

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

Council and Public Services Division
200 N. Spring Street, Room 395
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

BRIAN WALTERS
DIVISION MANAGER

clerk.lacity.org

HOLLY L. WOLCOTT
CITY CLERK

SHANNON HOPPES
EXECUTIVE OFFICER

When making inquiries relative
to this matter, please refer to
the Council file No. 17-0409

September 15, 2017

The Honorable Eric Garcetti, Mayor
Room 303, City Hall

GRANT DEED: Sale of Surplus Auction Property Located at 15206 Earham Street
(Portion of APN: 4412-027-902)

Dear Mayor Garcetti:

In connection with the sale of Property Located at 15206 Earham Street (Portion of APN: 4412-027-902) in Council District 11, as authorized by Ordinance No. 184900 contained in Council File No. 17-0409, the attached document (Grant Deed) is transmitted. A copy of the Ordinance and Council File Report are also attached.

Please return these items at your earliest convenience after execution, to the Information, Technology, and General Services Committee, in care of the Office of the City Clerk, Room 395, City Hall.

Sincerely,


John White, Legislative Assistant
Information, Technology, and General Services Committee

17-0409_9-15-2017

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

DATE: September 7, 2017

TO: Holly L. Wolcott, City Clerk
Room 395, City Hall
Attn: Eric Villanueva, Legislative Assistant

FROM: Melody McCormick, Director 
Department of General Services, Real Estate Services Division

SUBJECT: **GRANT DEED - SALE OF SURPLUS AUCTION PROPERTY LOCATED AT
15206 WEST EARLHAM DRIVE, PACIFIC PALISADES, CA 90272,
APN: 4412-027-902 COUNCIL DISTRICT-11**

In connection with the sale of the above-referenced parcel as authorized by Ordinance No. 184900 contained in Council File No. 17-0409, the attached document (Grant Deed) is transmitted. A copy of the Ordinance and Council File Report are attached.

To be executed as shown below:

1. One original to be executed by the Mayor and attested to by the City Clerk.
Please notarize the Mayor's signature.
2. One original for the City Clerk's file.
3. Three copies to be returned to GSD.

After the attached documents have been executed, please contact Enid Gomez, Senior Management Analyst I, at (213) 922-8547 or Patricia Williams, Real Estate Associate II, at (213) 922-8553 for pick-up or if you have any questions.

ATTACHMENTS
Ordinance&CouncilFile

RECORDING REQUESTED BY:

Stewart Title of California

**WHEN RECORDED MAIL TO
AND MAIL TAX STATEMENTS TO:**

Dream Property Group, LLC
650 S. Hill Street, Suite 713
Los Angeles CA 90014
ATTN: Edwin Novel

Order # 01180-160116

Grant Deed

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX is \$ _____ CITY TAX \$ _____.

Computed on full value of property conveyed, or Computed on full value less value of liens or encumbrances remaining at time of sale,

Unincorporated area: City of _____, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

City of Los Angeles, a municipal corporation

hereby GRANT(s) to

Dream Property Group, LLC, a California limited liability company

the following described real property in the County of Los Angeles, State of California (Assessor's Parcel No.): 4412-027-902 (portion)

SEE EXHIBIT "A" FOR LEGAL DESCRIPTION

EXCEPTING AND RESERVING unto the City of Los Angeles, all oil, gas, water, and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

SUBJECT to covenants, conditions, restrictions, reservations, easements, encroachments, rights and rights-of-way of record or which are apparent from a visual inspection of the real properties and excepting and reserving to the City of Los Angeles any interest in the fee to the adjacent streets which would otherwise pass with the conveyance of the above described parcels of land.

ALSO SUBJECT to property sold in an "AS IS" condition, and without any warranty as to fitness for use, fitness for a particular use, or condition of the property, and that the seller has no obligation to correct any condition of the property, whether known before or after the date of sale.

The City of Los Angeles

JOB TITLE: 15206 Earham Street, Pacific
Palisades, 90272
APN: 4412-027-902 (portion)
Cadastral Map No. 123 B 125

To

Dream Property Group LLC

Grant Deed

Approved as to Authority _____, 2017

By *Tony M. Royster*
Tony M. Royster, Authorized Officer

Approved as to description AUG. 30, 2017

By *Jose L. Ramirez*
Jose L. Ramirez, Authorized Officer

General Services Department
Real Estate Services Division

Approved 8/31/17, 2017

Michael N. Feuer, City Attorney

By *Annette R. Bogue*
Annette R. Bogue Deputy

Council File No. 17-0409

This Grant Deed is made in accordance with the provisions of Ordinance 184900 and Council File No. 17-0409 of the City of Los Angeles.

