

**MOTION BY SUPERVISORS HOLLY J. MITCHELL
AND JANICE HAHN**

June 28, 2022

Completing the Return of Bruce’s Beach to the Legal Heirs of Charles and Willa Bruce

Peck’s Manhattan Beach Tract Block 5 ("Block 5"), part of the property commonly known as “Bruce’s Beach,” is currently owned by the County of Los Angeles ("County") and is the site of the County Lifeguard Administration Building. In the early 1900s, Charles and Willa Bruce owned Lots 8 and 9 of Block 5 (the "Property") and operated a successful seaside resort there that welcomed Black beachgoers from all over Los Angeles.

In 1924, the Manhattan Beach Board of Trustees voted to condemn Bruce’s Beach through eminent domain under the ostensible purpose of building a park, but it is well documented that this move was a racially motivated attempt to drive out the successful Black business and its patrons. The Bruces’ Property was condemned in 1929, the City of Manhattan Beach demolished the Bruces’ resort, and the Bruces left Manhattan Beach.

In 1948, the City of Manhattan Beach transferred Block 5, including the Property, to the State of California ("State"). This land remained State property until 1995, when the State transferred it to the County as part of a larger transfer of eight State beaches to the County. This transfer included statutory conditions that restrict use and ownership of the land. The County Fire Department currently uses this property for its lifeguard operations.

At the request of the County, Senate Bill ("SB") 796, “Returning Bruce’s Beach to its Rightful Owners,” was introduced to eliminate the statutory restrictions previously

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MOTION

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placed on Block 5 that prohibited the County from transferring the Property back to the legal heirs of Charles and Willa Bruce.

On April 20, 2021, the County Board of Supervisors ("Board") voted to support SB 796, and directed County staff to formulate a plan for the return of the Property to the legal heirs of Charles and Willa Bruce. In response to the Board's April 20th motion, the Chief Executive Officer released the "Report Back on Returning Bruce's Beach to its Rightful Owners" ("Report") that included a plan to return the Property to the Bruce family.

The Report affirmed that returning the Property is in the public interest and laid out the next steps needed for land assessment, property tax evaluation, continued County occupancy of the site and/or relocation, and appropriate safeguards to ensure that the Property is transferred to the legal heirs of Charles and Willa Bruce.

On July 13, 2021, the Board directed County staff to implement the plan set forth in the Report to prepare to return the Property to the legal heirs of Charles and Willa Bruce, including retaining a third-party law firm to conduct a thorough and transparent legal heir determination process.

Both houses of the State Legislature unanimously approved SB 796, and on September 30, 2021, Governor Gavin Newsom signed SB 796 into law at Bruce's Beach. As an urgency bill, SB 796 took effect immediately upon being signed by the Governor.

In enacting SB 796, the State Legislature made findings in support of the public purpose behind the return of the Property to the legal heirs of Charles and Willa Bruce.

SB 796 directed the State Department of Parks and Recreation ("State DPR") to amend the property deed for Block 5 no later than December 31, 2021, to remove the restrictions placed upon it. Pursuant to SB 796, upon removal of the deed restrictions, notwithstanding any other law, easement, covenant, restriction, or servitude, the Property may be sold, transferred, or encumbered upon terms and conditions determined by the Board to be in the best interest of the County and the general public.

On October 5, 2021, to implement SB 796, the Board directed County staff to coordinate with State DPR to amend the property deed, prepare and present to the Board a resolution of acceptance of the amended property deed, and pursue an expeditious process to determine the legal heirs of Charles and Willa Bruce.

On December 10, 2021, State DPR provided the County with an executed grant deed modification reflecting the removal of the restrictions, as authorized by SB 796. On December 21, 2021, the Board adopted a resolution approving and authorizing acceptance of the grant deed modification, giving the County the authority to transfer the Property.

On April 14, 2022, the Honorable Mitchell Beckloff upheld the County's proposed return of the Property to the legal heirs of Charles and Willa Bruce in the matter of *Ryan v. Los Angeles County Board of Supervisors* (Los Angeles Superior Court Case No. 21STCV38353), finding that: "where the appropriation of public funds and/or property is to address and/or remedy racial discrimination committed by government, it serves a public purpose." Judge Beckloff further found that: "redressing past acts of discrimination as well as preventing such acts in the future benefits the whole of the community and its general welfare . . .," and that "the public purpose served by SB 796 is direct and substantial."

On May 26, 2022, the County completed the legal heir determination process, which confirmed that Marcus and Derrick Bruce, the great-grandsons of Charles and Willa Bruce, are their legal heirs. Marcus and Derrick Bruce have caused the formation of Bruce Family LLC to hold the Property upon transfer by the County.

