



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

Handwritten signature of Richard F. Harasick in blue ink.

RICHARD F. HARASICK
Senior Assistant General Manager
Water System

Handwritten signature of Martin L. Adams in blue ink.

MARTIN L. ADAMS
Chief Operating Officer

Handwritten signature of David H. Wright in black ink.

DAVID H. WRIGHT
General Manager

DATE: November 2, 2016

SUBJECT: Sale of City of Los Angeles Property to the Big Pine Volunteer Fire Protection District

SUMMARY

The proposed Resolution will authorize the sale of that certain property owned by the City of Los Angeles (City) and under the management and control of LADWP to the Big Pine Volunteer Fire Protection District (Fire District), a special-purpose fire protection district of Inyo County created under California Health and Safety Code §13800 et seq., for providing fire protection, rescue, emergency medical, hazardous material emergency response, ambulance, and other services related to the protection of lives and property. The property to be sold is located at 181 North Main Street, Big Pine, Inyo County, California (Property) in the commercial district of Big Pine and is no longer required for LADWP's operational purposes.

Sale of Property will generate revenue in the amount of \$155,000 minus closing costs. Costs associated with the sale include \$30,000 for Phase I and Phase II Environmental Site Assessments (ESA).

City Council approval is required in accordance with Charter Section 675(d)(2).

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of the sale of Property to Fire District as required in Charter Section 675(d)(2).

ALTERNATIVES CONSIDERED

Alternatives considered included:

1. Direct sale of Property to Fire District will support the public benefits that are critical to public peace, health, and safety in the community.
2. Sale of Property at public auction could displace and/or shutdown Fire District for lack of location.
3. Continue a long-term lease to Fire District is less financially desirable and is not consistent with LADWP's long-term vision for town property.

FINANCIAL INFORMATION

There is no expense to the City other than an administrative cost of processing the sale of an easement.

Sale of Property will generate revenue in the amount of \$155,000 minus closing costs. Costs associated with the sale include \$30,000 for Phase I and Phase II ESA.

Aqueduct Section Real Estate staff performed an in-house valuation assessment to determine the fair market value of Property to be \$155,000 in 2014, when negotiations began. The agencies reached agreement on the sales price while ESAs were completed.

BACKGROUND

Property is located at 181 North Main Street, Big Pine, California in Inyo County and consists of 1.017 acres in size. Located in the commercial district of Big Pine and connected to a community service district for water and sewer utilities, Property does not significantly contribute to LADWP's operational purposes of generating water or power, or the protection or conservation of water and power resources. In 1938, the Board adopted a policy of divesting itself of such properties located in Owens Valley in Resolution No. 179 and in 2012, reaffirmed and updated this policy in Resolution No. 012-217.

Property is currently under a 50-year lease between LADWP and Fire District which expires in 2019. Fire District desires to acquire fee ownership of Property to make significant capital improvements in new buildings to better serve its community with

services critical to public peace, health, and safety. LADWP desires to divest itself of Property for reasons that include divestment of property that is no longer required for operational purposes, financial gain, and citizenship to the community.

LADWP and Fire District have negotiated an Agreement of Purchase and Sale of Real Property and Escrow Instructions for the direct sale of Property to Fire District for a sale price of \$155,000, sold in an as-is condition, and with the City reserving all oil, gas, water, and mineral rights. Phase I and II ESAs were conducted on Property by MWH Americas, Inc. and no adverse environmental conditions were identified.

Fire District Board of Commissioners approved purchase of Property at their meeting held April 27, 2016.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's (CAO) Report was approved on October 13, 2016.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA) it has been determined that the sale of Property to Fire District is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and Agreement as to form and legality.

ATTACHMENTS

- Resolution
- Agreement
- Ordinance
- Easement Deed
- CAO Report