

0150-10265-0001

T R A N S M I T T A L

TO Martin L. Adams, General Manager Los Angeles Department of Water and Power	DATE 06/26/2023	COUNCIL FILE
FROM The Mayor	COUNCIL DISTRICT	

**PROPOSED GRANT BY THE LOS ANGELES DEPARTMENT OF WATER AND POWER OF
BUILDING ENCROACHMENT AND UNDERGROUND STORM DRAIN EASEMENT DEEDS
AT RECEIVING STATION H TO STUDIO LENDING GROUP, LLC**

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.



MAYOR
(Chris Thompson for)

MWS:PJH/JVW:cmw/jfh:10230191t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 13, 2023

CAO File No. 0150-10265-0001

Council File No.

Council District:

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer



Reference: Communication from the Department of Water and Power Dated August 26, 2022;
Referred by the Mayor for Report on August 26, 2022

Subject: **PROPOSED GRANT BY THE LOS ANGELES DEPARTMENT OF WATER AND
POWER OF BUILDING ENCROACHMENT AND UNDERGROUND STORM DRAIN
EASEMENT DEEDS AT RECEIVING STATION H TO STUDIO LENDING GROUP,
LLC**

RECOMMENDATION

That the Mayor:

1. Approve the Los Angeles Department of Water and Power (LADWP) proposed Resolution recommending Council approval to grant Studio Lending Group, LLC an easement deed for a building encroachment of 72 square feet and an easement deed of 2,861 square feet for an underground storm drain on a portion of Receiving Station H, as described in the attached report and required by Charter Section 675(d)(2);
2. Adopt the California Environmental Quality Act (CEQA) determinations of the Los Angeles Board of Water and Power Commissioners that the item is exempt from CEQA pursuant to Section 15060(c)(2) that states an organizational or administrative activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and
3. Return the proposed Resolution to the LADWP for further processing, including Council consideration.

SUMMARY

The Los Angeles Department of Water and Power (LADWP) requests approval of two easements deeds: one for a 72-square-foot easement deed for a building encroachment and the other for a 2,861-square-foot easement deed for an underground storm drain, both to Studio Lending Group, LLC (Studio Lending). Studio Lending has requested the purchase of the rights described in the proposed deeds to facilitate continued operation of motion picture and television production located on adjacent property. The approval of the deeds will result in the receipt of \$15,156 for the building encroachment and \$123,600 for the underground storm drain.

The easement deeds have been reviewed and approved to form by the City Attorney. Pursuant to Charter Section 675(d)(2), the grant of the easements requires City Council approval. Our office has reviewed the request and recommends approval.

BACKGROUND

Studio Lending requested to purchase portions of LADWP property it is currently using for filming but instead LADWP reports it has negotiated two easement deeds which now require approval of Mayor and Council.

Building Encroachment Deed – A portion of Receiving Station H was leased by the LADWP to Studio Lending or its predecessor, Warner Bros., Inc., from approximately January 1, 1993 to March 31, 2017, to facilitate motion picture and television studio operations on adjacent property. The Studio Lending's property includes a studio building encroaching on a portion of Receiving Station H of approximately 72 feet. Approval of a deed will allow Studio Lending to legally continue operations and compensate LADWP \$15,156.

Underground Storm Drain Deed – On May 9, 2018, the LADWP and Studio Lending executed a Right of Entry and License Agreement which expired on May 8, 2021. That agreement authorized Studio Lending to install and maintain an underground drainage pipe for its studio property and to maintain a portion of a control room on LADWP's Receiving Station H property. LADWP indicates that the agreement was executed with the understanding that the LADWP would issue a building encroachment easement for a portion of the control room and a storm drain easement for the drainage pipe. LADWP will be compensated \$123,600.

Alternatives Considered – LADWP rejected the issuance of a Long-Term License Agreement to Studio Lending because the property covered by the two easements is permanent as long as the firm operates the property as a studio. The sale of the property was also rejected by the LADWP because the property covered by the two easements is not surplus to LADWP's operations.

CITY COMPLIANCE

The City Attorney has approved the proposed easement deeds as to form. Pursuant to Charter Section 675(d)(2), no real property or any rights or interests in real property shall be sold, leased or otherwise disposed of, unless approved by the City Council.

