



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 1 4 - 0 4 4 8
DEC 1 0 2014

REPORT RE:

**DRAFT ORDINANCE TO APPROVE RESOLUTION AUTHORIZING THE
SALE OF THE 0.54 ACRE MOHAVE PUMP STATION PROPERTY OF THE FORMER
AND DECOMMISSIONED MOHAVE STEAM GENERATING STATION PROJECT**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance would approve Resolution No. 015 098, dated December 2, 2014, authorizing the sale of the Los Angeles Department of Water and Power's (LADWP) 10% interest in the 0.54 acre Mohave Pump Station Property (Property) of the former and decommissioned Mohave Steam Generating Station Project (MSGs Project).

Background

LADWP, in partnership with Southern California Edison Company (SCE), Nevada Power Company (NV Energy), and the Salt River Project Agricultural Improvement and Power District (collectively, the partnership), are owners of the MSGs Project. LADWP owns a 10% interest in the MSGs Project.

The MSGs Project was taken out of service and fully demolished in 2012. The partnership continues to own approximately 2,500 acres of MSGs Project lands in Clark

County, Nevada. SCE operates and manages the MSGS Project on behalf of the partnership.

The Property is a non-continuous portion of the MSGS Project and lays adjacent to the Colorado River. During operation of the MSGS Project, the pump house located on the Property was used to supply cooling water to the MSGS Project. All water rights ceased with the closure of the MSGS Project. As part of the MSGS Project decommissioning, the water supply pipeline was filled in with cement and slurry. The Property is accessible only via a private road easement. The Property is not considered functionally adequate for legally permissible commercial development.

RS Nine LLC, a Nevada limited liability company, wishes to purchase the Property for the sum of \$11,000. LADWP owns a 10% interest in the MSGS Project and therefore is allocated 10% of the sale proceeds as project income.

This sale transaction was agreed upon several years ago by all participants including LADWP. This is a minor real estate matter that requires closure by December 2014. All other participants have already approved this transaction. LADWP is the only pending participant to provide approval.

On December 2, 2014, the Board adopted Resolution No. 015 098 authorizing execution of a purchase and sale agreement (Agreement), grant deed, and escrow instructions and related documents necessary to consummate this sale transaction.

Charter Requirements

This draft ordinance is transmitted for your approval pursuant to Charter Section 675, after approval by the Board of Water and Power Commissioners of the Department of Water and Power.

CEQA Findings

In accordance with the California Environmental Quality Act (CEQA), it has been determined that this transaction is exempt from further requirements under the Los Angeles City CEQA Guidelines, Article III, Class 12, Categorical Exemption.

Recommendation

Based on the foregoing, it is requested that the City Council adopt the draft ordinance, which has been provided for your consideration and action. A copy of the Board Resolution is included in the Council File.

Council Rule 38 Referral

A copy of the draft ordinance has been presented to the Board of Water and Power Commissioners pursuant to Council Rule 38.

If you have any questions regarding this matter, please contact Deputy City Attorney, John O. Beanum at (213) 367-4535. He or another member of this office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By



DAVID MICHAELSON
Chief Assistant City Attorney

DM/JOB:me
Transmittal