

APPROVED

REPORT OF GENERAL MANAGER

JUN 21 2006

NO. 06-185

DATE June 21, 2006

BOARD OF RECREATION and PARK COMMISSIONERS

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PALISADES HIGHLANDS GATEWAY - REJECTION OF ADDITIONAL PROPOERTY

J. Combs	_____	J. Kolb	_____
H. Fujita	_____	F. Mok	_____
S. Huntley	_____	K. Regan	_____
B. Jensen	_____	*M. Shull	<i>mg</i>

*Robert H. Jensen (for)*  
 \_\_\_\_\_  
 General Manager

Approved       /            Disapproved \_\_\_\_\_      Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Allow the contingent offer of dedication from Headland Properties, Inc. and Palisades Resources, Inc., of Parcel C of Parcel Map L.A. No. 5371; APN: 4419-015-026, to expire; and,
2. Disapprove the proposed quitclaim deed for Parcel C.

SUMMARY:

On April 25, 1969, Headlands Properties, Inc., offered to donate in conjunction with its proposed development of the Palisades Highlands located northerly of Sunset Blvd. off of Palisades Drive, 150 acres of land to be used for park and open space to the Department of Recreation and Parks. The proposed donation was a condition for the subdivision of the development area, per City Planning Case (CPC) No.22000. On September 8, 1969, the Board of Recreation and Park Commissioners accepted the offer of land donation. In 1972, Headlands Properties deeded to the City of Los Angeles approximately 48.46 acres of land, which later would be developed as Santa Ynez Canyon Park. An additional 25 acres for Santa Ynez Canyon Park was accepted in 1981 by the City of Los Angeles through (Ordinance No. 155.203).

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In 1976, the development project fell under the jurisdiction of the California Coastal Commission with the creation of the California Coastal Commission, and the South Coast Regional Commission by the California Coastal Act of 1976, which required that any development approved by these commissions must be consistent with policies of the Act set forth in Chapter 3, of Division 20, of the Public Resources Code. On December 22, 1980, the California Coastal Commission issued Permit No. 381-78 to Palisades Resources, Inc. and Headlands Properties, Inc. The Coastal Commission approved Permit No. 381-78A under the condition that Palisades Resources, Inc., and the Headlands Properties, Inc. offer to dedicate open space land to the State. As a condition of further subdivisions, Dedication Areas were chosen and identified by the State for dedication to the State, and any or all parcels rejected by the State would be offered to the City of Los Angeles with the City of Los Angeles having the right to accept or refuse said parcels. The condition of the permit called for recordation of the offers of dedication, which were to be made as the subdivision maps were recorded. Palisades Resources, Inc. recorded the "Offer of Dedication Agreement" (Document No. 3844) on January 5, 1981. Document No. 3844 states that Palisades Resources will offer to dedicate Dedication Areas: "A," 113.56 acres, and "B," 167.47 acres to a governmental agency. Subsequent amendments to the Coastal Permit No. 381-78, 11 in total, would grant the City of Los Angeles the right to accept any land recorded in the offer to dedicate that was rejected by the State.

On May 7, 1981, the City Council adopted Ordinance No. 155.203. That Ordinance authorized the acceptance, dedication or conveyance of real property for park and recreational purposes to serve future inhabitants of the proposed subdivision indicated in the Coastal Permit No. 381-78. The Ordinance also accepted 25 acres of land to be dedicated for City park space satisfying "Quimby" development requirements. The Ordinance also released Headlands Properties from its promise made to the City of Los Angeles in April 1969 to donate 150 acres of land to the Department.

On June 24, 1981, Palisades Resources recorded Document No. 81-631479 which offered the Dedication Areas "A" and "B" to the City of Los Angeles. Only a portion of both Dedication Areas "A" and "B" were accepted by the City of Los Angeles. On April 10, 1989, through Board Report No. 204-89, the Board of Recreation and Park Commissioners (Board) accepted the Grant Deed for the conveyance of 108.46 acres of additional open space property known as Dedication Area "A" from the Headlands Properties Associates. On October 2, 1989, through Board Report 549-89, the Board accepted an additional 156.25 acres of additional land (Lot 5), known as Dedication Area "B" from Headland Properties Associates on behalf of Carlan Homes, Inc. Approximately 289.71 acres from Dedication Areas "A," "B," and C-1 (the 25 acres of Santa Ynez Canyon Park, accepted in 1981) have been accepted by the City of Los Angeles in addition to the original 48.46 acres of Santa Ynez Canyon Park that were donated to the City of Los Angeles. A total of approximately 568 acres has been accepted by State Parks and Recreation for addition to Topanga State Park.

