



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. **R 19-0044**  
**FEB 22 2019**

**REPORT RE:**

**DRAFT ORDINANCE FINDING THAT THE PUBLIC INTEREST AND  
NECESSITY REQUIRE THE EXCHANGE OF CERTAIN CITY-OWNED  
AND HAHA, INC. OWNED PROPERTIES WITHOUT NOTICE OF  
SALE OR ADVERTISEMENT FOR BIDS**

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 provides for Los Angeles World Airports (LAWA) to convey certain real property to HAHA, Inc. (Owner), without notice of sale or advertisement of bids. In exchange, Owner will convey to LAWA certain easement rights that LAWA needs to implement the projects under the Landside Access Modernization Program (LAMP) at LAX (Project).

Under a Real Property Exchange Agreement (Agreement), LAWA conveys to Owner portions of that certain real property located at: (a) 9224 Aviation Boulevard, Los Angeles, California, identified by APN 4128-002-910; (b) 5535 West 93<sup>rd</sup> Street, Los Angeles, California, identified by APN 4128-002-907; (c) 5529-5531 West 93<sup>rd</sup> Street, Los Angeles, California, identified by APN 4128-002-911; (d) 5523 West 93<sup>rd</sup> Street, Los Angeles, California, identified by APN 4128-002-904; and (e) portions of the alleyway to be vacated immediately north of and adjacent to the real property described in provisions (a), (b), (c) and (d) above (collectively, the LAWA Property).

In exchange for conveying the LAWA Property to Owner, under the Agreement, Owner conveys to LAWA: (a) a permanent street easement over a portion of that

certain real property located at 9200 Aviation Boulevard, Los Angeles, California, identified by APN 4128-002-015; and (b) temporary construction easements over portions of that certain real property located at 9200 Aviation Boulevard, Los Angeles, California, identified by APN 4128-002-015, such easements having terms of 48 months, 12 months, and 6 months (collectively, the HAHA Property).

### Background

LAWA is proposing to modernize LAX to improve passenger quality-of-service and provide world-class facilities for its customers. Currently, LAX is one of the busiest airports in the U.S. and the largest in California, and the Central Terminal Area and parking areas are severely congested during peak periods and conditions are expected only to worsen over time. Through the Project, LAWA will provide new transportation options and facilities to mitigate the congestion and parking issues including: an Automated People Mover (APM) System; a Consolidated Rental Car Facility (ConRAC); and an Intermodal Transportation Facilities (ITF) close to the 405 freeway and Sepulveda Boulevard to allow for pick-up and drop-off of passengers. LAWA is acquiring easements for the HAHA Property to implement LAMP-related road widening and street improvements on Aviation Boulevard and Arbor Vitae Street.

Prior to LAWA and Owner reaching agreement for the exchange of property transaction, LAWA requested authorization to commence eminent domain proceedings in order to acquire the HAHA Property. On January 23, 2019, the Los Angeles City Council adopted an ordinance authorizing a resolution to acquire the HAHA Property by eminent domain. In order to prevent any schedule delays for the Project, LAWA will continue to pursue acquisition of the HAHA Property by eminent domain until the exchange of property transaction closes. Once the exchange of property transaction closes, LAWA will dismiss the eminent domain action.

There are benefits to LAWA and the Project in pursuing the voluntary exchange transaction over acquiring the property by eminent domain. Under eminent domain, LAWA would obtain possession of the HAHA Property later than under the Agreement. After acquiring the HAHA Property under eminent domain, LAWA would need time for demolition and removal of existing improvements, as well as any required remediation for LAWA to start construction. In comparison, under the Agreement, LAWA will obtain possession earlier, and Owner has agreed to deliver the HAHA Property cleared and ready for LAWA's construction. Further, with the LAWA Property, Owner would be able to maintain its business as a gas station and convenience store, thereby reducing LAWA's exposure to claims for loss of goodwill.

Summary of Ordinance Provisions

The ordinance approves the exchange of property transaction and makes the required findings and authorizations under Los Angeles Administrative Code (LAAC) Division 7, Chapter 1, Article 4 and Los Angeles City Charter Section 385 concerning the disposition of City property that is no longer required for use by the City. Under LAAC Section 7.27, the ordinance makes the finding that the public interest and necessity require the exchange of LAWA Property with the HABA Property without notice of sale or advertisement for bids. Under Charter Sections 556 and 558, the ordinance includes findings that the action is in substantial conformance with the purposes, intent, and provisions of the General Plan.

CEQA Findings

The action is within the scope of the project covered by previously adopted EIR ENV-2016-3391-EIR for the Project; and, therefore, the Project is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.i of the Los Angeles City CEQA Guidelines.

Council Rule 38 Referral

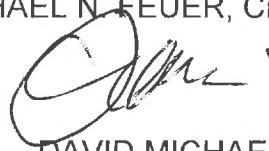
A copy of the draft ordinance was presented to the Board of Airport Commissioners, and it concurs with this recommendation.

If you have any questions regarding this matter, please contact Deputy City Attorney Cynthia Alexander at (424) 646-5196. She or another member of this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By



DAVID MICHAELSON  
Chief Assistant City Attorney

DM:CA:  
Transmittal