

Is What BCHD Proposes Legal?

A series

CHAPTER 1: Introduction

BCHD's predecessor (whose actions BCHD is bound by) acquired an enormous amount of land situated in the City of Redondo Beach, which BCHD now occupies. But, what can that BCHD land be used for?

All of us understand that when you remodel your home, you can't replace your current structure with a six-story building. We aren't allowed to bulldoze our house and build a casino. Why not? It is our land, and we can do with it whatever we like, right? There are no restrictions at all on what we can do with our own land, correct? Wrong.

Yet, during many of BCHD Board of Directors meetings, we have heard the phrase: "We follow our own rules". As we learn more about how BCHD operates, and what they have planned to build on the land they occupy, we know that is very true. BCHD does not seem to ask themselves, but what are the rules we all are required by law to follow?

Land use rules can be complicated, but it appears BCHD ignored even the most basic of those rules which apply to their proposal for a "Healthy Living Campus" proposed massive expansion project.

BCHD acts as if it has no restraints on its power. That should frighten you. BCHD is a government entity, and the power of government is vast. But, it is not unlimited. The entire history of our nation was built around making sure that government power is never abused, but used wisely. As a governmental entity, BCHD has all of the powers of taxing and spending that go along with that designation.

Along with the power to tax and spend, governments have the power of what is called "eminent domain". That is a fancy way of saying, the government, including BCHD, can take any property they want in the cities of Manhattan Beach, Hermosa Beach, and Redondo Beach.

Therefore, if you live in those cities, BCHD can take your home. They can take the land your business sits on. They can take away your favorite restaurant or store. And, there is nothing you can do to stop them.



This is the story of how BCHD ruthlessly took the land upon which it now sits. But, because we cannot stop the government from taking what is ours, the law creates a “trade off”. Land can only be taken if two promises are kept by the government, including BCHD. Our Constitution requires that these promises be kept.

The first promise is that the land taken be used only for “public use”. The second is, before the land is taken, the government must tell us exactly and specifically what that public use will be. And, crucially, the government must promise to use it in that specified manner forever.

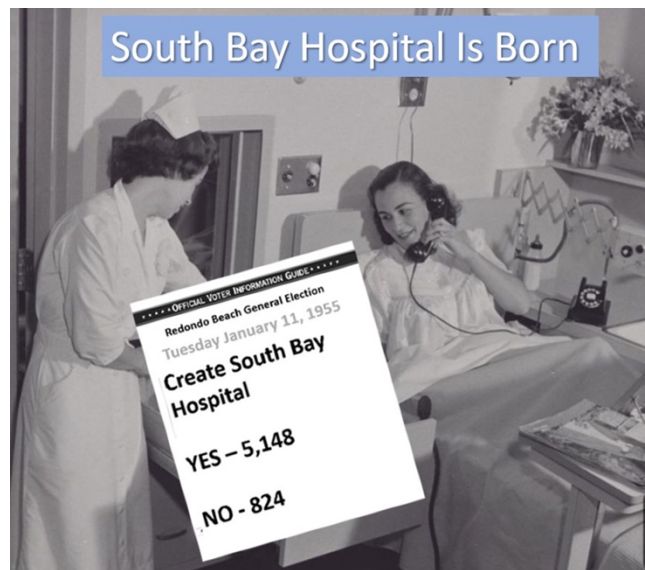
In coming chapters, you will see that BCHD used the power of taking, the power of eminent domain, to obtain the land on which it proposes to build their “Healthy Living Campus”. By using this power, the law required BCHD to keep their promises. BCHD promised to use all of the land for a “hospital”. And, only for a “hospital”. Forever.

CHAPTER 2: The District seeks to build and operate a hospital for the benefit of the community.

The District is created to operate a hospital.

Prior to 1957, the nearby residents decided they needed a hospital. To accomplish that purpose, two votes were taken by the people. The first public vote established a special district to own the hospital. Second, to pay for the hospital, a bond was voted on by the public to tax residents of the Beach Cities.