California Environmental Quality Act – The Los Angeles Board of Water and Power Commissioners determined that the proposed deeds involve an administrative activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment. The amendment is, therefore, administratively and categorically exempt from CEQA pursuant to Sections 15060(c)(2) of the Los Angeles City CEQA Guidelines.

FISCAL IMPACT STATEMENT

The grant of the proposed building and storm drain easement deeds at the LADWP Receiving Station H will result in the receipt by LADWP of \$15,165 for the building encroachment easement and \$123,600 for the storm drain easement. The revenue from the grant of the deeds will accrue to the Power Revenue Fund. The proposed deeds comply with the LADWP Financial Policies.

There is no impact on the General Fund.

Attachment – LADWP Board Report, Resolution and Easement Deeds

MWS:PJH/JVW:cmw/jfh:10230191

August 26, 2022

The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
STOP: 370

Attention: Ms. Heleen Ramirez, Legislative Coordinator

Dear Mayor Garcetti:

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

In accordance with Executive Directive No. 4, enclosed is a copy of a Board letter and supporting documents recommending approval and transmittal to the Los Angeles City Council of a Building Encroachment Easement Deed and an Underground Storm Drain Easement Deed between the Los Angeles Department of Water and Power (LADWP) and Studio Lending Group.

It is respectfully requested that your review be completed as soon as possible. Once the required City Administrative Officer report has been received, the matter will be scheduled for action by the LADWP Board of Water and Power Commissioners and forwarded to the Los Angeles City Council for final consideration.

Please contact Mr. Matthew Hale, Director of Legislative and Intergovernmental Affairs at (213) 367-0751 upon completion of the review, if the review will take longer than 30 days, or if there are any questions regarding this item.

Sincerely,



Martin L. Adams
General Manager and Chief Engineer

RLL:jc

Enclosures

c/enc: Ms. Rebecca A. Rasmussen, Office of the Mayor
Dr. Frederick H. Pickel, Office of Public Accountability
Board of Water and Power Commissioners
Mr. Matthew Hale



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

NANCY H. SUTLEY

Senior Assistant General Manager -
External and Regulatory Affairs and
Chief Sustainability Officer

BRIAN J. WILBUR

Senior Assistant General Manager -
Power System Construction, Maintenance and
Operations

MARTIN L. ADAMS

General Manager and Chief Engineer

DATE: August 26, 2022

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

SUMMARY

Los Angeles Department of Water and Power (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 indicated 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 has been requested.

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

WHEREAS, the City of Los Angeles (City) owns that certain real property, under the management and control of the Los Angeles Department of Water and Power (LADWP), identified as a portion of Assessor's Parcel Number 5531-019-900, also known as Receiving Station H; and

WHEREAS, LADWP leased a portion of Receiving Station H to Studio Lending Group (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; and

WHEREAS, LADWP and SLG executed a Right-of-Entry and License Agreement, which expired on May 8, 2021, to allow SLG to install an underground drainage pipe and continue to use that portion of the studio building encroaching on Receiving Station H; and

WHEREAS, SLG has requested to purchase and LADWP has agreed to sell an easement for building encroachment purposes, for and in consideration of the sum of \$15,165, and an easement for underground drainage pipe purposes, for and in consideration of the sum of \$123,600, on portions of Receiving Station H; and

WHEREAS, LADWP and SLG have negotiated an Easement Deed to convey said easement interests for the building encroachment and an Easement Deed to convey said easement interests for the underground drainage pipe to SLG (Easements Deeds).

NOW, THEREFORE, BE IT RESOLVED that it is in the best interest of the City of Los Angeles and LADWP, for and in consideration of the total sum of \$138,765, to sell the easements to SLG for building encroachment and underground drainage pipe purposes, on portions of Receiving Station H, as more particularly described in the Easement Deeds attached hereto as Exhibit A and incorporated herein by reference.

BE IT FURTHER RESOLVED that the Board of Water and Power Commissioners (Board) hereby approves and recommends that the Los Angeles City Council approve the Easement Deeds and authorize by ordinance the sale of said easements to SLG for building encroachment and underground drainage pipe purposes, in accordance with Sections 675(d)(2) of the Los Angeles City Charter.

