



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on: December 11, 2015

Title	Agenda Item Type
Judicial Council–Sponsored Legislation: Disposition of the San Pedro Courthouse	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	December 11, 2015
Recommended by	Date of Report
Policy Coordination and Liaison Committee Hon. Kenneth K. So, Chair	November 30, 2015
	Contact
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Executive Summary

On April 9, 2015, the Policy Coordination and Liaison Committee voted to sponsor legislation to declare the existing San Pedro Courthouse surplus to allow for its disposal, contingent on Judicial Council action to declare the courthouse as surplus for purposes of Government Code sections 70391(c) and 11011 at its April 17, 2015 meeting. This report recommends that the Judicial Council approve an alternative that would allow the council to retain the proceeds from the disposition of the San Pedro Courthouse for use on construction projects.

Recommendation

The Policy Coordination and Liaison Committee recommends that the Judicial Council, effective December 11, 2015, approve sponsorship of an alternative proposal to authorize the disposition of the San Pedro Courthouse to allow the judicial branch to retain the proceeds to be deposited in the Immediate and Critical Needs Account of the State Court Facilities Construction Fund established by Senate Bill 1407 (Perata; Stats. 2008, ch. 311).

Previous Council Action

On April 9, 2015, the Policy Coordination and Liaison Committee (PCLC) voted to sponsor legislation necessary to declare the existing San Pedro Courthouse surplus to allow for its

disposal, under the delegated authority to act on behalf of the council when “time is of the essence.” Proceeds of sales of surplus property are required to be deposited into the Deficit Recovery Bond Retirement Sinking Fund and then into the Special Fund for Economic Uncertainties (aka the Rainy Day Fund) as required by under article III, section 9 of the California Constitution.

On April 17, 2015, the Judicial Council declared the San Pedro Courthouse to be surplus property and directed Judicial Council staff to notify the Legislature that the court facility is surplus and take all actions necessary to obtain the Legislature’s authorization to dispose of the surplus facility in accordance with Government Code sections 70391(c) and 11011.

Rationale for Recommendation

The State of California, acting by and through the Judicial Council, holds title to the San Pedro Courthouse, a building of approximately 30,000 square feet with two interior floors, and front and rear parking lots (the Courthouse). The Courthouse is a shared-use facility, with the Judicial Council holding a 95.15 percent equity interest and the County of Los Angeles (the County) the remaining 4.85 percent. The Superior Court of California, County of Los Angeles (the court) closed the Courthouse on June 30, 2013, and has since advised Judicial Council staff that the court does not have a current or any future need for the Courthouse.

The County of Los Angeles has expressed its desire to purchase the Courthouse at its fair market value as soon as possible, and the court supports the sale to the County.

After the Judicial Council declared the San Pedro Courthouse surplus property and PCLC approved proposed legislation to provide the legislative authorization required to dispose of the Courthouse as surplus property, Governmental Affairs staff received comments from the Legislature requesting an alternative proposal, framed in a manner similar to Government Code sections 14673.3, 14673.9, 14673.10 and 14673.11, authorizing sale of the San Pedro Courthouse but not as surplus property so as to allow the Judicial Council to retain the proceeds from its sale.

This recommendation responds to that request.

Comments, Alternatives Considered, and Policy Implications

An alternative would be to leave the sponsorship proposal as is, with the proceeds going to the Deficit Recovery Bond Retirement Sinking Fund rather than being retained by the Judicial Council for future use on construction projects.

Implementation Requirements, Costs, and Operational Impacts

Judicial Council staff time would be required to complete the sale of the courthouse. The branch will benefit from the revenue if allowed to retain the proceeds from the sale of the San Pedro Courthouse.