0001) (Report). Since the release of the Report, a question has been posed about the meaning of the recommendation "That the Council, subject to the approval of the Mayor, provide the funding needed for the Department of General Services to: . . . b) close escrow once all conditions are met"

This transmittal communicates that use of the phrase "all conditions" is intended to refer to escrow conditions and to no other conditions.

As noted in the Report, Council provided several instructions to the Bureau of Engineering (BOE), Building and Safety and the Department of General Services (GSD), and directed that escrow was to remain "active until all cost estimates are provided to Budget and Finance Committee, and a final approval provided by City Council and Mayor." It is a policy decision for the Budget and Finance Committee, Council and Mayor whether the reports and information provided by BOE, GSD and Building and Safety address the questions contained in, and satisfy the conditions imposed by, the Council action. Assuming that is the case, adoption of the recommendations in our Report would authorize GSD to close escrow once all conditions of escrow, such as clear title, are met.

KLS:RAS