BE IT FURTHER RESOLVED that upon approval by the Los Angeles City Council, the President or Vice President, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute the Easement Deeds, approved as to form and legality by the City Attorney, and on file with the

Secretary of the Board, conveying said easements to SLG for and on behalf of LADWP in accordance with Section 675(d)(2) of the Los City Charter City Charter.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the Resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

Board Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

BY  MAY 03 2022
JOHN BEALUM
DEPUTY CITY ATTORNEY

WHEN RECORDED, MAIL TO:

Department of Water and Power
Real Estate Services
221 N. Figueroa Street, Suite 1600
Los Angeles, CA 90012

THIS IS A CONVEYANCE OF AN EASEMENT -
RECORDING FEE EXEMPT PER GOVERNMENT
CODE SECTION 6103 AND 27383

EASEMENT DEED

The CITY OF LOS ANGELES, a municipal corporation, grants to STUDIO LENDING GROUP, LLC, a California limited liability company, an easement to operate, repair, and maintain a portion of an electrical room on that certain real property in the City of Los Angeles, County of Los Angeles, State of California, more particularly described in Exhibit B-1 and depicted on Exhibit B-2 attached hereto and made a part hereof .

SUBJECT TO all outstanding taxes and assessments, if any.

SUBJECT TO any and all agreements, covenants, conditions, restrictions, easements, reservations, rights and rights-of-way of record, and other matters of record.

SUBJECT TO any rights-of-way which may be apparent if a visual inspection is made of said real property.

SUBJECT TO the condition that the sale and conveyance of the easement is authorized upon the terms and conditions stated herein and upon the further express condition that the same shall be continuously used and maintained by Studio Lending Group, LLC for electrical room purposes; and that in the event the Studio Lending Group, LLC does not so continuously use and maintain said real property for said purposes as hereinabove provided for a period of one year, then, and in that event, upon the expiration of said one year period, all rights shall thereupon be forfeited, extinguished, and terminated, and all interest and rights hereby conveyed shall thereupon automatically revert to and revest in the City of Los Angeles without any further action.

EXCEPTING AND RESERVING TO the City of Los Angeles all water and water rights, whether surface, subsurface, or of any other kind, and all water

and water rights appurtenant or in anywise incident to the real property herein described, or used thereon or in connection therewith, together with the right to develop, take, transport, control, regulate, and use all such water; and reserving unto the City of Los Angeles all oil, gas, petroleum, or other mineral or hydrocarbon substances in and under said land, without the right to enter upon the surface of said land for such use.

--Signature Next Page--

Dated _____

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS

By: _____

MARTIN L. ADAMS
General Manager and Chief Engineer

Date: _____

And: _____

CHANTE L. MITCHELL
Board Secretary

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____ (here insert name and title of the officer), personally appeared _____ (insert name(s) of signer(s)) who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____ (here insert name and title of the officer), personally appeared _____ (insert name(s) of signer(s)) who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit "B-1"

Building Encroachment Easement

A strip of land, 1.37 feet wide, over that portion of Lot 2 of Tract No. 215, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 14, Pages 42 and 43 of Maps, in the Office of the Registrar-Recorder/County Clerk of said County, the northerly line of said strip being described as follows:

Beginning at a point on northerly boundary line of the City of Los Angeles as established by Los Angeles City Ordinance No. 43261 (New Series), dated February 27, 1922, as condemned by Final Decree of Condemnation entered in Los Angeles County Superior Court, Case No. 596119, a certified copy thereof being recorded on May 22, 1953 as Instrument No. 4180 in Book 41794 Page 283 of Official Records of said County, said point being South 89 degrees 21 minutes 53 seconds East, a distance of 366.46 feet from the easterly right of way of Poinsettia Place, 60 feet wide, as shown on map of Tract No. 5681, in said city, recorded in Book 136, Pages 23 and 24 of said Maps; thence easterly along said northerly boundary line, South 89 degrees 21 minutes 53 seconds East, a distance of 56.58 feet.

Containing 78 square feet

See Exhibit "B-2" attached hereto and made apart hereof.

