0150-13240-0000

T R A N S M I T T A L

TO	DATE	COUNCIL FILE NO.
The City Council	08-07-26	-
FROM		COUNCIL DISTRICT
Municipal Facilities Committee		15

At its meeting held on July 30, 2026, the Municipal Facilities Committee (MFC) approved the attached Department of General Services (GSD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize GSD to negotiate and execute the Purchase and Sale Agreement to acquire a 3.92-acre property located at 23903 Normandie Avenue in Council District 15, for the development of a zero-emission bus maintenance facility for the Los Angeles Department of Transportation (LADOT). The MFC amended the report to instruct LADOT to report on the long-term financial impact including annual operation and maintenance costs.

Fiscal Impact: There is no General Fund impact anticipated at this time. The acquisition cost of $9.8 million will be funded with Proposition A Local Transit Assistance Fund. To offset the full site development, LADOT will pursue additional funds through federal, state, and local grants.

Edwin Gipson II for
Matthew W. Szabo
City Administrative Officer
Chair, Municipal Facilities Committee

MWS:ACG:05270007

CAO 649-d

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT

CITY OF LOS ANGELES
CALIFORNIA

KAREN BASS
MAYOR

DEPARTMENT OF
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(213) 928-9555
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July 30, 2026

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Attention: Adam Lid, Legislative Assistant

REQUEST AUTHORITY TO NEGOTIATE AND EXECUTE THE PURCHASE OF 23903 NORMANDIE AVENUE (NORTH PARCELS) FOR THE DEPARTMENT OF TRANSPORTATION'S ALL-ELECTRIC BUS MAINTENANCE FACILITY

On behalf of the Los Angeles Department of Transportation (LADOT), the Department of General Services (GSD) requests authority to execute a Purchase and Sale Agreement (PSA) and related documents to acquire property at 23903 Normandie Avenue, Harbor City which includes Assessor Parcel Numbers 7438-017-010, 7438-017-012, and 7438-017-014, (collectively, "Property") as shown on Exhibit "A" from LIT/MPI Brea Normandie, LP (Seller) in Council District 15, pursuant to Council File (C.F.) 24-1424-S1. LADOT intends to use the Property as a zero-emissions bus maintenance facility for transit service operations and would be an extension of other parcels with this same address that were purchased in 2024.

SUMMARY

LADOT has an ongoing Bus Facility Purchase Program designed to replace existing contractor-leased facilities with City-owned facilities to meet electrification goals as set by the Mayor and Council. The purchase of these parcels at 23903 Normandie Avenue represents the last property acquisition to complete LADOT's electrification goals in the construction of a zero-emission bus maintenance facility site. This purchase would expand upon the southern parcels at 23903 Normandie Avenue consisting of 4.85 acres, recently acquired on December 24, 2024 (C.F. 24-1424). The previously purchased property has the same address as the current Property under consideration for purchase but different assessor parcel numbers. LADOT seeks to increase the size of the proposed site with intent to develop the property with the necessary improvements to operate a zero-emissions bus maintenance yard, which would include a new office for transit operations personnel, bus maintenance bays, and up to 70 charging stations to charge 140 battery electric buses. There have been no improvements to date on the purchased property.

LADOT will relocate Commuter Express, DASH, and Cityride DASH buses from the 1201 S. Central Avenue bus yard in Compton, CA, which is expected to save the City nearly $1.236 million annually, especially as rent costs rise by approximately three percent each year. The lease for 1201 S. Central Avenue does not involve the City as lessee. However, the rental amount is passed through to LADOT in the form of a service contract where LADOT pays MV Transportation Inc.

for the operations of the South Region Transit Bus Services. A portion of the service costs include the cost of rents for 1201 S. Central Avenue. MV Transportation has leased the 1201 S. Central Avenue yard on behalf of LADOT for approximately 13 years. Furthermore, LADOT cannot invest in electrifying the seven Community DASH, eight Commuter Express, and Cityride On-Demand Dial-a-Ride services operating in the South LA and Harbor areas without owning a transit maintenance yard. The City cannot develop charging infrastructure on leased property, as it would not retain ownership of the capital improvements.

Beyond facilitating electrification and supporting climate initiatives, owning a dedicated south area yard will promote equity as DASH services primarily serve South LA neighborhoods which have the lowest rates of auto ownership in the City. The purchase and development of the bus maintenance facility advances the City's goal to operate 100% zero-emission bus services by 2030 and provides a cleaner bus fleet to the South Service Region, that includes Harbor City.

