

TRANSPORTATION COMMITTEE REPORT relative to a Purchase and Sale Agreement with Brea Canon Oil Company, Inc., for the property located at 23903 Normandie Avenue, for use a zero-emissions bus maintenance facility for the Los Angeles Department of Transportation (LADOT).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. DETERMINE that the acquisition for a zero-emissions bus yard facility (the Project) is statutorily exempt from the California Environmental Quality Act (CEQA), pursuant to Section 21080.25(b)(5) of the Public Resources Code (PRC).
2. AUTHORIZE the Department of General Services (GSD), with the assistance of the LADOT, Department of Public Works, City Attorney, and any other City department, to negotiate, prepare, and execute documents necessary, including but not limited to the Purchase and Sale Agreement to effectuate the acquisition of the Property, located at 23903 Normandie Avenue, Harbor City, Harbor City, CA APNs 7438-017-011, and 7438-017-013.
3. ESTABLISH a new appropriation account within the Proposition A Local Transit Assistance Fund, Fund 385, Department 94 entitled "Electric Bus Yard Acquisition" in the amount of \$12,050,000.
4. AUTHORIZE the LADOT to:
 - a. Make payment of up to \$12,050,000 from the "Electric Bus Yard Acquisition" account to Chicago Title Company necessary to close escrow for the acquisition of the property at 23903 Normandie Avenue.
 - b. Expend funds pursuant to Recommendation #3 above upon presentation of proper documentation and demand of the General Manager, GSD, or designee.
 - c. Make any corrections, clarifications, or revisions to the above fund appropriation and payment instructions, including any new instructions, in order to effectuate the intent of executing the Sales Purchase Agreement, including any corrections and changes to fund and account numbers; said clarifications/ corrections/ changes may be made orally, electronically, or by any other means.
5. AUTHORIZE the General Manager, GSD, or designee, to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the City Administrative Officer (CAO), and AUTHORIZE the Controller to implement these instructions.

6. AUTHORIZE up to \$10,000 from Proposition A Local Transit Assistance Fund, Fund 385, Department 94 for the Department of Transportation to maintain this property annually.
7. DIRECT, in a separately agendized item as required by CEQA, that the Project shall be completed by a skilled and trained workforce and/or by City forces, and CERTIFY, under PRC Section 21080.25(f)(1), that the Project will be completed by a skilled and trained workforce and/or by City forces.
8. INSTRUCT the LADOT to report on the long-term financial impact including annual operation and maintenance costs, and to present a development plan and cost required to open the facility by January 2028.

Fiscal Impact Statement: The Municipal Facilities Committee reports that there is no General Fund impact anticipated at this time. The acquisition cost of \$12 million will be funded with Proposition A funds. The LADOT will pursue additional funds through federal, State, and local grants for site development and post-acquisition environmental remediation costs estimated to be \$90 million. Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On November 20, 2024, your Transportation Committee considered a Municipal Facilities Committee (MFC) report, dated November 15, 2024, relative to a Purchase and Sale Agreement with Brea Canon Oil Company, Inc., for the property located at 23903 Normandie Avenue, for use a zero-emissions bus maintenance facility for the LADOT. According to the report, the purchase of this site represents the last property acquisition to complete the LADOT's electrification goals. The last property the City pursued at 740 East 111th Place, at a price of \$24.5 million, fell out of escrow and the purchase canceled at the direction of Council on March 10, 2023, due to risk factors associated with on-site contamination with costs to remediate estimated at \$2.5 million (CF 20-1129). There are currently no other industrial properties for sale that meet the needed parameters in terms of location, size, available power, adequate environmental status, and proximity to the South LA service areas. After consideration and having provided an opportunity for public comment, the Committee moved approve the recommendations in the MFC report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Transportation Committee

COUNCILMEMBER	VOTE
HUTT:	YES
PARK:	YES
HERNANDEZ:	YES
DE LEON:	ABSENT
RAMAN:	ABSENT

RM
11/20/24
CD 15

-NOT OFFICIAL UNTIL COUNCIL ACTS-