This legal description has been prepared by me or under my direction:



Robert C. Olson, PLS 5490

4.25.2018

Date



Reviewed by
Surveys & Right-of-Way Group
Water Engineering & Technical Services
City of Los Angeles Department of Water and Power
 4/25/2018
Senior Survey Supervisor Date

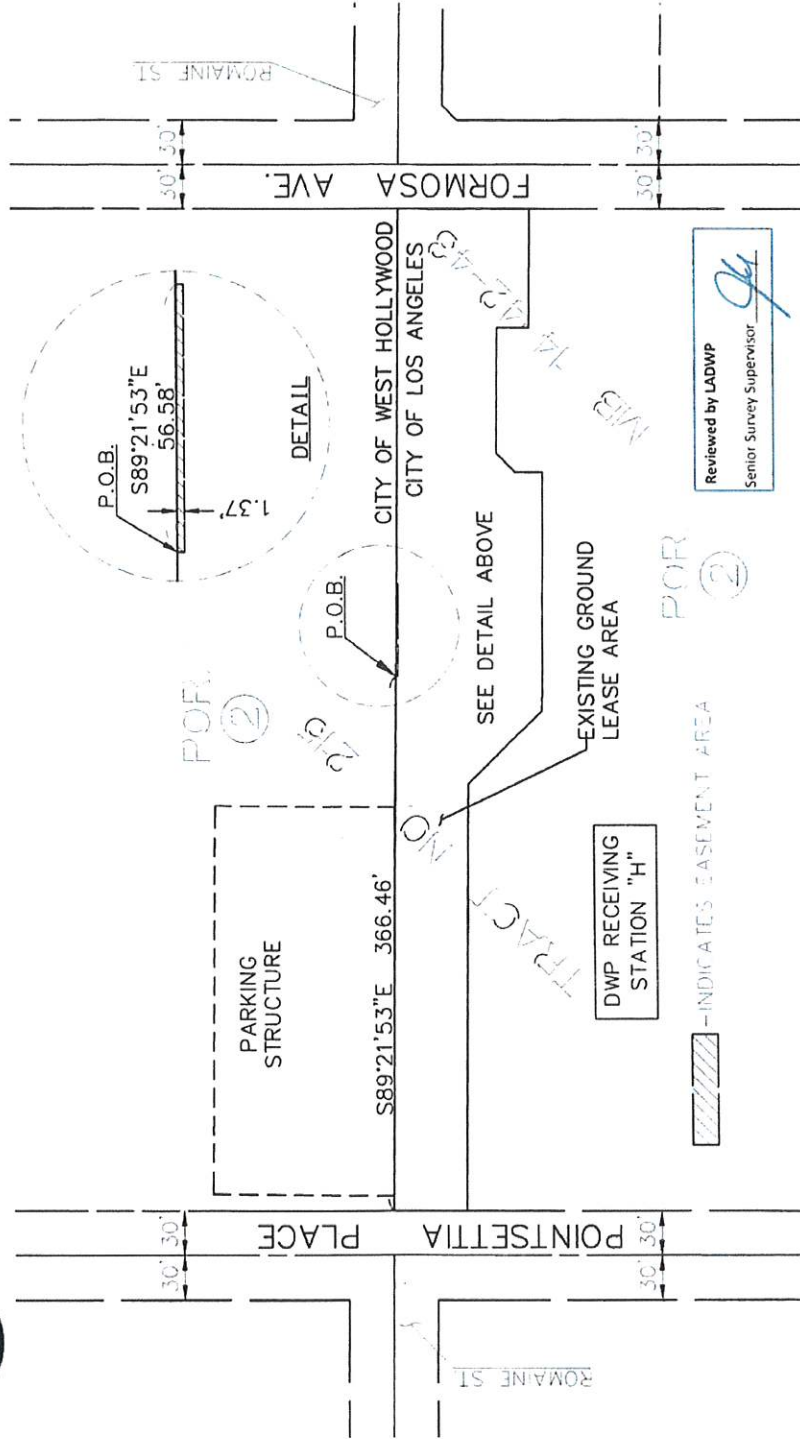
SCALE: 1"=100'



SHEET 2 OF 2 SHEETS

EXHIBIT "B-2"

"BUILDING ENCROACHMENT EASEMENT"
IN THE CITY OF LOS ANGELES,
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA
SUPPLEMENTAL EXHIBIT TO LEGAL DESCRIPTION - JOB No.: 1C1M011400



Reviewed by LADWP
Senior Survey Supervisor

JOB No. 1C1M011400

PSOMAS

WHEN RECORDED, MAIL TO:

