

**STAFF REPORT  
C90**

A 62

06/21/18  
SB50-18-014  
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E. Kennedy

**CONSIDER EXERCISING THE RIGHT OF FIRST REFUSAL FOR THE ACQUISITION  
OF FEDERAL PUBLIC LANDS, OR RIGHT TO ARRANGE FOR THEIR TRANSFER  
TO ANOTHER ENTITY, IN THE CITY OF HAWTHORNE, LOS ANGELES COUNTY**

**AREA, LAND TYPE, AND LOCATION:**

11.52 acres, more or less, of federal public lands in the city of Hawthorne, Los Angeles County.

**INTRODUCTION TO SB 50:**

In October 2017, the Governor of California signed SB 50 (Allen, Chapter 535, Statutes of 2017) into law, which added sections 6223 and 27338 to the Government Code and section 8560 to the Public Resources Code. Section 8560 makes certain federal land conveyances void unless the Commission is provided with a right of first refusal or the right to arrange for the transfer of the land to another entity. The Commission must exercise its right of first refusal at a public meeting. If the Commission was provided with its right of first refusal and right to transfer to another entity but elects not to purchase or arrange for transfer, it must issue a certificate affirming compliance with the law. Section 6223 prohibits the recordation of a conveyance of federal public lands unless it is accompanied by a certificate of compliance. The right of first refusal does not apply to certain conveyances, including but not limited to, those associated with a habitat conservation plan, lands conveyed into or out of trust for a federally recognized Native American tribe, and certain land exchanges.

**BACKGROUND:**

The United States is seeking to sell federal public lands consisting of the Hawthorne Federal Building (Subject Federal Parcel) within the city of Hawthorne, Los Angeles County. The building was used as office space for the Federal Aviation Administration.

**PROPERTY DESCRIPTION:**

***Appraised Value:***

No appraisal is publicly available for the Subject Federal Parcel.

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***Existing Improvements:***

The improvements include a six-story office building consisting of 216,102 gross square feet and an adjacent parking lot with 586 spaces.

***Natural and Cultural Resources:***

The Subject Federal Parcel does not have significant natural resources. It is a developed office space property within a highly developed area of Los Angeles.

The Subject Federal Parcel does have value as a cultural resource. The Hawthorne Federal Building is listed on the National Register of Historic Places due to its architectural significance.

***Encumbrances:***

The Subject Federal Parcel is encumbered by several easements:

- An easement for public sanitary sewer purposes, held by the County of Los Angeles
- An easement for water pipelines and their appurtenances, held by Southern California Water Company
- An easement for public utilities held by Southern California Edison
- An easement for ingress and egress held by the State of California
- An easement for underground cable ducts held by TRW System, Inc.
- An easement for public street purposes held by the City of Hawthorne
- An aerial easement for public utility purposes held by the City of Hawthorne

The Subject Federal Parcel is subject to a non-interference with navigable airspace provision. Since it is within 6 nautical miles of an airport, title 14, Code of Federal Regulations, part 77, Objects Affecting Navigable Airspace, applies to any construction or alteration on the property for which notice to the Administrator of the Federal Aviation Administration is required to be provided.

The Subject Federal Parcel is subject to a historic preservation covenant. The future grantee will be bound by a memorandum of agreement establishing protective stipulations.

The Subject Federal Parcel also is subject to restrictions related to managing potential environmental and human health hazards, such as asbestos-containing materials and lead-based paint.

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### **Contamination:**

Asbestos-containing materials and lead-based paint have been identified on the property.

### **INTENDED USE:**

The likely future use of the Subject Federal Parcel would be for office, commercial, and ancillary uses. The Subject Federal Parcel is zoned Regional Commercial/Mixed Use.

### **STAFF ANALYSIS AND RECOMMENDATION:**

#### **Authority:**

Public Resources Code sections 6005 and 8560 and Government Code section 6223.

#### **State's Best Interests Analysis:**

Section 8560 defines "federal public land" broadly as "any land owned by the United States, including the surface estate, the subsurface estate, or any improvements on those estates." While the statute mandates that the Commission consider its right of first refusal for conveyances of federal public lands within the state of California, it does not provide guidance as to when the Commission should decide to acquire the subject federal public lands or to arrange for their transfer to another entity. However, the legislative history suggests that the Legislature intended for SB 50 to address conveyances of federal public lands with high value for environmental conservation or preservation, tourism, scientific study, or recreation. (See Assem. Com. on Natural Resources, report on SB 50 (2017-2018 Reg. Sess.), as amended May 26, 2017, pp. 3-4.; Sen. Com. on Natural Resources and Water, report on SB 50 (2017-2018 Reg. Sess.), Feb. 22, 2017 version, pp. 1-2.; Sen. Jud. Comm., report on SB 50 (2017-2018 Reg. Sess.), as amended March 20, 2017, pp. 3-4.)

The Subject Federal Parcel is already developed with a large office building and a parking lot, and as such it does not possess high value for environmental conservation or preservation, tourism, scientific study, or recreation. While the precise future use of the Subject Federal Parcel is unknown, it is expected that the building would continue to be used for office and similar purposes, which would not likely have significant environmental effects relative to current use. As noted above, the Hawthorne Federal Building has significant architectural value. At this time, there are no plans to alter or demolish the structure, and the new owner will be subject to a historic preservation covenant.

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For these reasons, staff recommends that the Commission find it is not in the State's best interests to acquire the Subject Federal Parcel or to arrange for its transfer to another entity.