The acquisition of this portion will likely lead to lower construction costs as subterranean levels were contemplated for the existing City site, but would not be needed due to the expanded area for bus and employee parking. Additionally, it is expected that LADOT will pave the previously purchased site and this new site to charge and stage buses that LADOT will operate during the 2028 Olympics. An agreement with Metro to also use the lot during the Olympics is being contemplated. The use of the site for the Olympics is considered an interim use as the full development of the improvements are expected to take at least five years. LADOT is pursuing funding to develop a fully operational bus maintenance facility. See CF 25-1286.

BACKGROUND

The Property meets LADOT's requirements for a zero-emissions bus maintenance facility, containing a land area of approximately 170,577 square feet or 3.92 acres, is vacant, fully fenced, flat-graded, compacted, and the soil has been remediated.

The property benefits from a 40-foot-wide permanent Fire Lane easement on the adjacent previously acquired City property directly south of the proposed new Property totaling approximately 27,631 square feet. Upon the acquisition of the Property, this easement would be extinguished through merger of the two City properties. There are also six (6) pipeline easements affecting the site that are 20-feet wide totaling approximately 5,620 square feet. The location of these pipelines would not interfere with LADOT's intended use of the Property.

The Property was recently rezoned (ZI 2514) by the City Planning Department to restrict many formerly permitted industrial uses.

Similar to the first acquisition, this is a rare opportunity as LADOT Transit Service can only operate their yards on industrial zoned land with adequate power. The Property has adequate power due to its former use, which will support operations of the yard as a charging facility for battery electric buses without the need for expensive upgrades for power, which could be in excess of $1 million.

It is anticipated that LADOT will use Federal Transit Administration (FTA) Section 5307 or 5339 Grants to upgrade the facility once purchased. The purchase price of $9.8 million may be matched by these FTA grants for any capital improvements. In addition to the previous southern parcel 23903 Normandie purchase (C.F. 24-1424), GSD, on behalf of LADOT, acquired two other bus maintenance facilities in Fiscal Year (FY) 2018. However, LADOT is still in need of purchasing the Property.

APPRAISAL

The Property was recently appraised by Frazier Capital Valuation, the City's appraisal consultant for this assignment, with a value date of May 28, 2026 and the proposed purchase price is supported by the appraisal. The appraisal was reviewed and accepted by Curtis-Rosenthal, Inc. on June 24, 2026.

PURCHASE PRICE

The Seller has agreed to a purchase price of $9.8 million subject to Council approval. The City has reviewed the title report and has accepted all matters of record. City has also satisfied itself with the environmental condition of the property and will take title of the property "as is, where is, with all faults," with City taking full responsibility of all aspects of the Property upon acquisition. Once the City Council has approved the acquisition, the parties will immediately enter into a binding, purchase and sale agreement. No deposit will be required at the opening of escrow. There is no monetary loss by the City for not closing the transaction.

The site has been restored, with all oil and gas capital improvements owned by the Seller removed.

PROJECT DEVELOPMENT AND TIMELINE

Once the City purchases the property, LADOT will seek direction to assemble grant funds to develop the property with the necessary improvements to operate a zero-emissions bus maintenance yard, which would include a new office for transit operations personnel, bus maintenance bays, and up to 70 charging stations to charge 140 battery electric buses. The project consists of improvements on both the proposed Property acquisition and the previously purchased 4.83 acres with the number of charging stations and battery electric buses remaining unchanged. The acquisition of the Property will improve the layout of the proposed facility and provide savings in construction costs. For instance, LADOT may opt against subterranean parking due to its high-cost relative to surface lots or multi-level parkades. The property is expected to be paved with minimal upgrades so it may be used in the interim for the 2028 Olympics. LADOT anticipates a minimum five-year timeline for the permanent full project completion.

