

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE relative to purchase of property for its continued use as a bus maintenance facility by the Los Angeles Department of Transportation (LADOT).

Recommendation for Council action, as initiated by Motion (Huizar- Koretz):

AUTHORIZE the Department of General Services (GSD), with the assistance of the LADOT and the City Attorney, to enter into a purchase and sale agreement to acquire the 4.97 acre property located at 1950 East Washington Boulevard (Assessor's Parcel Nos. 5167-005-013 and 5167-005-015) for its continued use as a bus maintenance facility by the LADOT with the conditions outlined in Option One of the GSD report to the Municipal Facilities Committee (MFC) dated October 26, 2017.

Fiscal Impact Statement: The GSD reports that this action will not impact the General Fund. The purchase of the property will result in a \$26 million expenditure from LADOT'S Bus Facility Purchase Program.

Community Impact Statement: None submitted.

SUMMARY

In a report to the MFC dated October 26, 2017, GSD discusses three options for the property located at 1950 East Washington Boulevard: purchase, condemnation, or its continued lease for use by LADOT as a bus maintenance facility. GSD recommends purchase. On October 26, 2017, the MFC approved GSD's recommendation.

GSD reports that the Bureau of Engineering considers the site a low risk for significant contamination and cleanup costs. Although the seller has refused to conduct a Phase II environmental assessment study, LADOT would like to proceed with the acquisition inasmuch as there are no viable alternative sites at this time to lease or purchase, and the seller is set to raise the rent in November by an additional \$75,000 per month. The GSD report conditions of sale release the seller from liability and cleanup costs associated with the removal of an underground tank, the migration of off-site contamination onto the property, and liability for all future construction cost increases arising from and necessary remediation. According to GSD, any cost for remediation would likely not exceed \$1 million which is a relatively small differential in relationship to the overall sale price of \$26 million.

At its meeting held November 28, 2017, the Information, Technology, and General Services Committee recommended that Council approve the proposed purchase of the property located at 1950 East Washington Boulevard for use by LADOT as a bus maintenance facility, as recommended by GSD and the MFC.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
BLUMENFIELD:	ABSENT
O'FARRELL:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-