In witness whereof, City of Los Angeles, a municipal corporation, by its City Council, has caused this Grant Deed to be executed on its behalf, by its Mayor, and its corporate seal to be thereto affixed by its City Clerk, this 25th day of September, 2017

The City of Los Angeles, a municipal corporation

By: E. Garcetti

Attest:
Holly L. Wolcott, City Clerk

Eric Garcetti, Mayor

By: [Signature]



A notary public or other officer completing this certificate verifies only the identity of the individual, who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of That document.

STATE OF CALIFORNIA)
COUNTY OF Los Angeles)

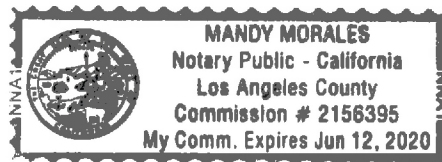
On September 25, 2017, before me, Mandy Morales, a Notary Public,

personally appeared Eric Garcetti,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Mandy Morales (Seal)



ORDINANCE NO. 184900

An Ordinance determining that certain City-owned real properties are no longer required for the use of the City, and that the public interest or necessity requires the sale thereof, and ordering the sale thereof by oral bids at public auction, pursuant to Division 7, Chapter 1, Article 4, Section 7.24 of the Los Angeles Administrative Code.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. The City Council of the City of Los Angeles hereby finds and determines that certain real properties owned by the City of Los Angeles and located at the addresses and/or locations set forth hereinafter and more particularly described in the Notice of Sale approved by the Council and affixed to Council File No. 16-0600-S145, which description is incorporated herein by reference; is no longer required for the use of the City and the public interest and necessity requires, and it is hereby ordered, that the parcel of real property be sold pursuant to the provisions of Section 385 of the City Charter, and Division 7, Chapter 1, Article 4 of the Los Angeles Administrative Code, for cash, to the highest responsible bidder at an oral bid auction to be conducted in accordance with the provisions of Section 7.24 of said Code on or after **May 24, 2017 at 2:30p.m., in Room 350, Board of Public Works Hearing Room, 200 North Spring Street, Los Angeles, California 90012**. The minimum price, which will be accepted for said property is as follows:

PLEASE REFER TO ORDINANCE EXHIBIT I – REAL PROPERTY AUCTION PARCELS

Section 2. The sale of said parcel(s) shall except and reserve to the City of Los Angeles all oil, gas, water, and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

Section 3. The sale(s) will further except and reserve to the City of Los Angeles any interest in the fee of any adjacent street(s) which would otherwise pass with the conveyance and shall be subject to covenants, conditions, restrictions, reservations, easements, encroachments, rights, and rights of way of record or which are apparent from a visual inspection of the real property(ies), and subject to such other covenants, conditions, restrictions, easements, reservations, encroachments, rights, and rights-of-way which are more particularly set forth in the Notice of Sale.

Section 4. The property(ies) offered for sale in this Ordinance is/are offered in an "AS IS" condition, and all bidders, by bidding on the property(ies), are, by such act, expressly agreeing to purchase the each of the property(ies) in an "AS IS" condition and without any warranty as to fitness for use, fitness for a particular use, or condition of the property(ies), and that the seller has no obligation to correct any condition of the property(ies), whether known before or after the date of the auction.

Section 5. The City Clerk is directed to publish the Notice of Sale for three days in a newspaper of general circulation printed and published in the City of Los Angeles and also to post the Notice of Sale on said real property in a prominent and visible location, said notice to be posted not less than thirty (30) days prior to the date set for said sale.

Section 6. The General Manager of the Department of General Services of the City of Los Angeles is hereby authorized to confirm the sale(s) in an amount not less than the minimum bids herein specified, subject to the right of the City Council to reject any and all bids and to withdraw the property(ies) from sale at any time up to, and including, the time the sale(s) is/are so confirmed.