ENVIRONMENTAL

Public Work's Bureau of Engineering Geotechnical Engineering Division (GED) reviewed the property owner's soil investigation and remediation reports and found that the site has been remediated to acceptable industrial standards/use, and has recommended further testing and remediation that would occur at the design/construction phase but not pre-acquisition. The following reports were reviewed by GED:

- Project Completion Summary of Joughin Unit North Yard (JUNY) by Partner, dated November 19, 2024
- On-Call Sampling and Limited Phase II Subsurface Investigation Report by Roux Associates dated November 19, 2021
- Phase I Environmental Site Assessment Report by Roux Associates dated November 19, 2021
- Geotechnical Investigation Report by Southern California Geotechnical dated August 23, 2021
- No Further Requirements with Environmental Restriction Letter for JUNY by the California Regional Water Quality Control Board, Los Angeles Region (Regional Board) dated October 10, 2014

Post-Acquisition Cost Estimates

Possible costs associated with development of the site **post-acquisition** are as follows:

Task	**Consultant Cost-Previous Estimate (Prior Acquisition)**	**Consultant Cost-New Estimate (Includes prior and proposed acquisition)**	**Timing**
Geotechnical Investigation- 8 borings, 40 feet deep for Geotechnical Data Report	$70,000	$120,000	Once project plans and specifications are available
Geotechnical Env. Division Review (In-House)	$15,000	$25,000	Once project plans and specifications are available
Methane Investigation. Site is in a methane zone	$35,000	$35,000	Once preliminary plans for the building are in place
Prep of methane plans, design architectural team, field inspections, smoke testing	$60,000	$60,000	During design and/or construction of building(s)
Methane Mitigation System	$100,000-$200,000	$100,000-$200,000	During construction
Groundwater Monitoring Wells-Install and develop	$100,000	$150,000	Should the LARQCB require this
Quarterly or semiannual groundwater monitoring and reporting to LARWQCB **(10 years)**	**$0 - $750,000**	**$0 to $1,000,000**	At any time
On-call subconsultant time and mileage for monitoring and sampling as trenching takes place	$40,000	$60,000	Construction
Soil Tests, manifest handling reports	$30,000	$55,000	Construction
Removal of contaminated soil	$100,000 - $200,000	$175,000 - 275,000	Construction
Total Range of Costs	**$550,000 - $1,500,000**	**$780,000 - $1,980,000**	

The magnitude of these post-acquisition costs, which includes both the prior acquisition and the proposed acquisition, can range from $780,000 to $1,980,000 with the largest unknown being possible quarterly or semiannual groundwater monitoring and reporting to the Los Angeles Regional Water Quality Control Board (LARWQCB) shown in bold in the table above. Total post-acquisition costs for the proposed purchase represents a marginal increase of $230,000 to $480,000.

CEQA REVIEW

CEQA statutorily exempts projects for zero-emission bus maintenance and charging facilities, provided that specific requirements are met.

The proposed acquisition of the 3.92-acre property at 23903 Normandie Avenue for the development of a zero-emissions bus maintenance yard is exempt from CEQA pursuant to Section 21080.25 (b)(5) of the Public Resource Code.

Section (b)(5) provides a CEQA exemption “for the institution or increase of bus rapid transit, bus, or light rail service, including the construction or rehabilitation of stations, terminals, or existing operations facilities, which will be exclusively used by zero-emissions…vehicles, on existing public rights-of-way or existing highway rights-of-way...” (See Exhibit B)

FUNDING SOURCES-ACQUISITION

Funds for the purchase of the Normandie property are available within the City Proposition A Local Transit Assistance Fund. The Mayor proposed and City Council approved an allocation of $25.5 million for the development of the Harbor City Zero Emission Bus Facility in the City’s FY 25-26 Adopted Budget.

FUNDING SOURCES-DEVELOPMENT

The costs to develop the property with the improvements described above is estimated to be between $90,000,000 and $130,000,000. LADOT will pursue a variety of formula and discretionary grant funding sources at the federal, state and county level. As a designated recipient transit agency, LADOT is eligible to receive funding from federal and state sources that are allocated on a formula basis and will allocate formula funding share and seek to fill remaining funding gaps with discretionary grants.

Federal funding sources include:
- Federal Transit Administration (FTA) Section 5307 - Urbanized Area Formula Grants,
- FTA Low or No Emission (Low-No) Vehicle Program (5339(c)),
- FTA Buses and Bus Facilities Competitive Program (5339(b)),
- USDOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants; and
- Infrastructure for Rebuilding America (INFRA) Grants.

State funding sources include:
- Transit and Intercity Rail Capital Program (TIRCP),
- Low Carbon Transit Operations Program (LCTOP); and
- Senate Bill (SB) 1 State of Good Repair Program.

County and local funds could include:
- Measure R Clean Fuels formula; and
- Proposition A Local Return funds.

