

0150-11250-0000

TRANSMITTAL

TO Council	DATE 11-07-18	COUNCIL FILE NO.
FROM Municipal Facilities Committee		COUNCIL DISTRICT 14

At its meeting held on October 25, 2018, the Municipal Facilities Committee adopted the recommendations of the attached General Services Department (GSD) report, as amended, which is hereby transmitted for Council consideration. Adoption of the report recommendation would authorize GSD to negotiate and execute a purchase and sale agreement and related documents for the acquisition of property located at 1910 East Washington Boulevard (APNs 5167-005-018 & 5167-005-019), for a bus maintenance facility for the Department of Transportation's transit service operations, subject to removal of owner's right to terminate the contract in the event that the costs of remediation are higher than \$1,000,000.

On November 2, 2018, the GSD provided written confirmation that the owner agreed to the new condition. In the event that the cost for remediation of contamination identified in the Phase II remediation estimate is higher than \$1,000,000, the City shall have a right to cancel the transaction. The City Attorney has opined that the new condition does not prohibit the owner from increasing the amount of holdback monies for the remediation or the City's ability to contribute additional funding if necessary for the remediation.

There is no General Fund impact. Funding is available for this purpose in the "Bus Facility Program," Proposition A Fund 385, Account Number 94L446.



Richard H. Lewellyn, Jr.
City Administrative Officer
Chair, Municipal Facilities Committee

RHL:LJS: 05190052c

CITY OF LOS ANGELES
CALIFORNIA

Agenda Item No. 2

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



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October 25, 2018

Richard H. Llewellyn, Jr., Chair
Municipal Facilities Committee
200 N. Main Street, Suite 1500
Los Angeles, CA 90012

REQUEST AUTHORIZATION TO NEGOTIATE AND PURCHASE 1910 EAST WASHINGTON BOULEVARD FOR THE DEPARTMENT OF TRANSPORTATION

The Department of General Services (GSD) requests authorization to negotiate and execute a Purchase and Sale Agreement (PSA) and related documents for the acquisition of property located at 1910 East Washington Boulevard (APNs 5167-005-018 & 019), for a Bus Maintenance Facility for the Department of Transportation's (LADOT) transit service operations.

LADOT requested GSD to continue with the additional due diligence required to explore options to purchase the above referenced property through the Property Bus Facility Purchase Program. The property is currently leased by its owner to a car rental company, Avis Budget Car Rental, LLC (Avis), for its rental car operations. Avis will not be renewing its contract and will be off the property in 2020. The owner is interested in selling the property to the City.

This property comprises an area of approximately 82,762 square feet or 1.90 acres. The property is improved with a 13,200 square foot single-story corrugated metal structure. Once acquired, LADOT will be expanding its Bus Maintenance Facility for its transit service operations by joining the subject property with the adjoining LADOT Bus Maintenance Facility located at 1950 East Washington Boulevard, which was acquired on January 19, 2018. The expanded facility will accommodate approximately 60 vehicles.

The purchase price of the property is \$10,250,000. Supporting comparable information is attached. It is anticipated that LADOT will use Federal Transit Administration Section 5307 Grants to upgrade the facility. The cost of the land purchase may be used as the local match for any capital grants. It is with these benefits in mind that LADOT created the Bus Facility Purchase Program. Funds totaling \$35 million have been allocated in prior year budgets for this purpose.

BACKGROUND

LADOT has an ongoing Bus Facility Purchase Program designed to replace existing contractor-leased facilities with City-owned facilities. Purchasing this property is anticipated to save the City nearly \$425,000 per year in lease costs by moving DASH and Cityride buses from the leased Bay Street yard. A centrally located, City-owned and contractor-operated transit



maintenance facility in downtown Los Angeles will reduce fuel and vehicle maintenance and depreciation costs as well.

ENVIRONMENTAL

A Phase I and Phase II Environmental Site Assessment will be provided by the owner of the property, with the Scope of Work of the Phase II being reviewed by Public Works Environmental Group prior to its commencement. This concurrent process will expedite the sale process with the City and meet the owner's demand for closing January 30, 2019.

In the event contamination exists, owner shall leave holdback monies in escrow at closing of \$1 million dollars for the purpose of providing the City security that either the Avis or another entity will assume responsibility for remediation at the end of the Avis lease in 2020. In the event that the costs to remediate are higher than \$1 million dollars, owner shall have the option to increase the holdback monies or either owner or City shall reserve their option to terminate the contract.


The Department of Public Works, Bureau of Engineering has determined that the project is exempt from CEQA under Article III (Section 1), Class 1 of the City's CEQA Guidelines and State Guidelines (Sec 15301).

FISCAL IMPACT

The 2014-2015, 2016-2017, and 2018-2019 Adopted Budgets allocated \$35 million in funding for this effort from the "Bus Facility Program," Proposition A Fund 385, Account Number 94L446. Therefore, there is no impact to the General Fund.

RECOMMENDATION

That the Municipal Facilities Committee approve and authorize GSD with the assistance of LADOT and the City Attorney, to negotiate and execute the purchase of property located at 1910 East Washington Boulevard (APNs 5167-005-018, & 019) for a Bus Maintenance Facility for LADOT's transit service operations and report to Council with the terms and conditions of the acquisition.



Tony M. Royster
General Manager

Attachment

Land Comparables

Comparable	Address	City	Status	Price	Land SF	Date
Subject	1910 East Washington Boulevard	Los Angeles			82,762	
1	1060 N Vignes St	Los Angeles	Sold	\$24,000,000	172,933	5/16/2018
2	1950 E Washington Blvd	Los Angeles	Sold	\$26,000,000	213,630	1/19/2018
3	405 N San Fernando Rd.	Los Angeles	Sold	\$11,655,000	96,302	6/30/2016
4	2152 E 14th St.	Los Angeles	Sold	\$7,500,000	129,259	1/29/2016
5	2110 Bay St.	Los Angeles	Sold	\$11,500,000	77,084	4/7/2015

Land Comparables Map

