

APPROVED
APR 21 2010

REPORT OF GENERAL MANAGER

NO. 10-095

DATE April 21, 2010

**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 13

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 5401 LA MIRADA AVENUE – ACQUISITION OF PROPERTY – ESCROW INSTRUCTIONS AND ACQUISITION COSTS; ACQUISITION OF FUNDS AND USE OF FUNDS TO ACQUIRE PROPERTY

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

[Signature]
General Manager

Approved *[Signature]*

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Accept the transfer of \$413,000, in Assembly Bill (AB) 1290 funds from the Hollywood Redevelopment Project Area (HRPA) for the acquisition of the property located at 5401 La Mirada Avenue Los Angeles CA 90029 (Property) for open space as approved by City Council (Council File No. 09-2817);
2. Authorize and request that the Community Redevelopment Agency (CRA) transfer directly \$413,000 in Assembly Bill (AB) 1290 funds to Department of General Services (GSD), Asset Management Division for the expeditious acquisition of the property parcel located at 5401 La Mirada Avenue Los Angeles CA 90029;
3. Adopt the draft resolution, substantially in the form on file in the Board Office, authorizing the acquisition of North Park Tract Lot 17, APN: 5537-002-015, totaling approximately 7,500 square feet or 0.17 acres located at 5401 La Mirada Avenue Los Angeles CA 90029 for \$413,600, using HRP funds, including \$600 in escrow fees, and authorizing staff to request the assistance of the GSD and other City entities, per Charter Section 594 (a) and (b), in the acquisition of said parcel; and,
4. Authorize the Board Secretary to execute the escrow instructions and grant deed for the subject property.

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SUMMARY:

In September of 2009, the State released a request for proposals for the Proposition 84 Statewide Park Program (Proposition 84). Proposition 84 will award a total of \$368 million in competitive grant funding for the creation of new parks, expansion; and, or improvements to existing parks focusing on areas with significant poverty levels. The CRA has submitted a Proposition 84 grant application for development monies for La Mirada improvements as part of the approved Proposition 84 project sites that City agencies are jointly working on for either acquisition or development. On December 9, 2009, the Board of Recreation and Park Commissioners (Board) approved Board Report No. 09-317 and authorized the General Manager to submit grant applications for the first round of Proposition 84 competitive grant funding.

In late 2009, the Community Redevelopment Agency of Los Angeles (CRA) Board of Commissioners (CRA Board) adopted and requested that City Council adopt a resolution authorizing the use of \$413,000 from the Hollywood Redevelopment Project Area (HRPA) Assembly Bill (AB) 1290 funds for the acquisition of the Property. The CRA Board also authorized the transfer of \$413,000 to the Department of Recreation and Parks (RAP) from AB 1290 funds from HRPAs for the acquisition of the Property.

On December 8, 2009, City Council adopted the actions referenced in Council File No. 09-2817 as to adopting, and authorizing the use and transfer of HRPAs funds from the Community Redevelopment Agency (CRA) to RAP for the acquisition of this Property. On March 3, 2010, the Board granted preliminary approval for the acquisition of the Property for the development of a park, and authorized staff to request GSD Asset Management Division, to begin negotiations to acquire the Property (Board Report No. 10-055). The Board also authorized the transfer and allocation of \$10,500 in Quimby fees from Quimby Fees Account 460K-00 to La Mirada Account No. 460K-AG for park acquisition and related costs.

The Board authorized staff to request GSD to begin negotiations for the acquisition of the above mentioned property, which is funded through Quimby Funds and HRPAs Assembly Bill AB 1290 funds. The Property consists of a vacant lot approximately 7,500 square feet in area or .17 acre. Staff has determined that the Property is located in the Hollywood community and is an ideal location for development of a new park. The Property is currently vacant and surrounded by multi-family housing and would meet the standard for a Neighborhood Park as defined in the City's Public Recreation Plan. The acquisition also meets the strategic plan goals for the CRA/LA by creating public green space. The site would help with the much needed park space in a high poverty area. The GSD has completed negotiations for the acquisition of the Property. This acquisition has strong community support because of its uniqueness and its potential for enhancement of the surrounding community. Council District 13 strongly supports this acquisition.

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To determine the fair market value for the above mentioned property, the GSD's Asset Management Division used a Formal Appraisal prepared by an independent appraiser. This appraisal was prepared on August 8, 2009. The indicated value of the appraisal was \$375,000. The CRA and GSD's Asset Management Division have negotiated a purchase price of \$413,000 that is consistent with their professional opinion of market value for the property.

An offer letter of \$375,000 was first presented to the perspective seller on September 23, 2009. The owners of the above mentioned Property and the GSD's Asset Management Division have agreed to a final purchase price of \$413,000. An additional \$600 is required for escrow fees. Funds for the acquisition of the subject Property, including the additional \$600 for escrow fees, are available from HRP Assembly Bill AB 1290 funds and Quimby funds, La Mirada Account No. 460K-AG.

The recommended action is in alignment with CRA/LA's Strategic Plan Goal 2.2.1 - creation of at least two publicly-accessible green open spaces in CRA/LA neighborhoods every year, in cooperation with RAP, Neighborhood Councils and other stakeholders.

Environmental due diligence in the form of a Phase I Environmental Site Assessment (ESA) has been performed for the subject property in accordance with the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessments (Standard Designation E 1527-05) approved in November 2005 and the United States Environmental Protection Agency (US EPA) 40 CFR Part 312 Standards and Practices for All Appropriate Inquiries (AAI) - Final Rule adopted November 1, 2006. No evidence of Recognized Environmental Conditions (RECs) was found on the property, and no further site investigation is required. The Phase I ESA Report dated February 16, 2010 is on file in RAP's Real Estate Division.

The Environmental Management Unit has determined that the proposed project will involve the acquisition of land to preserve open space, and development of a new park with accessory structures including fences, play areas and play equipment, and drinking fountains. Therefore, the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 3(6), Class 4(1, 3), 11(3), and Class 25(5) of the City CEQA Guidelines.

RAP staff recommends that upon close of escrow a fence be erected to protect subject property and City (as its new owner) from liability and any contamination that could result from dumping of illegal substance/material on the property. Staff could proceed with this work upon the close of escrow and recordation of grant deed. It is anticipated that the costs for this required work will not be significant and will be paid from either the remaining balance of the Quimby fund allocation or other future allocations.

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The Superintendent for the Metro Region, the Assistant General Manager for the Operation East and the Councilmember for the 13th District have been consulted and concur with staff's recommendations.

FISCAL IMPACT STATEMENT:

The proposed acquisition will require an increase in maintenance cost demands and will require a budget increase which will be requested through the Department's standard budget process.

This report was prepared by John Barraza, Management Analyst II, Real Estate and Asset Management Division