

## TRANSMITTAL

TO  
Council

DATE  
08-04-17

COUNCIL FILE NO.

FROM  
Municipal Facilities Committee

COUNCIL DISTRICT  
14

At its meeting of July 27, 2017, the Municipal Facilities Committee (MFC) adopted the recommendations of the attached General Services Department (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize GSD to negotiate and execute the purchase of 1950 East Washington Boulevard, for the Department of Transportation. The Municipal Facilities Committee adopted the recommendations contingent upon the completion of a phase II environmental assessment.

There is no additional impact on the General Fund as a result of the recommended actions.

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

RHL:ACG:05180025

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



ERIC GARCETTI  
MAYOR

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

July 27, 2017

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

**REQUEST FOR AUTHORIZATION TO NEGOTIATE THE  
PURCHASE OF 1950 EAST WASHINGTON BOULEVARD,  
APN: 5167-005-013, 015 FOR THE DEPARTMENT OF TRANSPORTATION**

The Department of General Services (GSD), requests authorization, with the assistance of the Los Angeles Department of Transportation (LADOT) and the City Attorney, to negotiate an agreement to acquire the property located at 1950 East Washington Boulevard (APNs 5167-005-013 and 5167-005-015) for its continued use as a Bus Maintenance Facility for the City's transit service operations and report to Council with the terms and conditions of the acquisition.

The Department of Transportation (LADOT) requested General Services Department (GSD) continue with the additional due diligence required to explore options to purchase the above referenced property as part of its Bus Facility Purchase Program. The property is currently leased by its owner to a bus facility operator who operates it as bus maintenance facility for LADOT.

A Motion filed June 23, 2017 in Council File 17-0205-S1 states that GSD with the assistance of LADOT and the City Attorney is instructed to negotiate an agreement to acquire the property for its continued use as a bus maintenance facility for the City's transit service operations and report to Council with the terms and conditions of the acquisition.

This property contains an area of approximately 216,370 square feet or 4.97 acres. The property is improved with a single-story, single-tenant, metal industrial building, parking areas, compressed natural gas and propane fuel in above-ground storage tanks, a 2,500-gallon three state clarifier, and a service pit. The property is used by LADOT as a bus maintenance facility for DASH buses. Once acquired, the property's use will remain unchanged, but it will become a City-owned transit facility instead of a privately owned transit facility leased to a City operator.

**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 \$792,000 per year in lease costs. According to LADOT, the current lease rate could dramatically increase when a new contract is signed due to the limited number of available sites. Assuming the anticipated new lease costs and lease cost increases of 4% per year, acquisition of the property will pay for itself in approximately 14 years, with the City realizing ongoing annual lease savings thereafter. A centrally located, City-owned and contractor-operated transit maintenance facility in downtown Los Angeles would reduce fuel and vehicle maintenance and depreciation costs.

The property is located at 1950 E. Washington Blvd., to the east of South Alameda St. in the southeast quadrant of Downtown Los Angeles. The facility is home to approximately 125 DASH vehicles. LADOT transit services have utilized this property periodically since the early 1990's.

## ENVIRONMENTAL

The Department of Public Works - Bureau of Engineering Environmental Affairs Group, has prepared a CEQA Notice of Exemption dated March 4, 2016 under General Exemption Article II, Section I for the proposed acquisition and continued use of the property as a bus maintenance facility. An Environmental Phase I report was also prepared which recommended a limited subsurface investigation to evaluate possible contamination on the property. DOT has requested GSD to proceed with obtaining a Phase II report through Public Works Engineering. Based on LADOT's anticipated continued use of the property as a bus maintenance facility, Environmental Affairs determined that "the contamination and exposure risks as a result of the site acquisition are anticipated to be minimal." Attached is the memo from Environmental Affairs dated March 4, 2016.

The table below summarizes comparable properties recently sold/pending for land value within the target area and on the periphery of the target area. The price per square feet (SF) is unadjusted.