As another funding option, LADOT is exploring options to solicit a capital partner through an asset concession to fund the design, development, and operation of the new bus maintenance facility.

FISCAL IMPACT

There is no impact to the General Fund for the acquisition of the Property.

RECOMMENDATION

That the City Council, subject to approval of the Mayor:

1. AUTHORIZE GSD with the assistance of LADOT, Department of Public Works, the Office of the 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, CA, APNs 7438-017-010, 7438-017-012, 7438-017-014;

2. AUTHORIZE LADOT to make payment from appropriation account 94CA49 within the Proposition A Local Transit Assistance Fund, Fund 385, Department 94 entitled “Harbor City Zero Emission Bus Yard Development” of up to $9,800,000 to Chicago Title Company necessary to close escrow for the acquisition of the property at 23903 Normandie Avenue.

3. AUTHORIZE LADOT to expend funds pursuant to Recommendation 2 upon presentation of proper documentation and demand of the General Manager of GSD or designee;

4. AUTHORIZE LADOT to 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 Purchase and Sale 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 of 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 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. DETERMINE that the acquisition for a zero-emissions bus yard facility is statutorily exempt from CEQA pursuant to Section 21080.25 (b)(5) of the Public Resource Code.

8. That City Council, subject to the approval of the Mayor, in a separately agendized item as required by CEQA;
    a. DIRECT that the Project shall be completed by a skilled and trained workforce and/or by City forces, And
    b. CERTIFY, under Public Resources Code section 21080.25(f)(1), that the Project will be completed by a skilled and trained workforce and/or by City forces.