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In late 2005, the City Attorney's Office requested assistance from the Department's Real Estate Unit in researching a quitclaim request from Palmer Investments (a land developer). Upon further research and confirmation from the Department of General Services, it was determined that the Quitclaim presented by Palmer Investments, requiring Board approval, was for Dedication Areas "A" and "B" portions of which the City of Los Angeles had accepted and has used as dedicated parkland and open space. Palmer Investments later clarified that it was only interested in acquiring Parcel C of Assessor Parcel Number: 4419-015-026 of Parcel Map L.A. No 5371, a portion of property previously offered for dedication by Palisades Resources.

Parcel C is part of the original Dedication Area "B", but was not accepted when the Department of Recreation and Parks accepted a portion of Dedication Area "B," 156.25 acres, known as Lot 5. As a condition for the Subdivision of Parcel Map L.A. No. 5371, Parcel C is to be held and used only for park purposes or open space per recorded Parcel Map L.A. No. 5371. Parcel C and B of Assessor Parcel Number: 4419-015-026 were to be held together until such a time as Parcel C is dedicated to the State or another Government Agency. The Santa Monica Mountains Conservancy exchanged Parcel C with a private developer. Also, parcel C has been offered to and not accepted by the State or other government agency.

The City Attorney's Office has determined that the Offer of Dedication for Parcel C will expire on July 2, 2006. The City of Los Angeles has no right to extend the dedication offer. Hence, the Department of Recreation and Parks with the assistance from the Bureau of Engineering, General Services Department, the City Attorney's Office and the staff of Council District 11 is recommending that the City not accept the offer of Dedication for Parcel C. Parcel C is a 13 + acre hillside property which has signs of previous landslides. The property is virtually inaccessible steep hillside, which creates additional liability and maintenance problems for the Department as a result of erosion problems and brush clearance requirements. The parcel is also a land locked parcel for which no vehicular access from Sunset Blvd will ever be permitted due to traffic safety requirements. Department staff recommends that the Board not accept the remaining portion of Dedication Area "B," known as Parcel C of Assessor Parcel Number: 4419-015-026.

The Department also recommends that the Board not approve the proposed quitclaim deed as presented to the Department of Recreation and Parks for Dedicated Areas "A," and "B," the property which was accepted by the Board of Recreation and Park Commissioners in 1981 as dedicated parkland to be used for open space. The proposed quitclaim deed, as presented by Palmer Investments, mistakenly describes property that has been accepted by the Board and is used for park and open space purposes since 1989. The Quitclaim that was presented to this Department by Palmer Investments represents the original areas of dedication that were recorded through Document No. 81-631479 which offered the Dedication Areas "A" and "B" to the City of Los Angeles and which a portion were accepted by the Board in 1981. General Services has confirmed this finding.

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Additionally, the City never accepted Parcel C, the property Palmer Investments is actually requesting be quitclaimed, and therefore cannot quitclaim property that it has not accepted. It would also not be advisable for the City of Los Angeles to quitclaim any rights it has never had, thus avoiding potential future liability for Parcel C. Further, at this time, when the offer of dedication for Parcel C is about to expire, the City can't obtain any substantial value for contingent rights it has no ability to exercise because the State has not rejected the property, a condition precedent to the City's right to accept. In summary, the City has little, if any, contingent right to the property, has never exercised such right, would obtain little or no value for agreeing to quitclaim the property and could be inviting unwanted liability for doing so. Staff recommends to decline the quitclaim to Palmer Investments and to allow the offer of dedication to expire.

The Department has received approximately 338.17 acres of property in connection with the development of Palisades Highlands, all property within the Dedicated Areas "A" and "B" and C-1 that staff believes is prudent for the City to manage and control for the public's benefit.

In accordance with the State and City CEQA Guidelines sec. 15378(b), the proposed rejection of an offer of dedication of land for parkland is an administrative action that would not result in a physical change in the environment, and therefore, does not constitute a "project" subject to CEQA. Therefore, no CEQA clearance is required for the Board's action.

The Department of General Services, Bureau of Engineering, City Attorney's Office, staff for the Eleventh District, and Superintendent for the West Region concur with staff's recommendations.

### FISCAL IMPACT STATEMENT:

There will not be any additional fiscal impacts as a result of these recommendations.  
The Department will save on brush clearance and maintenance costs.

Prepared by John Barraza, Management Analyst II of Real Estate and Asset Management Unit.