Site	Comp. 1:	Comp. 2:	Comp. 3	Comp. 4	Comp. 5
	1060 North Vignes Street "IN ESCROW"	405 N. San Fernando Road	**1206-1338 East 6 <sup>th</sup> Street	*1111 W. Sunset Boulevard	**1205-1321 Wholesale Street
Size	174,240 SF	141,178 SF	635,951 SF	230,432 SF	447,584 SF
Sale Price	\$22,000,000	\$16,750,000	\$150,913,305	\$29,750,000	\$79,086,695
Price Per SF	\$126.26	\$118.64	\$237.30	\$129.11	\$176.70

\*This property was sold below market due to a dispute regarding the parking lot area. The property was bought for mixed use. Church building on site has no contributory value.

\*\*These two sales were sold together and comprised of 14.57 acres. They were bought for redevelopment purposes. Two large buildings are on site but will be demolished. Environmental reports have been performed and site appears clean. The price per square foot represents the average of the combined sale.

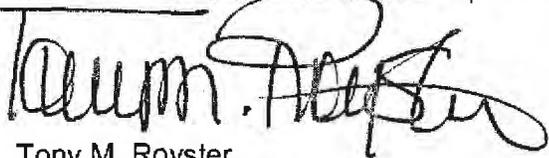
At 216,370 square feet for the subject property and proposed acquisition price of \$26,000,000, the subject property's cost per square foot is \$120.16, which falls in the lower end of the unadjusted price per square foot range of the sold/pending properties presented above.

### FISCAL IMPACT

The purchase of this Facility/Property has been estimated to have a projected cost of **\$26,000,000**. It is anticipated that LADOT will use Federal Transit Administration (FTA) 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. The FY 2014-2015 Budget allocated funds for this effort in the amount of \$30,000,000. Therefore, there is no impact on the City's General Fund Budget.

### RECOMMENDATION

That the Municipal Facilities Committee approve and authorize GSD with the assistance of LADOT and the City Attorney, to negotiate an agreement to acquire the property located at 1950 East Washington Boulevard (APNs 5167-005-013 and 5167-005-015) for its continued use as a Bus Maintenance Facility for City's transit service operations and report to City Council with the terms and conditions of the acquisition.



Tony M. Royster  
General Manager

Attachment

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 4, 2016

To: Martha D'Andrea, Supervising Transportation Planner  
LADOT - M.S. 725

From: <sup>KOP</sup> Maria Martin, Environmental Affairs Officer   
DPW/BOE/Environmental Management Group - M.S. 939

Subject: **WASHINGTON BLVD (1950E) BUS MAINT AND PARKING FACILITY**  
**WO# E1907928**

Following your request for environmental documentation, we have determined that this project is exempt from the provisions of the *California Environmental Quality Act (CEQA)* as a General Exemption, pursuant to City CEQA Guidelines Article II, Section 1. The attached Notice of Exemption serves as your record that CEQA review has been completed and it should be retained in the official project file.

This determination is based on the information submitted to us by your office and on our subsequent investigation. Please review the enclosed notice carefully. If the notice incompletely or inaccurately describes the project, the City could be vulnerable to legal challenges. If you think there may be inconsistencies, or if the project description changes, please contact this office for a re-evaluation of the project's exempt status.

The attached Notice of Exemption serves as your record that the CEQA review has been completed and it should be retained in the official project file. The Notice of Exemption may be filed with the Los Angeles County Clerk after the project is approved or a determination is made to carry out the project. Filing with the County Clerk is not usually required but has the advantage of limiting legal challenges to a 35-day period. Without the filing, legal challenges can be filed up to 180 days following commencement of the project. The filing is subject to a \$75 filing fee, which your office will be expected to provide. If you want EMG to file the notice with the County Clerk, please let us know immediately after the project is approved or a determination is made to carry out the project. Project approval can occur in any of several actions, such as authorization to: proceed beyond the pre-design stage, acquire rights of way, expend funds for construction, or advertise for construction bids.

Should you have questions or concerns regarding this notice, please contact Eileen Schoetzow of my staff at (213) 485-5751, or [Eileen.Schoetzow@lacity.org](mailto:Eileen.Schoetzow@lacity.org).