Department of Water and Power
Real Estate Services
221 N. Figueroa Street, Suite 1600
Los Angeles, CA 90012

THIS IS A CONVEYANCE OF AN EASEMENT -
RECORDING FEE EXEMPT PER GOVERNMENT
CODE SECTION 6103 AND 27383

EASEMENT DEED

The CITY OF LOS ANGELES, a municipal corporation , grants to STUDIO LENDING GROUP, LLC, a California limited liability company, an easement to install, operate, maintain, upgrade, repair and replace an underground drainage pipe under certain real property in the City of Los Angeles, County of Los Angeles, State of California, described in Exhibits A-1 and depicted on Exhibit A-2 attached hereto and made a part hereof.

SUBJECT TO all outstanding taxes and assessments, if any.

SUBJECT TO any and all agreements, covenants, conditions, restrictions, easements, reservations, rights and rights-of-way of record, and other matters of record.

SUBJECT TO any rights-of-way which may be apparent if a visual inspection is made of said real property.

SUBJECT TO the condition that the sale and conveyance of the easement is authorized upon the terms and conditions stated herein and upon the further express condition that the same shall be continuously used and maintained by Studio Lending Group, LLC for drainage purposes; and that in the event the Studio Lending Group, LLC does not so continuously use and maintain said real property for said purposes as hereinabove provided for a period of one year, then, and in that event, upon the expiration of said one year period, all rights shall thereupon be forfeited, extinguished, and terminated, and all interest and rights hereby conveyed shall thereupon automatically revert to and revest in the City of Los Angeles without any further action.

EXCEPTING AND RESERVING TO the City of Los Angeles all water and water rights, whether surface, subsurface, or of any other kind, and all water

and water rights appurtenant or in anywise incident to the real property herein described, or used thereon or in connection therewith, together with the right to develop, take, transport, control, regulate, and use all such water; and reserving unto the City of Los Angeles all oil, gas, petroleum, or other mineral or hydrocarbon substances in and under said land, without the right to enter upon the surface of said land for such use.

--Signature Next Page--

Dated _____

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS

By: _____

MARTIN L. ADAMS
General Manager and Chief Engineer

Date: _____

And: _____

CHANTE L. MITCHELL
Board Secretary

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____ (here insert name and title of the officer), personally appeared _____ (insert name(s) of signer(s)) who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____ (here insert name and title of the officer), personally appeared _____ (insert name(s) of signer(s)) who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

PSOMAS

LEGAL DESCRIPTION

EXHIBIT "A-1"

Storm Drain Easement

That portion of Lot 2 of Tract No. 215, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 14, Pages 42 and 43 of Maps, in the Office of the Registrar-Recorder / County Clerk of said County, described as follows:

Beginning at the intersection of the northerly boundary line of the City of Los Angeles as established by Los Angeles City Ordinance No. 43261 (New Series), dated February 27, 1922, as condemned by Final Decree of Condemnation entered in Los Angeles County Superior Court, Case No. 596119, a certified copy thereof being recorded on May 22, 1953 as Instrument No. 4180 in Book 41794 Page 283 of Official Records of said County, with the easterly right of way of Poinsettia Place, 60 feet wide, as shown on map of Tract No. 5681, in said city, recorded in Book 136, Pages 23 and 24 of said Maps; thence easterly along said northerly boundary line, South 89 degrees 21 minutes 53 seconds East, a distance of 300.28 feet; thence South 71 degrees 08 minutes 32 seconds West, a distance of 29.97 feet to a line parallel with and 10.00 feet southerly of said northerly boundary line; thence along said parallel line, North 89 degrees 21 minutes 53 seconds West, a distance of 271.92 feet to the easterly right of way line of said Poinsettia Place; thence along said easterly right of way line, North 0 degrees 00 minutes 16 seconds East, a distance of 10.00 feet to the Point of Beginning.

Containing 2,861 square feet.

See Exhibit "A-2" attached hereto and made apart hereof.

This legal description has been prepared by me or under my direction:



Robert C. Olson, PLS 5490

Date

4.25.2010

Sheet 1 of 2 Sheets



Reviewed by
Surveys & Right-of-Way Group
Water Engineering & Technical Services
City of Los Angeles Department of Water and Power
 4/30/2010
Senior Survey Supervisor Date

Exhibit "A-2"