County staff has negotiated a transfer agreement to return the Property to the Bruces ("Transfer Agreement"), and a 24-month lease agreement, with an annual rent of \$413,000 plus responsibility for all operation and maintenance costs, to lease the Property back to the County ("Lease Agreement"). The Lease Agreement includes the Bruces' right to require the County to acquire the Property within a certain timeframe, and the County's right to require the Bruces' to sell the Property to the County within a certain timeframe, for a purchase price not to exceed \$20 million. The annual rental amount is supported by an economic analysis. The purchase price has been confirmed by appraisals to be equivalent to or less than fair market value.

The Transfer Agreement will accomplish the objective of this Board and SB 796 to rectify the historic injustice that was done to the Bruce family by returning the Property to the legal heirs of Charles and Willa Bruce. The Lease Agreement will allow the Bruce

family to realize the generational wealth previously denied them, while allowing the County's lifeguard operations to continue for the foreseeable future without interruption.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Find that the proposed transfer, lease back, and repurchase of Lots 8 and 9 of Peck's Manhattan Beach Tract, Block 5 (the "Property") is not a project under the California Environmental Quality Act ("CEQA") because they are activities that are excluded from the definition of a project by section 21065 of the California Public Resources Code and section 15378(b) of the State CEQA Guidelines, as the actions involve organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. The proposed transfer, lease back, and repurchase of the Property also is exempt from CEQA pursuant to State CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that the actions will not have a significant adverse impact on the environment. In the alternative, the proposed transfer, lease back, and repurchase of the Property is categorically exempt from CEQA pursuant to State CEQA Guidelines section 15301 (Existing Facilities) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, because there will be no or negligible expansion of use beyond that previously existing on the Property. In addition, based on the record, the proposed transfer, lease back, and repurchase of the Property will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or indication that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable. Upon approval, the Chief Executive Office (CEO) will file a Notice of Exemption ("Notice") with the County Clerk pursuant to section 21152 of the Public Resources Code and will post the Notice to the County's website pursuant to section 20192.2 of the Public Resources Code.
2. Adopt the resolution making findings in support of, and approving and

authorizing, the return of the Property to the legal heirs of Charles and Willa Bruce (Attachment A).

3. Pursuant to Senate Bill ("SB") 796, approve and authorize the transfer of the Property to Bruce Family LLC, and delegate authority to the Chair of the Board of Supervisors ("Chair") to execute the Transfer Agreement between the County and Bruce Family LLC (Attachment B) and any ancillary deed or agreement, approved as to form by County Counsel, necessary to effectuate the terms of the Transfer Agreement, including the payment of any associated transaction costs.
4. Pursuant to SB 796, approve and authorize the lease back of the Property from Bruce Family LLC, and delegate authority to the Chair to execute the Lease Agreement between the County and Bruce Family LLC (Attachment C) with annual rent of \$413,000, and any ancillary deed or agreement, approved as to form by County Counsel, necessary to effectuate the terms of the Lease Agreement, including for the repurchase of the Property for a purchase price not to exceed \$20 million plus any associated transaction costs.
5. Approve and establish the proposed Bruce's Beach, Capital Project (C.P.) No. 70033 in the amount of \$21,500,000.
6. Approve the attached appropriation adjustment to transfer \$21,500,000 from the Provisional Financing Uses budget unit to Bruce's Beach, C.P. No. 70033.
7. Pursuant to SB 796, delegate authority to the CEO, or her designee, to take any action, and approve and execute any ancillary escrow documents, approved as to form by County Counsel, that are necessary to effectuate the closing of the transactions contemplated by the terms of the Transfer Agreement and Lease Agreement.

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(FM/IG/CG/KiS)

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VOTES REQUIRED:

3-VOTES 4-VOTES 5-VOTES

CATEGORIES: (Please check those that apply)

- 1. Child Welfare
- 2. Community and Youth Empowerment
- 3. County and Municipal Services
- 4. Economic Justice
- 5. Economic and Workforce Development
- 6. Education
- 7. Environment and Environmental Justice
- 8. Fiscal
- 9. Governance
- 10. Health
- 11. Homelessness and Housing
- 12. Immigration
- 13. Public Safety and Diversion
- 14. Social Justice and Human Rights
- 15. Technology and Data
- 16. Arts, Culture, and the Creative Economy
- 17. Legislation
- 18. Parks and Open Space
- 19. Planning/Land Use
- 20. Transportation
- 21. Veterans
- 22. Delegated Authority