Mysteriously, however, both the ballot measure establishing BCHD’s predecessor and the bond measure documents are **alleged** to be “missing”. BCHD should have a copy of them. But, they won’t provide them. BCHD’s claim that they don’t have them is equivalent to the U.S. government saying the Constitution, and every single copy of it, and everyone’s memory of what it says, has been erased. How can BCHD operate without knowing what it is allowed to do; and, more importantly what it is NOT allowed to do? They need those governing documents to tell them and the public what they can, and cannot do.



Back to what happened. BCHD was born, a hospital was needed, and all that was missing was the land.

Who owned the land on which the hospital was built?

Since the early 1900s, and until 1957, the land upon which BCHD now sits (excluding the very small parcel they bought from some oil companies in 1990, where an oil and gas well still sits) was owned by a California corporation called the “Redondo Improvement Company” (here we’ll call it “RIC”). RIC was owned by Mr. Huntington, of railroad baron fame.

The land owned by RIC was ideal for the hospital BCHD wanted. But, RIC wasn’t interested in selling. So, how did BCHD acquire the land?

In fact, BCHD took the land it sits on by force. Because RIC did not want to sell, BCHD sued RIC. Using the “hammer” of eminent domain, BCHD could force a transfer of land where none was voluntarily wanted.

CHAPTER 3: BCHD spends months avoiding requests from the members of the public who want to learn more about the land acquisition and land use issues.



We now know with certainty that BCHD took private land to use for the public purpose of a hospital. We also know that, by the law, and by the promises BCHD was required to make to take the land by force, that the BCHD property could only be used for the declared **public** purpose of operating a hospital, in perpetuity.

Yet, BCHD has not mentioned that fact at any time throughout this process. And, when **specifically** asked by concerned citizens to prove they even owned the land, BCHD delayed, and obfuscated, and delayed some more. What was/is BCHD hiding?

As they say, curious minds wanted to know. Those impacted by BCHD's development plans had the right to know the answer to this fundamental question. What could BCHD actually do, by law, with the land they proposed to build on?

The deed of title would answer that question. All land in California is transferred by deed, and the deed is publicly recorded. Since the deed proves you own property, and contains language which defines what can, and CANNOT be done with that property, every property owner knows the deed is important. And, especially if you are engaging in massive, long term construction and proposing to transfer land to another, private party during the process, if you were BCHD, you would have had the deed in hand and know what it says. If you were the private party also benefitting from a land transfer, you should want to know as well!

All questions would be answered by the deed of title to the BCHD property. Nothing would be simpler than just asking BCHD to provide the deed of title to the land they proposed to engage in a multi-year "nine-figure" construction project. Naturally, BCHD would provide a prompt, simple, direct answer to this fundamental question, right?

That was not to be the case. Little did we know that simple, direct question would spark a year long ordeal.



CHAPTER 4: BCHD is reluctant to reveal documents which would prove land ownership and how that land might legally be used.

It seemed strange that BCHD has avoided answering the simplest question of all.

Where is the deed? Give us a copy please, a member of the public asked BCHD during public sessions. BCHD's answer: Make a formal request under the California law called the Public Records Act.

Curious minds really want to know; what is BCHD hiding?

Such a harsh, unusual response to a basic, simple, fundamental question, caused suspicion. Two actions were needed. First, the invitation by BCHD for taxpaying private citizens to use the Public Records Act was accepted, and a request was submitted. (This formal requirement demanding a written request seemed ironic, given that BCHD routinely complains about the amount of requests they receive).

Second, BCHD's delaying tactic raised even more concern, so private, taxpaying citizens went to work on their own. Records of the County Registrar Recorder (where the deeds are kept) and County Assessor's office (where records of who owns what for tax purposes are maintained) were sought, requested and reviewed.

When we scoured those records available to the public, one thing became clear. BCHD's ownership of the land was shrouded in confusing and contradictory (and missing) records. Records that should have been readily available to the public. No one had the answer.