MEM/ES: Transmittal for Final\_Signed\_CEQA\_NOE\_03042016  
Enclosure

**CITY OF LOS ANGELES  
OFFICE OF THE CITY CLERK  
ROOM 395, CITY HALL  
LOS ANGELES, CALIFORNIA 90012  
CALIFORNIA ENVIRONMENTAL QUALITY ACT  
NOTICE OF EXEMPTION  
(Articles II and III - City CEQA Guidelines)**

Submission of this form is optional. The form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, California, 90650, pursuant to Public Resources Code Section 21152(b). Pursuant to Public Resources Code Section 21167(d), the filing of this notice starts a 35-day statute of limitations on court challenges to the approval of the project.

<b>LEAD CITY AGENCY AND ADDRESS:</b> Environmental Management Group Los Angeles City Engineer 1149 S. Broadway, MS 939 Los Angeles, CA 90015	<b>COUNCIL DISTRICT</b> 14
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<b>PROJECT TITLE:</b> Washington Bl (1950 E) Bus Maint & Parking Facility (W.O. E1907928)	<b>LOG REFERENCE</b>
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<b>PROJECT LOCATION:</b> 1950 East Washington Boulevard Los Angeles, CA 90015	T.G. 674 - G1&H1
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**DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT:** The project site is currently leased and used by the Los Angeles Department of Transportation (LADOT) as a bus maintenance facility. LADOT will acquire the facility through its bus facility purchase program. No change in use of the facility is proposed. Thus, the site will continue to be used by the LADOT as a bus maintenance facility.

<b>CONTACT PERSON</b> Maria Martin	<b>TELEPHONE NUMBER</b> (213) 485-5753
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<b>EXEMPT STATUS: (Check One)</b>	<b>CITY CEQA GUIDELINES</b>	<b>STATE CEQA GUIDELINES</b>
<input type="checkbox"/> MINISTERIAL	Art. II, Sec. 2.b	Sec. 15268
<input type="checkbox"/> DECLARED EMERGENCY	Art. II, Sec. 2.a(1)	Sec. 15269(a)
<input type="checkbox"/> EMERGENCY PROJECT	Art. II, Sec. 2.a(2)(3)	Sec. 15269(b)(c)
<input checked="" type="checkbox"/> GENERAL EXEMPTION	Art. II, Sec. 1	Sec. 15061(b)(3)
<input type="checkbox"/> CATEGORICAL EXEMPTION*	Art. III, Sec. _____	Sec. _____
<input type="checkbox"/> STATUTORY*	Art. _____	Sec. _____

\* See Public Resources Code Sec. 21080 and set forth state and city guidelines provisions.

**JUSTIFICATION FOR PROJECT EXEMPTION:** General Exemption Article II, Section 1, of the City CEQA Guidelines states that "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, the activity is not covered by CEQA and these Guidelines do not apply." The project consists of ownership transfer and continuation of the existing use. No significant effects on the environment were identified. (See attached narrative.)

**IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING**

<b>SIGNATURE:</b>  Maria Martin	<b>TITLE:</b> Manager Environmental Management Group	<b>DATE:</b> 3/4/2016
<b>FEE:</b> \$75.00 _____	<b>RECEIPT NO.</b>	<b>REC'D BY</b>
		<b>DATE</b>

## GENERAL EXEMPTION NARRATIVE

### I. PROJECT HISTORY

The subject property (project site) is located at 1950 East Washington Boulevard in the City of Los Angeles, Los Angeles County, California (project site). The project site is currently developed with a single-story bus maintenance structure totaling approximately 16,200 square feet, parking areas, compressed natural gas (CNG) and propane fuel above ground storage tanks (ASTs) and a 2,500-gallon three stage clarifier. The project site is currently used by Los Angeles Department of Transportation's (LADOT) service contractor to operate and maintain DASH and Commuter Express buses. LADOT will acquire the project site and continue to use it as a bus maintenance facility.

