



Board Agenda Item #:	III J: Action Item
Date:	December 10, 2020
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Board (the “Board”)
From:	MPS Facilities Board Committee
Staff Lead:	Patrick Ontiveros, General Counsel & Director of Facilities
RE:	Letter of Intent for Sale of Portion of the MSA-1 High School Parking Lot

## I. Proposed Recommendation(s)

I move that the Board of Directors approve the following actions:

- (1) the MPS CEO and Superintendent sign the non-binding letter of intent presented by the City of Los Angeles for the purchase by the City of a portion of the parking lot that serves the MSA-1 high school located at 18220 Sherman Way,
- (2) the MPS Staff negotiate a final purchase and sale agreement for the property including, but not limited to, a fair and reasonable sales price and hire such vendors and consultants as may be needed, with such final agreement to be presented to the Committee and MPS Board of Directors for final approval prior to signature, and
- (3) the MPS CEO and Superintendent sign any permits and requests required by the City of Los Angeles Planning Department to commence a lot line adjustment, subdivision or any other action that may be required to complete the purchase and sale transaction if approved by the MPS Board of Directors;

## II. Background

### A. General

For years, the City of Los Angeles has sought to build an ice and skating rink on the parcel of land immediately adjacent to the parcel of land that serves as the parking lot for the newly constructed high school building (the “Project”). See Exhibit A for a layout. The Project has remained dormant until recently when the City of Los Angeles, acting through Council Member Bob Blumenfield’s office, took steps to use funds from various sources, in particular Proposition K, to construct the Project.



## **B. Prior Authorizations and Actions**

Staff has previously reported to the MPS Board of Directors and Facilities Committee about the City's interest in purchasing a portion of the MSA-1 parking lot parcel in order to complete the Project. Most recently at its April 23, 2020 meeting the Board passed resolutions which provided among other things:

*"...that the Board of Directors of MPS believes it is in the best interests of MPS and MSA-1 to investigate a possible sale of a portion of the MSA-1 Parking Lot Parcels to the City.*

*... that the Board of Directors of MPS directs MPS Staff to investigate the possibility of a sale of a portion of the MSA-1 Parking Lot Parcels to the City by reviewing among other things the impact of such a sale on the operations of MSA-1, including its parking.*

*... that the Board of Directors of MPS directs MPS Staff to determine a valuation for the land sought to be purchased by the City by, among other things, ordering an appraisal.*

*... that the Board of Directors of MPS directs MPS Staff to discuss with City representatives the possibility of MSA-1 having access to the completed City Project for the benefit of its students and staff."*

## **C. Why the Current Approval is Needed**

Staff desires to obtain the Board's approval to sign the City's nonbinding letter of intent so that it may continue discussing and negotiating a deal with the City. The LOI is non-binding which means that MPS may abandon the negotiations or not pursue the transaction if it deems it is not in its best interests to do so. As part of the negotiation, the City would like to receive MPS's cooperation to commence any land use applications that would be required to complete a transaction, such as a lot line adjustment or subdivision. Such action would not obligate MPS to do anything unless and until a transaction is consummated. Upon the successful negotiation of purchase and sale agreement, it would be presented to the Committee and the Board for final approval and signature.

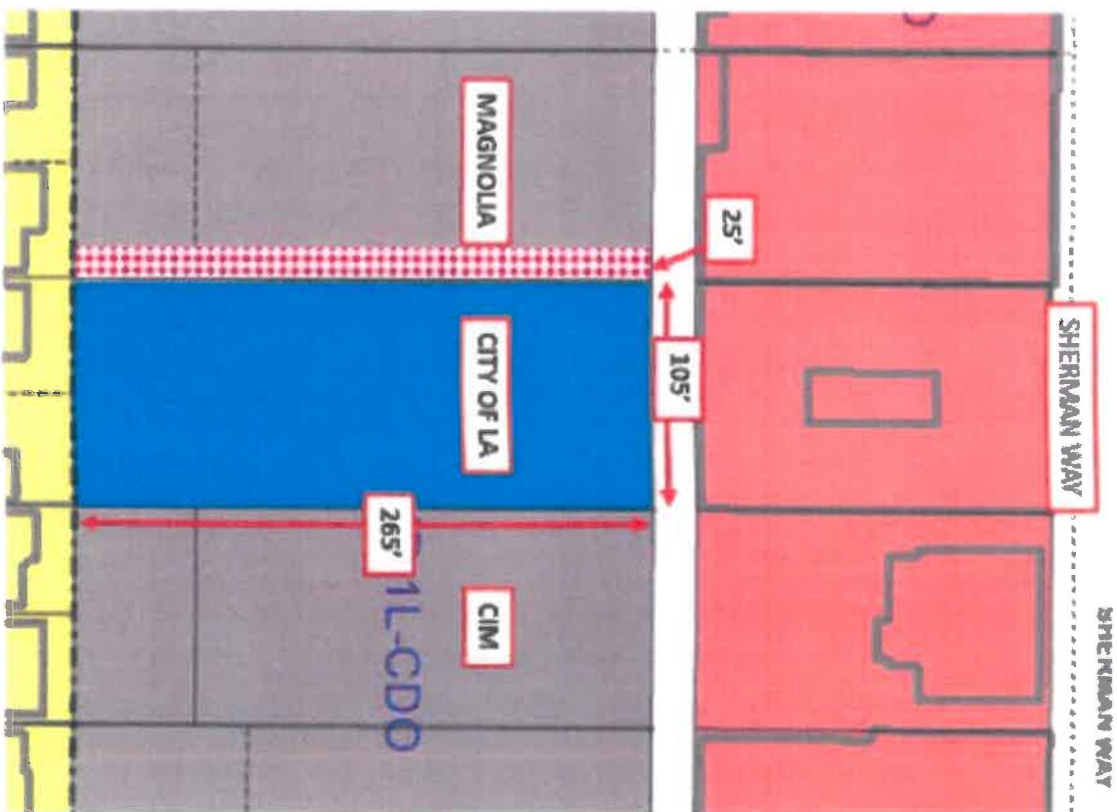
## **III. Budget Impacts**

The final budget impacts will not be known until the terms and conditions of a sale a portion of the MSA-1 parking lot parcel to the City of Los Angeles.



## **Exhibit A**

# EXHIBIT A



What we would like to purchase



What we own



N



To: Magnolia Public Schools  
From: Patrick Ontiveros, MPS General Counsel  
Date: 12/4/2020

RE: Approval of MPS Staff to Respond to Letter of Intent and Negotiate Purchase and Sale Agreement

Magnolia Public Schools (MPS) Chief Executive Officer and MPS General Counsel acknowledge that they have read and reviewed the contract/memorandum pertaining to the above matter.

A handwritten signature in black ink that reads "Patrick Ontiveros".

\_\_\_\_\_  
Patrick Ontiveros  
MPS General Counsel

12/4/2020

\_\_\_\_\_  
Date

A handwritten signature in black ink that reads "Alfredo Rubalcava".

\_\_\_\_\_  
Alfredo Rubalcava  
MPS CEO & Superintendent

12/4/2020

\_\_\_\_\_  
Date