
Office of the City Clerk, City of Los Angeles

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Council File Number

[07-1349](#)

Title

ACQUISITION OF THE PICKLE WORKS BUILDING / 1001 EAST 1ST STREET

Subject

Motion - As a result of the 1st Street Bridge and Street Widening project undertaken in conjunction with the MTA's Goldline Eastside Light Rail Extension Project, the City of Los Angeles needs to acquire privately owned real property located just north of the existing bridge at 1001 East 1st Street also known as the Pickle Works Building. The Pickle Works Building is a designated historic monument and will have to be cut and refaced (portion demolished and exterior wall reconstructed) as agreed and permitted with State Historic Preservation Office under this project to make way for the widening. The building owner, the KOR Group, has offered to sell the building to the City for \$11,000,000. Given the complexity of cut and reface work on a historic unreinforced masonry structure that is more than 80 years old, the Bureau of Engineering agrees that this offer is reasonable as the owner is unwilling to sell only a portion of the building to the City. Due to severe time constraints imposed on this project, the Bureau of Engineering is recommending that the full purchase offer of \$11,000,000 be deemed reasonable and that it be acceptable. The draft Transportation Grant Fund (TGF) Report for 2007-2008 allocates \$14 million in Proposition A front funding necessary for the right-of-way acquisitions needed for this project. Because the TGF Report will not be approved in time to meet the escrow closing schedule for this purchase the transfer of Proposition A funds needs to be made now. THEREFORE MOVE, that the Council authorize payment to DEMING REAL ESTATE LIMITED PARTNERSHIP, a Delaware limited partnership (the KOR Group), in the amount of \$11,000,000, as compensation for the acquisition in fee, of the property located at 1001 East 1st Street, Los Angeles, CA, commonly known as the Pickle Works Building. FURTHER MOVE that the Department of Transportation be authorized to utilize \$14.0 million of Proposition A as front funding for the acquisition of the Pickle Works Building, as well as for cut and reface work, tenant relocation, and other costs associated with this project. This action is based on the understanding that 88.53% of said funds will be fully reimbursed to the City by federal funds, and the entire advance of \$14.0 million of Proposition A front funding will be returned immediately upon receipt of reimbursement. FURTHER MOVE that the Department of Transportation be authorized to make any technical corrections or clarifications to the above fund transfer instructions in order to effectuate the intent of this Motion.

Last Change Date

04/24/2008

Council District

9

Mover

JAN PERRY

Second

GREIG SMITH

Archive History

4-27-07 - This day's Council session

4-27-07 - Ref to Transportation and Information Technology and General Services Committees

4-27-07 - File to Transportation Committee Clerk

7-25-07 - File to Information Technology and General Services Committee Clerk

8-17-07 - Council Action - Information Technology and General Services Committee report ADOPTED, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Chief Accountant of the Los Angeles Department of Transportation (LADOT) to render payment to CHICAGO TITLE COMPANY (on behalf of Deming Real Estate Limited Partnership, a Delaware Limited Partnership, or the KOR Group), in the amount of \$11,018,838, including escrow fees,

to close escrow on or before September 5, 2007, as compensation for the acquisition in fee, of the property located at 1001 East 1st Street, Los Angeles, CA, commonly known as the Pickle Works Building.

2. AUTHORIZE the Chief Accountant of LADOT to render payment of remaining \$3,981,162 in approved right-of-way funds, to entities shown below, in not to exceed amounts as follows:

Entity Purpose Amount

KOR Group Loss of rent starting from February 8, 2007 \$350,000

27 Pickle Works Tenants Relocation assistance per Fed Uniform Act \$1,300,000

Chicago Title Company Escrow Fees - Toy Warehouse, Daily Journal \$31,162

Toy Warehouse partial parking lot acquisition \$700,000

(On behalf of Henry La, owner)

Daily Journal Temporary Constr Easement \$100,000

(On behalf of Eduardo Berrett, owner)

Department of General Partial or full demolition and repair work, \$1,500,000

Services (GSD) including Temporary Building Operation and

Management (Salaries, Hiring Hall, Materials,

Overtime, etc. - accounts to be designated by GSD

3. INSTRUCT the Bureau of Engineering and the Department of Building and Safety to report back in 30 days on discussions with the State Historic Preservation Office on the feasibility of getting approval for full demolition of the Pickle Works Building in lieu of the presently approved cut and reface alternative.

4. AUTHORIZE the Chief Accountant of LADOT to verify and document all above transactions, bill Caltrans on reimbursements, and make technical adjustments or corrections as necessary to effectuate the intent of the Motion.

8-17-07 - File to Mayor FORTHWITH

8-22-07 - Mayor's message concurred in Council action of August 17, 2007

8-23-07 - File to Council and Legislative Processing Clerk

8-28-07 - File to Transportation Committee Clerk OK

8-29-07 - File in files

4-9-08 - This day's Council session - Motion - Perry Mover 2008 / Cardenas - That the Council, subject to Mayor's approval, instruct Department of General Services and authorize the Controller to transfer funds from General Services' rent receipts and receipts from the Pickle Works Building to Transportation Grant Fund entitled First Street Bridge Wide - Pickle Works; etc.

4-9-08 - File to Council and Legislative Processing Clerk for placement on next available Council agenda

4-16-08 - Council Action - Motion ADOPTED

4-18-08 - File to Mayor

4-23-08 - Mayor's message concurred in Council Action of April 16, 2008

4-24-08 - File to Council and Legislative Processing Clerk

4-24-08 - File in files