Section 7. Following confirmation of the sale(s), the Mayor of the City of Los Angeles is authorized to execute a deed or deeds conveying said parcels to the respective successful bidders or assignees thereof. The City Clerk is authorized to attest thereto and to affix the City Seal.

Section 8. The Department of General Services, Real Estate Services Division, is authorized to open title and escrow, issue title transfer instructions/escrow, and/or deliver the grant deed, and otherwise complete the transactions, and the Chief Accounting Employee of the Department of General Services is authorized to deposit the proceeds, over and above the expenses of sale, into the proper accounts as provided by law. Expenses associated with the sale include, but are not limited to, appraisal fees, environmental reports, legal description preparation, escrow fees, preliminary title report, recording fees, documentary transfer taxes, policy of title insurance, home warranty protection coverage, if applicable, and any associated site remediation costs.

Section 9. The successful bidder shall pay for all recording fees, documentary transfer taxes, one-half 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. Should the successful bidder desire a survey of the property, termite inspection and any other types of inspections, this may be accomplished by an independent surveyor and inspectors at the bidder's expense. The title company and escrow company selected for the sale of all these properties shall be a sole discretion of the City of Los Angeles. Parcels improved with a single-family home will be covered with a home warranty protection plan for one year at the City's expense from the date escrow closes with any service calls paid by the prospective buyer. Home warranty protection coverage information will be made available to the successful bidder, upon request, on or before close of escrow.

Section 10. Should no acceptable bids be received or should the sale not be completed for the property described in this Ordinance, the General Manager of the Department of General Services of the City of Los Angeles or his designee is hereby authorized to

- (a) re-offer said properties for sale pursuant to this Ordinance to the second highest bidder, and if second highest bidder fails to complete the sale and/or comply with the conditions of the sale, to the third then fourth highest bidders, upon the same terms and conditions specified in the Notice of Sale without further order or permission of the Council, or
- (b) declare the present Notice of Sale immediately invalid and, pursuant to Division 7, Chapter 1, Article 4, Section 7.32 of the Los Angeles Administrative Code, cause one or more other Notice of Sale to be published and to conduct one or more other sale auction under the terms and conditions of the new Notice of Sale until property(ies) authorized for sale under this Ordinance is/are sold or otherwise disposed.

The provisions of this section shall be effective until the expiration of this Ordinance authorization on the date that is five (5) years from the effective date of this Ordinance.

Section 11. The City Clerk shall certify to the passage of this Ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing Ordinance was introduced at the meeting of the Council of the City of Los Angeles APR 26 2017, and passed at its meeting of APR 26 2017.

Approved as to Form and Legality:
Michael N. Feuer, City Attorney

Holly L. Wolcott, City Clerk

By: *Sandra Cadogan-Hop*

By: *[Signature]*

Date: 4-27-17

Date: _____

Council File No. 17-0409

E. G. Arcetti MAY 01 2017
ERIC GARCETTI
MAYOR

EXHIBIT I – REAL PROPERTY AUCTION PARCELS

PARCEL NO. 1

<u>Location:</u>	<u>Approximate Size</u>	<u>Zone</u>	<u>Minimum Bid</u>
15206 Earlam Street Pacific Palisades, CA 90272 APN 4412-027-902 CD 11	9,938 +/- sq. ft. one-story 1,656 sq. ft. single-family residence built in 1948, 2 BR/2 BA	R1-1	\$1,950,000

DESCRIPTION:

Lot 2, in Block 19, Tract No. 9300 in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 125, pages 55 to 78 inclusive of Maps in the office of the County Recorder of said county.

Except therefrom that portion of said lot, bounded and described as follow:

Beginning at the southeast corner of said lot; thence along the easterly line of said lot, North 11 03'52" West, 59.60 Feet; thence leaving said easterly line, South 0 35'33" East 60.43 feet to the southerly line of said lot, said southerly line being a curve concave northerly and having a radius of 350.00 feet; thence easterly along said southerly line through a central angle of 1 47'54" an arc length of 10.99 feet to the point of beginning.

City of Los Angeles

CALIFORNIA



ERIC GARCETTI
MAYOR

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
FAX No. (213) 928-9515

April 18, 2017

Honorable Councilmembers
City of Los Angeles
C/O City Clerk
Room 395, City Hall
Los Angeles, CA 90012

PROPOSAL TO SELL ONE SURPLUS CITY-OWNED PROPERTIES AT PUBLIC AUCTION – CD 11

SUMMARY

The Department of General Services (GSD), Real Estate Division (RES) proposes to sell at public auction one surplus City-owned property located in Council District 11. This property is more fully described in the attached Ordinance and Notice of Sale.