BCHD was in a precarious position. It wasn't even clear they owned the land upon which they intend to build massive structures and then turn it all over to a private company.

Time passes, and BCHD provides what it calls "the deed".

Eventually, BCHD **claimed** they had the answer. In response to the public records request, they finally provided a 2 page "quitclaim deed" from RIC.

Here is the pertinent language, verbatim, but with some highlighting added, from the RIC quitclaim, which BCHD called "the deed":

"The **purpose and intent of this Quitclaim Deed** is to **convey** to Grantee any **easements** for ingress and egress over the aforesaid Parcels....."

If what BCHD claimed was true, if the "quitclaim" was the deed, BCHD had no land at all. Instead, they simply had the right to enter and exit over land they didn't own.

CHAPTER 5: It is hard to hide the truth, and facts about why BCHD cannot use the land for anything but a hospital begin to take shape.

The plot thickens.



The story BCHD was telling at that point was a mystery wrapped in an enigma. A quitclaim deed is the weakest legal form for transferring real property. But, BCHD seemed to assert (and, oddly, may perhaps still to this day claim), that the weak quitclaim deed gives them “unrestricted” rights to use the BCHD land any way they want.

BCHD’s assertion is false, for at least two reasons. First, we now know that what BCHD calls “the deed” was not the mechanism by which the hospital land was transferred to them. Second, if what BCHD says were true, they own no land at all.

Perhaps BCHD realized that if the story ended with the quitclaim deed, they would have more problems than they already do. Whatever the reason, much later in time a second document appeared. It was the result of many written follow ups and public requests and comments, and that second document is 5 pages long. Yet, BCHD only provided 4 of the 5 pages.

Even the incomplete document was of great interest however. The first page showed that a lawsuit had been filed and a final court judgment entered.

A lawsuit emerges from the mists of time.

We will spare you the details of the tortuous path that followed, but we know that where there is a lawsuit, a court file exists. That court file tells the story BCHD does not want you to hear. And, while, again much later (and indeed after the fact) BCHD finally produced the missing page of the five, BCHD left out the rest of the court file documents.

The court file fills in another piece of the puzzle, and hardworking, concerned private citizens moved mountains so that you, the taxpaying public who funds BCHD could have the true story. Here it is.

What does the lawsuit tell us?

On February 4, 1957, BCHD's predecessor sued RIC (and others). The complaint filed was for "Condemnation". One word. Nothing more. BCHD pointed a gun at RIC's head.

The lawsuit was required to tell us why BCHD wanted the land. Here is what was said in their First Amended Complaint (filed on July 31, 1957) about why RIC's land was taken by force of law:

"...The **public interest and necessity require the acquisition**....to certain real property owned and located in the City of Redondo Beach...." (page 3, para. 7)

Why?: "...For the purpose of constructing upon said real property and operating on said real property a hospital in order to provide hospital facilities for the various residents who reside within the South Bay Hospital District." (page 3, para. 4).

RIC hired one of Los Angeles' premier law firms; one of the oldest, largest, and most expensive law firms in the country. BCHD was also well represented.

The "forced marriage" of RIC's land and the BCHD's hospital would be done legally and properly, with all loopholes closed.

CHAPTER 6: BCHD agrees and promises in writing, is ordered by the court, and is required by law, to use forever the land taken by force only for a hospital.



The entire court file, never provided by BCHD but obtained by private citizens, closes the door on building anything but a hospital, and on the "public to private" transfer BCHD contemplates. Let's look at the details.

What did BCHD agree to?

On November 25, 1957, BCHD (not RIC) filed a “stipulation” with the court. (A stipulation is an agreement. Do we not expect everyone, including BCHD, to abide by their legal agreements?)

The stipulation was signed by lawyers for both RIC and BCHD; and, it is final and binding. All parties, including BCHD, agreed that a “Final Judgment of Condemnation” could be entered by a Superior Court Judge in a court of law.

