



RESOLUTION NO. _____

BOARD LETTER APPROVAL

Simon Zewdu

SIMON ZEWDU
Senior Assistant General Manager
Power System

A. Ben

Aram Benyamin (Feb 14, 2024 04:55 PST)

ARAM BENYAMIN
Chief Operating Officer

M. L. Adams

MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: February 13, 2024

SUBJECT: Approval of Building Encroachment Easement Deed and
Underground Storm Drain Easement Deed to Studio Lending Group
LADWP File No. P-101985

SUMMARY

LADWP has agreed to sell two easements (Easements) to Studio Lending Group, LLC (SLG). One easement is for a building encroachment of 72 square-feet, and the other easement is for underground storm drain purposes of 2,861 square-feet.

Revenue generated from the sale of the Easements will be \$138,765.00.

City Council approval is required according to Los Angeles City Charter Section 675(d)(2).

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of the grant of easements to SLG as required in Charter Section 675(d)(2).

ALTERNATIVES CONSIDERED

Long-Term License Agreement: this alternative was rejected because the improvements covered by the two easements are permanent so long as SLG operates their property as a studio.

Sale of property: this alternative was rejected because the property covered by the two easements are not surplus to LADWP's operations.

FINANCIAL INFORMATION

LADWP had the subject areas appraised. The appraisal indicates that LADWP should receive \$15,165 for the building encroachment easement and \$123,600 for the storm drain easement.

BACKGROUND

LADWP leased a portion of its Receiving Station H to SLG or its predecessor, Warner Bros., Inc., from approximately January 1, 1993, to March 31, 2017, to facilitate motion picture and television studio operations located on SLG's adjacent property. SLG's property includes a studio building encroaching on a portion of Receiving Station H.

SLG has requested to purchase, and LADWP has negotiated, an Easement Deed for the building encroachment and an Easement Deed for the underground storm drain over a portion of Receiving Station H, as legally described in the Easement Deeds attached hereto.

On May 9, 2018, LADWP and SLG executed a Right-of-Entry and License Agreement, which expired on May 8, 2021. This agreement authorized SLG to install and maintain an underground drainage pipe for its adjacent studio property, and to maintain a portion of a control room on LADWP's Receiving Station H property. This agreement was executed with the understanding that LADWP would issue a building encroachment easement for the portion of the control room and a storm drain easement for the drainage pipe.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report was approved on June 26, 2023.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(2). In accordance with this section, an activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment. The granting of an easement will not result in any physical change in the environment, therefore, this activity is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Resolution
- Easement Deeds
- Ordinance
- CAO Report