A Class "A" appraisal to determine the estimated fair market value of the property was provided by a GSD contract appraiser. Based on this estimate of value, a minimum opening bid for the parcel was established as set forth on the attached Ordinance and Notice of Sale, in order to encourage competitive bidding.

The Council Motion adopted on December 14, 2016, included adding the property 438 N. Mesa Street, San Pedro, CA 90731 to the auction, and proceeds of the property were to go to the Affordable Housing Trust Fund (AHTF). In the afternoon of April 17, 2017, Council District 15 pulled the Mesa property from the auction.

PROPERTY DESCRIPTION

Parcel 1 is located at 15206 Earlham Street, Pacific Palisades, is a single-family home with two bedrooms, two baths, 1,656 square feet built in 1948, with an approximate lot size of 9,938 square feet.

BACKGROUND

The established City procedures for selling surplus property require that the property be offered to the appropriate governmental agencies for park and recreation purposes, open space, or for low-income housing purposes. No objections were received from the notified agencies during the specified 60-day waiting period.

The Bureau of Engineering (BOE), Survey Section, provided the legal descriptions of the properties and any reservation or exception of portions of the real property for easements or rights required by the City were retained. The City Planning Department was also notified of the sale and concurred with the proposal to sell the property or waived its response rights to comment on the sale.

The Councilmember in whose district the property is located has been notified of the proposed sale and concurs in the sale of the property.

The sale is an all cash sale with the City requiring, prior to the commencement of the bidding, a 10 percent deposit or \$10,000, whichever is less, on the property based on the established minimum opening bid. The successful bidder (buyer) must deposit within 10 working days from the date of the auction an additional deposit to make the total deposit held by the City equal to 10 percent of the purchase price. Any property that fails to close escrow will be offered to the second, then third, and finally to the fourth highest bidder upon the same terms and conditions specified in the Ordinance and Notice of Sale.

The property is sold AS IS. The City will pay for a one-year home warranty protection for the single-family homes from close of escrow, with the buyer paying any service calls.

Prospective buyers will be advised that some of the properties are subject to certain governmental and/or regulatory requirements including the Hillside Ordinance in the Zoning Code of the Department of Building and Safety, the City's Coastal policies and requirements of the State Coastal Commission. They will also be provided with additional real estate disclosures as required by law. The sale will also be subject to covenants, conditions, restrictions, reservations, encroachments, easements, rights, and rights of way of record or which are apparent from a visual inspection of the properties.

The prospective buyer shall pay all recording fees, documentary transfer taxes, one-half of 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 successful bidder will also be responsible for a survey of the property at his/her expense. The buyer has three months to close the sale after the date of notification confirming the sale. However, if payment is deferred for more than two months after the notice confirming the sale, interest at one percent (1 percent) per month or fraction thereof shall be charged for each month or fraction thereof in excess of two months.

NET PROCEEDS OF SALE

The proceeds of the sale after deducting the cost of escrow and other associated sale costs will be deposited in the Potrero Canyon Trust Fund, for the Earlam property.

FISCAL IMPACT STATEMENT

The sale of the property will generate one-time gross revenue to the City of approximately \$1.95 million based on the minimum bid set for the parcel, prior to the payment of the costs of sale. The net proceeds will be deposited in the appropriate account as provided by law. The sale will eliminate the need for continued maintenance of the property. In addition, it will return the property to the County tax rolls and will generate annual revenues from the payment of property taxes.

RECOMMENDATION

That the City Council:

1. Determine that the real property, as described on the enclosed draft Ordinance and Notice of Sale, a is no longer required for the use of the City and that the public interest or necessity require their sale;
2. Adopt the proposed Ordinance and Notice of Sale establishing the proposed minimum bid as set forth in said Ordinance and Notice of Sale;
3. Instruct the Department of General Services, Real Estate Services Division to complete the transaction as outlined in the Ordinance and Notice of Sale and deposit the net proceeds of the sale into the appropriate account(s) as provided by law.

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

Tony M. Royster
General Manager

Enclosures