BCHD and RIC agreed to a dollar figure for the “forced” sale, and to waive (give up) all “rights to move for a new trial”, as well as their “rights to take an appeal from the aforesaid judgment.”

BCHD and RIC agreed that certain statements made in their lawsuit were “true”. Those statements included the promise that the land would be used for “the purpose of **constructing** upon said real property **and operating** on said real property a **hospital** in order to **provide hospital facilities...**”

Finality is crucial in the law. BCHD agreed to forever use the land it forced RIC to surrender as a “hospital”.

What did the court order?

Based on the agreement of the parties, two days later, on November 27, 1957 (after a letter was sent the same day to the court by BCHD’s lawyer explaining title insurance will be obtained and that “I think that it is **in order for the Court to render its Judgment in accordance with the Stipulation....**”), the court signed a “Final Judgment of Condemnation”.

The judgment of the court, final and binding, ordered that the RIC land be “condemned”, and that BCHD receive said land “...for the construction, completion and **operation of a hospital** thereon in order to **provide hospital services** for the **residents of said district** and others, together with appurtenant **apparatus for such hospital.**”

By agreement, by court order, and by eminent domain law, the land on which BCHD sits can be used for, and only used for, in perpetuity, a hospital.

CHAPTER 7: BCHD records the court judgment, which becomes the deed to the land upon which BCHD sits.

What did BCHD do with the court order?

We now know that BCHD filed a lawsuit to take the land it sits on by force; that by invoking eminent domain the public use specified in the lawsuit is, by statute, “irrevocable”, thus binding BCHD to forever use the land for a hospital. We also know that BCHD agreed to these terms in writing, and asked and obtained a court judgment ordering the public use as a hospital only.

But, to make sure that the land transfer for public use as a hospital was known to the world and binding on the world, BCHD did what is called “recording” the court judgment. That fact creates the deed of title to the land upon which BCHD sits, cementing the public purpose, in perpetuity, as a hospital.

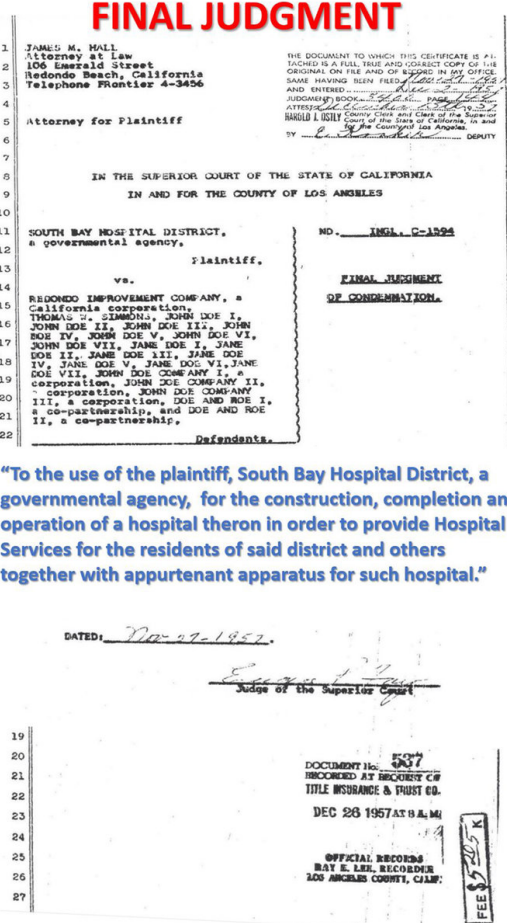
We see on the document that BCHD, at the request of its title company, recorded the “Final Judgment of Condemnation” as the deed, which in fact they must know it was and is still.

That recording occurred on December 26, 1957 at 8:00 A.M. At that time, BCHD received the land upon which it now sits for “operation of a hospital”, and for no other purpose.

Why is the “Quitclaim” BCHD says is the deed NOT the actual deed?