### II. ENVIRONMENTAL REVIEW

General Rule and General Exemption, Article II, Section 1, of the City CEQA Guidelines states that it can be applied as follows: "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, the activity is not covered by CEQA and these Guidelines do not apply." (See also Section 15061(b)(3) of the State CEQA Guidelines.) This exemption applies to the proposed project for the following reasons:

1. The proposed project involves ownership transfer. No changes in use are proposed as the new owner, LADOT, will continue to use the site as a bus maintenance facility.
2. The project site is void of natural habitats and thus no impacts to any listed-species or sensitive habitats would occur.
3. A Phase I environmental site assessment (ESA) was conducted at the project site in December 2015 by *Ninyo and Moore*. The phase I ESA report (January 29, 2016) identified the following:
  - The site was developed with several large partitioned structures by at least 1923. The site was part of a larger quarry/landfill from at least 1928 through 1961. The site was developed as a bus maintenance facility in 1994, and was developed with the current site building by at least 2002.
  - The facility was used as a landfill by the Bureau of Street Maintenance for the disposal of street sweepings, broken asphalt, concrete, and other waste material and was filled within a few feet of final grade by 1961. The remainder of the landfill was filled with inert material, consisting of concrete and asphalt pavings, concrete blocks, broken asphalt, and concrete, plaster, sand, and gravel. Dumping ceased at the site on September 15, 1961, with the pit filled to capacity with inert materials. This represents a recognized environmental condition (REC) for the site.

Washington Blvd (1950 E) Bus Maint & Parking Facility

- A railroad appeared adjacent to the south of the site from at least 1923. The presence of a railroad right-of-way (ROW) adjacent to the site represents a potential for contamination resulting from leaks or spills from the railcars or historic application of surface chemicals during railroad operations. Incidents of accidents or spills along the railroad tracks adjacent to the site were not reported in the Emergency Response Notification System database. Based on Ninyo & Moore's experience, the suspected presence of railroad related chemicals in shallow site soils due to operation of the adjacent railroad tracks would be considered a REC for the site.
- The site is within a methane zone and methane buffer zone. A methane gas membrane system was installed beneath the site building and bus servicing area during their construction in 1994. The methane gas membrane system is monitored quarterly by the Los Angeles Department of Building and Safety – Local Enforcement Agency (LADBS – LEA). We understand from information from the City that methane vents are present on the site, and methane test probes and sensors are present inside the office building. The suspected presence of methane beneath the site represents a REC.
- One propane aboveground storage tank of unknown capacity is present in the northeast portion of the site.
- One compressed natural gas (CNG) equipment compound and fueling station is present in the central northern portion of the site. Pad mounted transformers are on the eastern and western portions of the CNG equipment compound.
- One 2,500-gallon three-stage clarifier is adjacent to the east of the bus servicing area. The presence of a clarifier on the site represents a REC.
- One 15,000-gallon diesel underground storage tank (UST) with associated dispensers was installed at the site in 1994 and removed under the oversight of the Los Angeles County Fire Department (LAFD) in 2012. Total petroleum hydrocarbons as diesel (TPHd) were detected beneath one of the dispensers. The presence of TPHd detected in the soil beneath a former dispenser with no reported additional analytical results from deeper or step-out samples is a potential environmental concern, because the lateral or vertical limit of the release of TPHd has not been delineated. However, since the local regulatory agency (LAFD) has issued an unrestricted use no further action letter for the UST removal, and the reported concentration does not exceed the current screening level, this does not represent a REC for the site.
- Based on the former site use as a landfill, the site located within a methane zone and methane buffer zone, and results of the Vapor Encroachment Screening Matrix (VESM), it is presumed that a potential vapor encroachment condition (VEC) may currently exist beneath the site.
- The following data gaps were encountered during the preparation of this Phase I ESA. If information from these data gaps alters the conclusions and recommendations of this report, an addendum will be prepared.

Washington Blvd (1950 E) Bus Maint & Parking Facility

- o Ninyo & Moore was not provided access to the site by the owner to perform the site reconnaissance
- o The owner and key site manager were not available for an interview concerning the past and current conditions of the site.
- o Requested information from the LADBS – LEA on information on the historic site use as a landfill. To date, the LADBS – LEA has not yet responded to our request.

The Phase I ESA report recommended a limited subsurface investigation to further evaluate the RECs and VEC. However, based on the findings of the Phase I ESA and LADOT's post - [acquisition] closing plans to refrain from any new construction of new buildings (which could disturb the possible VEC area) on the project site, the contamination and exposure risks as a result of the site acquisition are anticipated to be minimal. This exemption does not include any new development or construction on the site. Any future proposed development would require a new and separate review under CEQA. As such, no adverse impacts to the environment are anticipated related to site acquisition.