**OTHER PERTINENT INFORMATION:**

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
2. The Commission's finding that it is not in the State's best interests to acquire the Subject Federal Parcel or to arrange for its transfer; and authorization to issue a certificate of compliance are not projects as defined by the California Environmental Quality Act (CEQA) because they are administrative actions that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

3. **Finding that the acquisition or transfer to another entity is not in the State's best interests:** Staff recommends that the Commission also find that this activity is exempt from the requirements of CEQA as a statutorily exempt project. The activity is exempt because CEQA does not apply to projects that a public agency rejects or disapproves.

Authority: Public Resources Code section 21080, subdivision (b)(5) and California Code of Regulations, title 14, section 15270, subdivision (a).

4. **Issuance of a certificate of compliance:** Staff recommends that the Commission also find that this activity is exempt from the requirements of CEQA as a statutorily exempt project. The activity is exempt because CEQA does not apply to ministerial projects. After being provided with the right of first refusal and the right to transfer to another entity, the Commission has no discretion whether to issue the certificate of compliance—it "shall issue a certificate of compliance."

Authority: Public Resources Code sections 21080, subdivision (b)(1) and California Code of Regulations, title 14, section 15268, subdivision (a).

**EXHIBIT:**

- A. Land Description

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**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

1. **Finding that the acquisition or transfer to another entity is not in the State's best interests:** Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a statutorily exempt project pursuant to Public Resources Code section 21080, subdivision (b)(5) and California Code of Regulations, title 14, section 15270, subdivision (a), projects that a public agency rejects or disapproves.
2. **Issuance of a certificate of compliance:** Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a statutorily exempt project pursuant to Public Resources Code section 21080, subdivision (b)(1) and California Code of Regulations, title 14, section 15268, subdivision (a), ministerial projects.

**STATE'S BEST INTERESTS FINDING:**

Find that it is not in the best interests of the State for the Commission to acquire the Subject Federal Parcel proposed for conveyance from the United States, or to arrange for its transfer to another entity.

**AUTHORIZATION:**

Authorize the Executive Officer, or her designee, to issue a certificate of compliance with Public Resources Code section 8560 for the conveyance of the Subject Federal Parcel.

# EXHIBIT A

HAWTHORNE FEDERAL BUILDING

## LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF HAWTHORNE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 5 OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 14 WEST, IN THE CITY OF HAWTHORNE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON THE PARTITION MAP SHOWING PROPERTY FORMERLY OF THE REDONDO LAND COMPANY, AS SUBDIVIDED BY JAMES E. TOWELL, C.A. EDWARDS AND P. P. WILCOX, COMMISSIONERS, SURVEY AUGUST 1897 BY L. FRIEL AND FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SEPTEMBER 30, 1897.

EXCEPTING THEREFROM THE WESTERLY 20 FEET.

ALSO EXCEPTING THEREFROM THE SOUTHERLY 20 FEET.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LOT 5 DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE LYING 20 FEET NORTHERLY OF THE SOUTHERLY LINE OF SAID LOT 5 WITH A LINE LYING 20 FEET EASTERLY OF THE WESTERLY LINE OF SAID LOT 5; THENCE NORTHERLY ALONG SAID LINE LYING 20 FEET EASTERLY OF THE WESTERLY LINE OF SAID LOT 5 A DISTANCE OF 17.00 FEET; THENCE IN A DIRECT LINE TO A POINT IN SAID LINE WHICH LIES 20 FEET NORTH OF THE SOUTH LINE OF SAID LOT 5 SAID POINT BEING DISTANT EASTERLY ALONG SAID LAST MENTIONED LINE 17.00 FEET FROM THE ABOVE DESCRIBED POINT OF BEGINNING; THENCE WESTERLY ALONG SAID LINE WHICH LIES 20 FEET NORTH OF THE SOUTH LINE OF SAID LOT 5, 17.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ONE-HALF INTEREST IN ALL OIL, GAS, MINERALS AND HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, AS RESERVED BY PAUL J. HOWARD AND WIFE, IN DEED RECORDED NOVEMBER 5, 1953 AS INSTRUMENT NO. 2809, IN BOOK 43095, PAGE 327 OF OFFICIAL RECORDS, AS AMENDED BY DEED RECORDED DECEMBER 6, 1956 AS INSTRUMENT NO. 469 IN BOOK 53045, PAGE 246 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID LOT 5 DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE LYING 20 FEET NORTHERLY OF THE SOUTHERLY LINE OF SAID LOT 5 WITH THE EASTERLY LINE OF SAID LOT 5, SAID INTERSECTION TO BE KNOWN AS THE POINT OF BEGINNING; THENCE 490 FEET NORTHERLY ALONG SAID EASTERLY LINE OF SAID LOT 5; THENCE 240 FEET WESTERLY ALONG A LINE THAT LIES PARALLEL WITH THE SOUTHERLY LINE OF SAID LOT 5; THENCE 490 FEET SOUTHERLY ALONG A LINE THAT LIES PARALLEL WITH THE EASTERLY LINE OF SAID LOT 5 AND INTERSECTS WITH A LINE THAT LIES 20 FEET NORTHERLY OF THE SOUTHERLY LINE OF SAID LOT 5; THENCE EASTERLY 240 FEET ALONG SAID LINE THAT LIES 20 FEET NORTHERLY OF THE SOUTHERLY LINE OF SAID LOT 5 TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY OF THE NORTHERLY LINE AND ITS WESTERLY PROLONGATION OF LOT 1 OF TRACT NO. 50310, IN SAID CITY, AS PER MAP FILED IN BOOK 1204, PAGES 51 AND 52 OF MAPS, RECORDS OF SAID COUNTY.