Honestly, the BCHD assertion that the quitclaim, not the court judgment, is the real deed is absurd. But to review all the details, here is the sequencing which reinforces the point: The deed is the recorded court judgment, and the agreements on which it is based, limiting BCHD’s use of the land to a hospital.

On the same December 26, 1957 day at the same 8:00 A.M. time, BCHD’s title company recorded the quitclaim and the Judgment of Condemnation.



“To the use of the plaintiff, South Bay Hospital District, a governmental agency, for the construction, completion and operation of a hospital thereon in order to provide Hospital Services for the residents of said district and others together with appurtenant apparatus for such hospital.”

We know the quitclaim was recorded as a “clean up” document to make sure BCHD had easement rights to access the main property. But, as BCHD raised this false issue, here is again a review of the actual, documented facts.

A. Both documents are recorded at the same time (8:00 A.M.), on the same date (December 26, 1957); and, both are recorded at the request of "Title Insurance and Trust Co."

B. But, the quitclaim bears the number, "536". The court judgment bears the number "537". The recording order was no doubt deliberate; the court judgment is the most recent recording. The most recent recording controls.

C. The words and abbreviations on the quitclaim appear to say, "Price- Terms- T.&A.- R&R". The only reasonable conclusion one can reach is that to understand the quitclaim, one must refer to another recorded document (here, the court judgment). Note that the quitclaim contains no "terms" or "price" of the transfer; all of that is in the stipulation, followed by the judgment upon which the stipulation is based.

D. There is an exchange of letters before the recording and judgment. One, referenced above, reiterated that the transfer was to be per the Judgment; i.e., for the “operation of a hospital”.

E. Also, the stipulation (agreement) signed by all parties contradicts BCHD’s idea that the quitclaim does anything but transfer easement rights. The stipulation agrees to the signing of the court judgment and to use only as a hospital.

F. The quitclaim tells us exactly what limited purpose it serves: "The **purpose and intent of this Quitclaim Deed** is to **convey** to Grantee any **easements** for ingress and egress over the aforesaid Parcels....”

The truth is out, and BCHD is bound by their agreements and the law: Land taken is to be used for the specified public purpose, here a hospital, not to be transferred to a private party for another use.



CHAPTER 8: It is up to you to write the ending to BCHD's story.

BCHD's story does not end here. They are rushing headlong towards an embrace of private developers and their "Healthy Living Campus". That building is not a hospital, and will be transferred to private hands, violating every aspect of the eminent domain taking and the agreements that lead to the end of that lawsuit.

What does this all mean for the taxpayer?

Think about who is captaining your ship. BCHD took land by eminent domain, knowing that action limits their use of the property. They either knew these facts going into the massive building project or they didn't. There are only two conclusions you can reach that are fair.

Either BCHD is intent on "hiding the ball" or they are sloppy. You decide which is it; but whatever, the course they have set for the ship is a rough one, full of shoals and eddies. If the ship runs aground, as well it might, who will be sent the bill? The taxpayers of Redondo Beach, Hermosa Beach, and Manhattan Beach may well want to ask themselves if substantial and real risks are being taken, will we allow taxpayer dollars to pay for this folly for decades to come?

Will the Planning Commission of the City of Redondo Beach make the prudent decision to not consider this project until the legalities are sorted out? Will the City of Redondo Beach City Council pull the matter for appeal for their consideration should the Planning Commission approve it?

Read the full documents at these links.

If you would like to review in full the portions of the court file we were able to obtain, you will find them at the following links.

[Complaint.](#)

[First Amended Complaint.](#)

[Letters and Stipulation](#) (agreement)

[Quitclaim Deed.](#)

[Final Court Judgment.](#) with recording stamp.

The power to prevent misuse of public land is in your hands.

There is not much more to say. Government and business violate laws every day. It is up to us, every one of us, to hold them accountable. Will we?
The choice to take action to prevent the travesty of BCHD's "Healthy Living Campus" misuse of public land, and their "public to private" scheme is ours, and ours alone.