Melody McCormick for
Tony M. Royster
General Manager

Attachments: Exhibit A - Property map
Exhibit B - CEQA Exemption Narrative

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EXHIBIT A

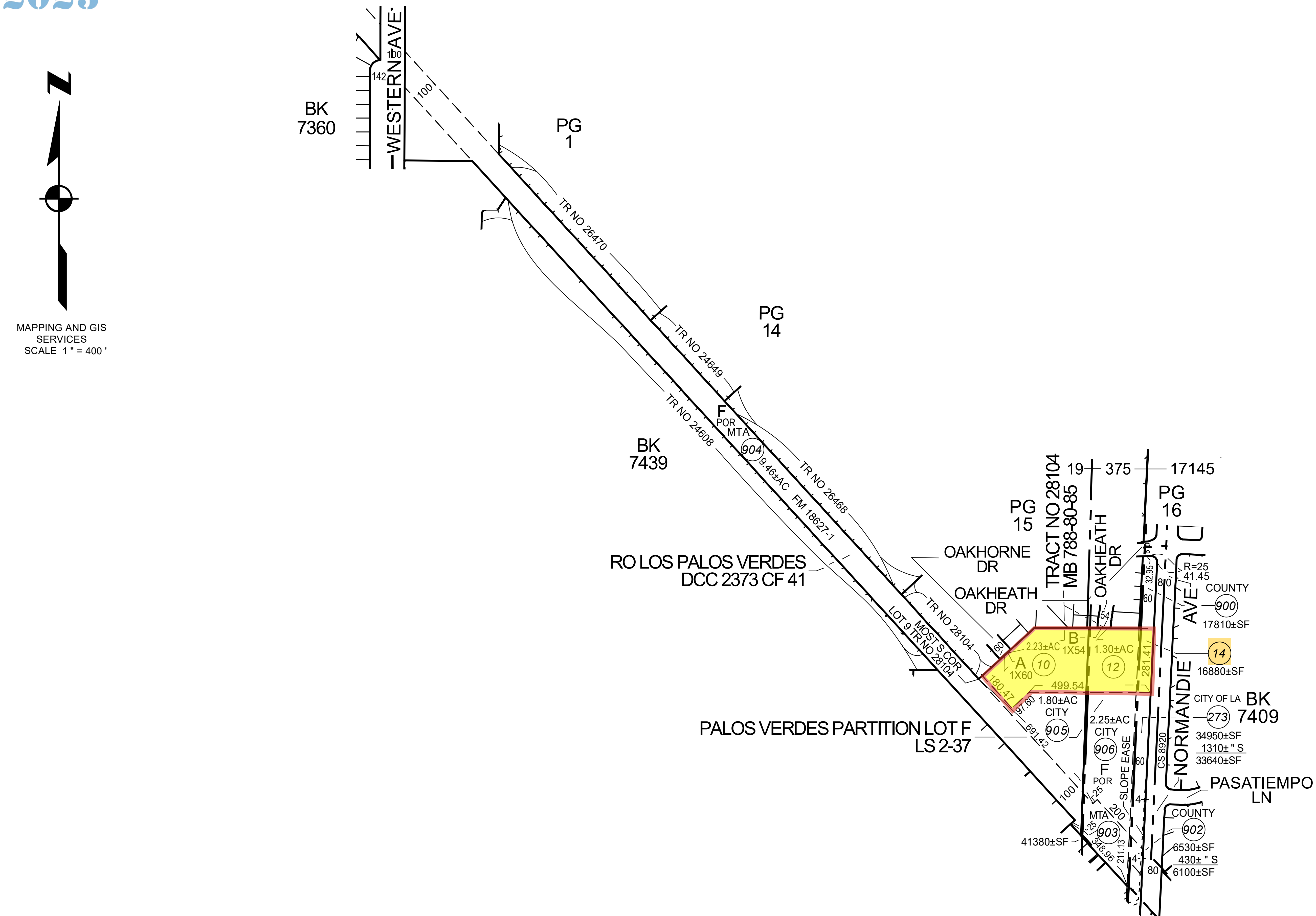

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Exhibit B - CEQA Exemption Narrative

PROJECT: Harbor City Zero-Emission Bus Maintenance Facility Project

LOCATION: 23903 Normandie Ave, Harbor City, CA 90710

I. Project Description

The project is to acquire a 3.92-acre property at 23903 Normandie Avenue, Harbor City (the Property) next to a 4.85-acre vacant property that the City recently purchased to develop and operate a maintenance yard exclusively for zero-emissions buses to serve the Los Angeles Department of Transportation's (LADOT) South LA and LA Harbor transit service region (the Project). The Project would include a new office for transit operations personnel, bus maintenance bays, and up to 70 charging stations to charge 140 battery electric buses. The development of the Property with the above improvements is estimated to cost up to $90 million.[1]

II. Project Background

LADOT serves the South Los Angeles and Harbor communities with affordable transit services by operating seven Community DASH, eight Commuter Express services, and the Cityride On-Demand Dial-a-Ride service. In the near future, LADOT will launch an LA Now On-Demand service in South LA within this service region and expand service frequency on the Watts Community DASH line. City Council has recently directed LADOT to evaluate expanding transit service in the Harbor community to serve the Wilmington Waterfront and Wilmington Promenade (Council File 24-1116). For each service region, LADOT operates a transit facility where buses are fueled, maintained, and stored when they are not in service. The City owns three of the four properties where LADOT operates transit maintenance facilities.

LADOT currently leases the South Bus Maintenance Yard in Compton where all of the buses that serve the South LA and Harbor neighborhoods are maintained. LADOT is not able to invest in the infrastructure needed to charge battery electric buses with the existing facility since the City would not own the investments on the improved property. LADOT has been searching for property to purchase for the South Yard to invest in the needed electrification infrastructure to achieve City Council's goal for LADOT to operate a zero-emission bus system by 2030.

The purchase and development of the bus maintenance yard advances the City's goal to operate 100% zero-emission bus services by 2030 and provides a cleaner bus fleet to the South Service Region, that includes Harbor City. The proposal to develop the property is in the early concept development stage.

III. Environmental Review

A. Basis for Statutory Exemption

The Project is exempt from the California Environmental Quality Act (CEQA) by statute pursuant to California Public Resources Code (PRC) Section 21080.25 (b)(5). Section (b)(5) provides a CEQA

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[1] This estimate is based on the recent development of a Downtown Bus Maintenance Yard at 454 E. Commercial Street (records on file with LADOT) that includes the cost of installing 35 battery electric bus chargers. The total project cost is around $50 million when considering both the development of the facility and installing the bus chargers. The development of a zero-emission bus maintenance facility by the Project is not expected to exceed $90 million when scaling up these costs to account for double the number of bus chargers, inflation, and a larger facility.

exemption "for the institution or increase of bus rapid transit, bus, or light rail service, including the construction or rehabilitation of stations, terminals, or existing operations facilities, which will be exclusively used by zero-emissions…vehicles, on existing public rights-of-way or existing highway rights-of-way, whether or not the right-of-way is in use for public mass transit. The project shall be located on a site that is wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau." As set forth below, the Project is exempt from CEQA under Section (b)(5).

