



BOARD LETTER APPROVAL

ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: November 5, 2025

SUBJECT: Land Divestment Policy - Sale of Three Properties to Existing Tenured Tenants in Bishop, Inyo County

SUMMARY

Water System requests the approval of three Agreements of Purchase and Sale of Real Property and Escrow Instructions (Agreements) for the sale of Three Properties (Properties) owned by the City of Los Angeles (City), and under the management and control of LADWP, to the respective existing tenured tenants in accordance with the “Land Management Guidelines – City Land Acquisition and Divestment Policy for Inyo and Mono Counties,” approved by the Board of Water and Power Commissioners (Board) by Resolution No. 012 217 on April 17, 2012, and the “Amendment to Land Management Guidelines – City Land Acquisition and Divestment Policy for Inyo and Mono Counties,” approved by the Board by Resolution No. 019 207 on May 28, 2019, (Land Divestment Policy), copy attached.

The sale of the Properties will result in total revenue of \$610,000.

City Council approval is required in accordance with Charter Section 675(d)(2).

The Agreements do not have an expiration date.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council’s approval of the Agreements for the sale of the Properties to the respective existing tenured tenants as required in Charter Section 675(d)(2).

ALTERNATIVES CONSIDERED

Alternatives considered included:

- Continue to lease the Properties. This alternative is inconsistent with LADWP's long-term goal to divest itself of in-town property no longer required for operational purposes.
- Sale of the Properties at public auction. This alternative is inconsistent with the Land Divestment Policy.

FINANCIAL INFORMATION

There is no expense to the City other than an administrative cost of processing the sale of the Properties.

The sale of the Properties will generate revenue in the amount of \$610,000. All sales are for land only. Any improvements on the Properties are owned by the respective tenants.

BACKGROUND

In Inyo County, LADWP must comply with the California Government Code Sections 50300-50308, also known as the Charles Brown Act (CBA), which requires a local agency owning in excess of 50 percent of all private land situated in another county to first give the existing lawful tenant an opportunity to lease or buy the property at a reasonable price when LADWP renews the lease or sells the leased property, respectively. CBA was enacted by the California State Legislature in 1945 to promote economic stability and continuous use of land by the existing lawful tenant in Inyo County, given that the City of Los Angeles (City) owns and controls nearly 70 percent of all private land located in Inyo County.

All contracts that LADWP enters into, including real property purchase and sale agreements, must comply with the Los Angeles City Charter and Administrative Code, which require contracts be awarded pursuant to open and competitive bidding procedures unless an exemption applies. CBA permits LADWP "upon a finding that the public interest will be furthered and with the approval of the legislative body, the board or officer having charge of real property belonging to [LADWP] may sell or lease the property without advertising or calling for bids." LADWP utilized the "public interest" exemption to implement certain policy changes in the Land Divestment Policy affecting property divestment in Inyo County.

The Land Divestment Policy allows LADWP to sell qualifying commercial leased properties in Inyo County directly to the existing tenured tenants at a reasonable price without advertising or calling for bids, in accordance with laws, rules, and charter provisions applying to the City, and the obligation of the CBA.

LADWP has determined that the Properties are no longer needed for LADWP’s operational purposes of generating water or power, or the protection or conservation of water and power resources, and that it is in the best interest of LADWP to divest of said Properties in accordance with the Land Divestment Policy.

These are the first three properties to be sold directly to the respective existing tenured tenants under the Land Divestment Policy. The tenants are in good standing, and each have expressed their desire to purchase the properties that they lease pursuant to the terms and conditions of their respective Agreement.

Environmental assessments were completed for the Properties and the respective reports will serve as a history and baseline for the environmental condition of the Properties as of the date of closing. The Properties were appraised in compliance with the Land Divestment Policy to determine a reasonable sale price. Offers were presented to the qualifying tenants and the Agreements were subsequently negotiated with and executed by the respective existing tenured tenants at the appraised price.

In accordance with the Mayor’s Executive Directive No. 4, the City Administrative Officer’s Report (CAO) was approved on April 18, 2025.

Details of the Properties and sale information are as follows:

Property No. 1

Buyer/Tenant:	Mammoth Development, Inc.
Address:	487 North Main Street, Bishop, Inyo County, California
Property Size:	0.28 acre
Assessor’s Parcel Number (APN):	001-091-01
Appraisal Details:	Norris Realty Advisors – Appraisal report dated September 2022
Environmental Assessment Details:	Kleinfelder West, Inc. - Phase I Environmental Site Assessment report dated June 2018
Property Use:	The Tenant has occupied the property for 41 years as a site for a parking lot for the Tenant’s adjacent restaurant business.
Sale Price:	\$260,000 – Appraised Reasonable Value – Fee Simple Land Only

Property No. 2

Buyer/Tenant:	Ryan T. Miller
Address:	Fulton Street, Bishop, Inyo County, California
Property Size:	0.16 acre
Assessor's Parcel Number (APN):	Portion of APN 001-172-06
Appraisal Details:	Norris Realty Advisors – Appraisal report dated October 2022
Environmental Assessment Details:	Stantec Consulting Services, Inc. - Phase I Environmental Site Assessment report dated November 2019
Property Use:	The Tenant has occupied the property for 22 years as a site for a parking lot for the Tenant's adjacent window and glass business.
Sale Price:	\$140,000 – Appraised Reasonable Value – Fee Simple Land Only

Property No. 3

Buyer/Tenant:	Jack in the Box, Inc.
Address:	West Jay Street, Bishop, Inyo County, California
Property Size:	0.29 acre
Assessor's Parcel Number (APN):	008-172-09
Appraisal Details:	Norris Realty Advisors – Appraisal report dated October 2022
Environmental Assessment Details:	Stantec Consulting Services, Inc. - Phase I Environmental Site Assessment report dated July 2019
Property Use:	The Tenant has occupied the property for 46 years as a site for a parking lot for the Tenant's adjacent restaurant business.
Sale Price:	\$210,000 – Appraised Reasonable Value – Fee Simple Land Only

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the sale of three parcels of real property to lease holders is not subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and the Agreements as to form and legality.

ATTACHMENTS

- Resolution
- Land Divestment Policy
- Agreement of Purchase and Sale of Real Property and Escrow Instructions with Mammoth Development, Incorporated
- Agreement of Purchase and Sale of Real Property and Escrow Instructions with Ryan T. Miller
- Agreement of Purchase and Sale of Real Property and Escrow Instructions with Jack in the Box, Inc.
- Ordinance
- CAO Report