

City of Los Angeles

CALIFORNIA



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September 18, 2018

Honorable Councilmembers
City of Los Angeles
c/o City Clerk
Room 395, City Hall

Attention: Patrice Lattimore, Legislative Assistant

**ORDINANCE FOR THE DIRECT SALE OF CITY-OWNED PROPERTY LOCATED AT
10221 S. COMPTON AVE., LOS ANGELES (APN: 6048-012-027), TO
WATTS CIVIC CENTER, A CALIFORNIA LIMITED PARTNERSHIP**

Transmitted for your consideration pursuant to Charter Section 594 is the attached ordinance, approved as to form and legality by our City Attorney. This ordinance authorizes the sale of City-owned property to Watts Civic Center, a California Limited Partnership. Watts Civic Center, assignee of Westminster Neighborhood Association, Inc. who was the developer of this property, is exercising their Option to Purchase.

The 29,939 square foot parcel with improvements is located at 10221 S. Compton Ave., Los Angeles, California, 90002 (APN: 6048-012-027).

SUMMARY

The proposed ordinance is for a direct sale of City-owned property located in Council District 15 to Watts Civic Center, a California Limited Partnership. This property is more fully described in the attached ordinance.

An appraisal review of the property was provided by staff appraisers to determine the property's estimated fair market value. Based on this estimate of value, \$450,000 is the amount for sales price established as set forth in the attached ordinance.

BACKGROUND

On March 23, 2016, the Council adopted a motion (C.F. #14-1408-S1) to acquire the real property located at 10221 South Compton Avenue in Watts from CRA/LA for the purpose of creating more community facilities. Council District 15 has been working to renovate the Watts Civic Center Area and reestablish the City's presence there, so when the opportunity to acquire this property arose, the City acted upon it. On September 1, 2017, the City of Los Angeles purchased the property for

\$200,000.00. Attached to this property was an Assignment and Assumption of the Disposition and Development Agreement which gives the Developer and any assignee the right to purchase the fee interest in the property for fair market value. Shortly after the City's acquisition of this property, Watts Civic Center (assignee of Westminster Neighborhood Association, Inc. who was the developer) notified the City that it was exercising its option for the right to purchase the City property. Upon this notification, an appraisal was completed valuing the property at \$450,000 for which price the City agreed to sell to Watts Civic Center.

The sale is an all cash sale. GSD will receive funds and record the appropriate deeds to close this transaction. The buyer shall pay the recording fees, documentary transfer taxes, escrow fees, policy of title insurance, messenger service fees, broker's commission, if any, other real estate transaction taxes, fees, or application, and personal property taxes where applicable. The buyer will also be responsible for a survey of the property.

FISCAL IMPACT STATEMENT

The sale of the property will generate one-time gross revenue to the City of approximately \$450,000 prior to the payment of the costs of sale. The proceeds of the sale after deducting the associated sale costs will be deposited $\frac{1}{2}$ (one half) into Council District 15 Real Property Trust Fund 697 and $\frac{1}{2}$ (one half) into General Fund No. 100, Department No. 40, Revenue Source No. 5141.

RECOMMENDATION

That the City Council, subject to the approval of the Mayor:

1. Adopt the attached Ordinance relative to the sale of City-owned property to Watts Civic Center for the sale price of \$450,000;
2. Request the City Attorney to prepare the Purchase and Sale Agreement based on the terms specified in the Ordinance for the sale of the fee interest; and,
3. Instruct the Department of General Services to complete the transactions outlined in the Ordinance as approved to form by the City Attorney, process the necessary documentation to execute the sale, and deposit the proceeds, over and above the expenses, $\frac{1}{2}$ (one half) into Council District 15 Real Property Trust Fund 697 and $\frac{1}{2}$ (one half) into General Fund No. 100, Department No. 40, Revenue Source No. 5141.

Should you need additional information, please contact David Roberts at (213) 922-8546.



Tony M. Royster
General Manager

Attachments