

F  
10/6  
0

BUDGET AND FINANCE COMMITTEE REPORT relative to the sale of Los Angeles Department of Transportation (LADOT) Municipal Off-Street Parking Lot 654.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. DETERMINE that the City-owned property located at 1611 South Beloit Avenue (LADOT Municipal Off-Street Parking Lot 654) is no longer required for City use and that the public interest is best served by the direct sale of the Property.
2. REQUEST the City Attorney to prepare:
  - a. An ordinance for the sale of the property, without notice of sale or advertisement of bids, to Quattro SM / Beloit Partners, LLC, for the sale price of \$1,848,000.
  - b. The purchase and sale agreement based on the terms specified in the Findings Section of the City Administrative Officer (CAO) report to Council dated September 6, 2017 for the sale of the property.
3. REQUIRE, as a condition of any sale, that the buyer indemnify the City of any current or future environmental issues affecting the property.
4. INSTRUCT that the \$1,848,000 in proceeds from the sale, less estimated escrow fees of \$10,000, of the City parking lot at 1611 South Beloit Avenue in Los Angeles be deposited into the Special Parking Revenue Fund, Fund 363, and to:
  - a. Increase the 2017-18 Lease and Rental Fees Revenue line item within the Special Parking Revenue Fund by \$1,848,000.
  - b. Declare an additional surplus for Fiscal Year 2017-18 of \$1,848,000 within the Special Parking Revenue Fund and TRANSFER \$1,848,000 from the Special Parking Revenue Fund Available Cash Balance to the Reserve Fund.
  - c. Appropriate \$1,848,000 from the Reserve Fund to the following:
    - i. \$67,250 to the LADOT, Fund No. 94/100, Account No. 003040, Contractual Services for implementation of the Street Sweeping Notification Pilot Project.
    - ii. \$108,000 to the Department of General Services (GSD), Fund No. 40/100, Account No. 003040, Contractual Services for implementation of the Street Sweeping Notification Pilot Project.
    - iii. \$219,840 to the Information Technology Agency, Fund No. 32/100, Account No. 003040, Contractual Services for implementation of the Street Sweeping Notification Pilot Project.
    - iv. \$177,758 to the Bureau of Street Services, Fund No. 86/100, Account No. 001010, Salaries, General for implementation of the Street Sweeping

Notification Pilot Project.

- v. \$375,152 to the LADOT, Fund No. 94/100, Account No. 003040, Contractual Services for implementation of a parking citation rate and policy study.
  - vi. \$10,000 to the GSD, Fund No. 40/100, Account No. 003040, Contractual Services for escrow fees.
  - vii. \$890,000 to the Affordable Housing Trust Fund, Fund No. 44G.
5. INSTRUCT the General Manager, GSD, to sign a land use application, and any related documents as necessary for the processing of a land use application, so that Quattro can begin entitling the mixed use development project at 1611 South Beloit Avenue and 11216 West Santa Monica Boulevard.
  6. INSTRUCT the GSD to complete the transactions outlined in the ordinance, process the necessary documentation to execute the sale, and deposit the proceeds into the appropriate accounts, as directed by the Los Angeles Administrative Code, subject to the approval of the City Attorney as to form and legality.
  7. AUTHORIZE the CAO to make any necessary technical corrections to implement the intent of this action.
  8. RECEIVE and FILE the CAO report to Council dated August 2, 2017 relative to this matter.

Fiscal Impact Statement: The CAO reports that the sale of City-owned property located at 1611 So Beloit Avenue for a total purchase price of \$1,848,000 to Quattro SM / Beloit Partners, LLC, is anticipated to have a positive impact on the Special Parking Revenue Fund. There is no anticipated negative impact to the General Fund.

Community Impact Statement: None submitted.

### SUMMARY

In a report to Council dated September 6, 2017, the CAO states that GSD requests authority for the direct sale of City-owned surplus property located at 1611 South Beloit Avenue to Quattro SM / Beloit Partners, LLC, for \$1,848,000. The 6,000 square-foot property is small, out-of-the-way, and underutilized in its current capacity as municipal parking lot. At its meeting held July 27, 2017, the Municipal Facilities Committee (MFC) approved the proposed sale. The CAO also recommends approval. The new recommendations of the September 6, 2017, CAO report address concerns raised by the City Attorney regarding the December 2016 property appraisal and the need for indemnification of the City for potential environmental contamination.

At its meeting held September 26, 2017, the Information, Technology, and General Services Committee discussed this matter with representatives of the CAO and LADOT. Staff stated that proceeds from the sale of property financed by the Special Parking Revenue Fund are returned to this Fund. A representative of the 11th Council District Office was in attendance to present recommendations for property sale proceed allocations. Recommended allocations included

funding for affordable housing, a parking citation rate and policy study, and the Street Sweeping Notification Pilot Project. Committee recommended that Council approve the proposed property sale and the CAO's related recommendations, substantially as recommended by the MFC, as amended to incorporate the sale proceed allocations proposed by the Councilmember for the 11th Council District. Committee further recommended that Council receive and file the CAO report dated August 2, 2017.

Subsequently, at a meeting held on October 2, 2017, the Budget and Finance Committee discussed this matter. After an opportunity for public comment was held, the Budget and Finance Committee moved to concur with the recommendations of the Information, Technology, and General Services Committee as amended, as detailed above. This matter is now forwarded to the Council for its consideration. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	ABSENT
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	YES

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**