First, the Project is a proposal to construct a new bus facility that will charge up to 140 battery electric buses which will serve expanded services that include LA Now On-Demand bus service in South LA, expanded bus operations on the Watts Community DASH line, and could potentially serve an expanded bus service to the Wilmington Waterfront and Wilmington Promenade. All bus services will operate on existing streets that are within an existing public rights-of-way or existing highway rights-of-way. Second, the Project would be for exclusive use of zero-emissions buses. Third, the Project is located wholly within the City of Los Angeles, which is an urbanized area as designated by the U.S. Census Bureau (see: https://www2.census.gov/geo/docs/reference/ua/2020_Census_ua_list_all.xlsx).

In addition, the Project meets the other criteria in PRC Section 21080.25 to qualify for the CEQA statutory exemption:

a. Pre-requisite Criteria under PRC Section 21080.25(c)

The Project meets all three criteria under PRC Section 21080.25 (c) (1-3):

i. The City of Los Angeles, is the lead public agency, and is a local agency carrying out the project.

ii. The Project will not induce single-occupancy vehicle trips, add additional highway lanes, widen highways, or add physical infrastructure or striping to highways; and does not include the addition of any auxiliary lanes. The Project will encourage more sustainable transportation options (see above regarding how the Project would increase bus services), which will reduce congestion and improve air quality.

iii. The Project will not require the demolition of affordable housing units. There are no affordable housing units on the Property, and none will be affected by the Project.

b. Public Meetings Criteria under PRC Section 21080.25(d)(1)(D)

As provided in the Project Description, the Project is expected to cost up to $90 million to develop. Subdivision (e) of PRC Section 21080.25 provides that a project exempt from this division exceeding $50 million shall also comply with clauses (i), (iii), and (iv) of subparagraph (D) of, and with subparagraph (E) of, paragraph (1) of subdivision (d).

Subdivision (d)(1)(D) of PRC Section 21080.25 provides that a lead agency exempt under this section shall hold public meetings and provide notice of those meetings in accordance with subdivision (d)(1)(E).

In compliance with PRC subdivision (d)(1)(D) of PRC Section 21080.25, LADOT held three notices of public meetings. Two meetings were held in the project area that included the Harbor City Neighborhood Council General Board and Stakeholder Meeting on Wednesday, February 18, 2026, and the Green Meadows Community Group on Saturday, February 14, 2026. In compliance with subdivision (d)(1)(E), LADOT posted the notices in the area where the project is located. The Transportation (or Government Operations) Committee meeting to be scheduled in the near future shall constitute the third public meeting since it is a regularly scheduled meeting of the Governing Board. In addition, the item will be agendized and heard at the regularly scheduled meeting of the Municipal Facilities Committee on July 30, 2026.

Furthermore, In compliance with PRC section 21080.25(d)(1)(D)(iii), LADOT will conduct at least two noticed public meetings annually during project construction for the public to provide comments. In compliance with PRC section 21080.25(d)(1)(E), LADOT will provide notice of the City Council Committee meeting(s) on LADOT's website and social media accounts.

c. Skilled and Trained Workforce Criteria under PRC Section 21080.25(f)

Subdivision (f) of PRC Section 21080.25 provides that a lead agency exempt under this section shall enter into a construction contract only with an entity and its subcontractors at every tier commit to using a skilled and trained workforce to perform all work on the project or a contract that falls within an apprenticeship occupation in the building and construction trades, except where a lead agency has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project to use a skilled and trained workforce and the entity has agreed to be bound by that project labor agreement.

In compliance with PRC subdivision (f)(2) of PRC Section 21080.25, the City shall certify that the project will be completed by a skilled and trained workforce, and will rely any of the three, or combination thereof to satisfy this requirement:

- **i.** The City shall contract with entities to perform the work of the project that are bound by the Department of Public Works Project Labor Agreement 2020-2030 (PLA 2020-2030) with the Los Angeles/Orange County Building and Construction Trade Council, and further bind all contractors and subcontractors performing work on the project to use a skilled and trained workforce.
- **ii.** The City shall rely on City forces.
- **iii.** The City shall include in all invitations for bids requirements and/or executed final agreements to bind all contractors and subcontractors performing work on the project to use a skilled and trained workforce.