

APPROVED
JAN 23 2008

REPORT OF GENERAL MANAGER

**BOARD OF RECREATION
and PARK COMMISSIONERS**

NO. 08-22

DATE January 23, 2007

C.D. 10

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 2309 W. 24TH STREET - FINAL AUTHORIZATION TO ACQUIRE PROPERTY
WITH ALLOCATION OF SUBDIVISION/QUIMBY FEES

R. Adams	_____	J. Kolb	_____
H. Fujita	_____	F. Mok	_____
S. Huntley	_____	K. Regan	_____
V. Israel	_____	*M. Shull	<u><i>M. Shull</i></u>

[Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Adopt the draft resolution, substantially in the form on file in the Board Office, authorizing the acquisition of property totaling 9,375 square feet or 0.21 acre and having the address of 2309 W. 24th Street (APN 5059-030-003);
2. Authorize the Chief Accounting Employee to transfer \$121,518 collected in Fiscal Year 2004-05 from the general Subdivision/Quimby Fee Account 460K-00 to the South Seas House Account 460K-SS;
3. Authorize the Chief Accounting Employee to transfer \$500,596 collected in Fiscal Year 2005-06 from Account 460K-00 to the South Seas House Account 460K-SS;
4. Authorize the Chief Accounting Employee to transfer \$84,679.03 in Subdivision/Quimby Fees from the Benny H. Potter West Adams Avenues Memorial Park Account 460K-SD to the South Seas House Account 460K-SS;
5. Approve the allocation of \$725,000 in Subdivision/Quimby Fees from the South Seas House Account 460K-SS for the acquisition of 2309 W. 24th Street, including related expenses and City-obligated relocation costs;

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6. Authorize the Chief Accounting Employee to reimburse Department 88, Fund 205, Account 901H the sum of \$3,500 for the Phase I site assessment and also to reimburse the Department of General Services (DGS) the sum of \$2,000 for the Class "A" appraisal, both reimbursements to be made from the South Seas House Account 460K-SS;
7. Direct the Board Secretary, upon the successful completion of escrow, to accept the grant deed for the parcel; and,
8. Authorize staff to assess and implement, with assistance from DGS and the City Attorney, measures needed to secure the site prior to its development for public use, said measures potentially to include the construction of a perimeter fence funded from Account 460K-SS and/or obtaining a tenant for the house on a month-to-month basis.

SUMMARY:

On June 20, 2007, the approved Board Report No. 07-139 authorized staff to request DGS to begin negotiations for the acquisition of the property parcel located at 2309 W. 24th Street (APN 5059-030-003). The parcel contains a two story, single-family residence of 2,064 square feet built in 1903. The total parcel contains 9,375 square feet or 0.21 acre. The densely populated community is primarily low income. If acquired, the property can be developed to expand programming at two adjacent Department facilities: the South Seas House on the east and the Benny H. Potter West Adams Avenue Memorial Park on the west.

South Seas House, named for its architectural detail, is on a parcel of 0.17 acre; staff offers after-school programs, computer and job-training classes and sports clinics for youths. Staff also hosts a day care program for elementary school children and community meetings for those involved with the Western Heights and the West Adams Terrace Historic Preservation Overlay Zones. The proposed acquisition is within the latter zone.

The adjacent memorial park totals 2.47 acres and has play/picnic areas and outdoor basketball courts. Staff anticipates that a universal-access-playground (UAP) will be completed by April 2009. The nearest UAP is several miles distant.

At the time of the Board's preliminary approval of the proposed acquisition, DGS Asset Management staff had provided a Class "C" estimate whose valuation exceeded \$700,000. Subsequently, they obtained a Class "A" appraisal giving an "as is" value of \$675,000. The agreed-upon purchase price is \$700,000. An additional \$1,675 is required for escrow fees and \$1,580 for title report fees, raising the direct acquisition costs to \$703,255. Also due is a cash-flow reimbursement of \$3,500 for the Phase I environmental assessment and \$2,000 for the Class "A" appraisal.

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Currently, \$18,206.97 is available in Subdivision/Quimby Fees in the South Seas House Account 460K-SS. Upon approval of this report, \$84,679.03 in the Subdivision/Quimby Fee Account 460K-SD (the Benny H. Potter West Adams Avenue Memorial Park) will be transferred to the South Seas House Account 460K-SS. In addition, \$121,518 collected during Fiscal Year 2004-05 and \$500,596 collected during Fiscal Year 2005-06 can be transferred from the general Subdivision/Quimby Fee Account 460K-00 to the South Seas House Account 460K-SS. With these actions, the sum of \$725,000 can be allocated for the acquisition and related expenses.

A Phase I environmental assessment was completed in October 2007. While there is no environmental impediment to the City's acquiring the site, it is located within a City Methane Hazard Zone. In conjunction with planning any future development of the site, subsurface testing will be performed. Environmental management staff determined that since the City intends to acquire the property for public park use, the acquisition itself is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 16 and Class 31 of the City CEQA Guidelines. Future site development by the Department will require additional CEQA review.

The Los Angeles City Planning Director, having authority delegated by the Planning Commission, determined that the proposed acquisition substantially conforms to the intent and provisions of the West Adams-Baldwin Hills-Leimert Community Plan, which is an element of the City's General Plan. The acquisition also conforms to goals and policies in the Facilities Section of the Recreation and Parks Community Plan. It was further determined that site improvements for public park purposes will not adversely affect the surrounding community provided that the improvements meet the requirements of the City's Historic Preservation Overlay Ordinance (Los Angeles Municipal Code Section 12.20.3).

Upon obtaining final authorization from the Board to acquire the property and a successful close of escrow, staff proposes to assess and implement measures to ensure that the site is physically secured and less vulnerable to dumping, vagrancy or vandalism. Repairing such damage significantly raised the total cost of developing the adjacent South Seas House for public use. One option is to construct a perimeter fence. Another is to lease the house on a month-to-month basis until funding is identified for site development. For this reason, there is no recommendation at this time to dedicate the property.

The Assistant General Manager of Operations East, the Superintendent of the Metro Region and the Office of Council District Ten concur with staff's recommendations. This acquisition has strong community and Council Office support because of the potential for enhancing the two adjacent Department facilities.

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FISCAL IMPACT STATEMENT:

In addition to the acquisition and due-diligence costs already cited, Metro Region staff estimate that perimeter fencing will cost \$5,000, which is proposed for allocation in this report. Annual maintenance costs are estimated at \$20,000; this sum can be requested in the next budget cycle. Because the house is currently occupied, there will be relocation costs. Staff of DGS estimate that these expenses may total \$10,000, which is also proposed for allocation. The exact amount will be determined closer to the relocation date.

Report prepared by John Barraza, Management Analyst II, and Joan Reitzel, Senior Management Analyst I in Real Estate and Asset Management.