

REPORT OF GENERAL MANAGER

DATE September 5, 2011

APPROVED
JAN 11 2012
BOARD OF RECREATION
and PARK COMMISSIONERS

NO. 11-276

C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: NORMANDALE RECREATION CENTER EXPANSION – REQUEST FOR FINAL AUTHORIZATION TO ACQUIRE PROPERTY – APPROVAL OF PURCHASE AND SALE AGREEMENT, AND ALLOCATION OF PROPOSITION K FUNDS

R. Adams	_____	K. Regan	_____
H. Fujita	_____	*M. Shull	_____ <i>MS</i>
V. Israel	_____	N. Williams	_____

[Signature]
General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Adopt the Resolution, substantially in the form on file in the Board Office, authorizing staff to request the assistance of the Department of General Services (GSD) and other City entities, per Charter Section 594(a) and (b), in obtaining fee title to a 0.065 acre or 2,850 square feet, privately owned vacant parcel, with the approximate location being on the north side of West 225th Street, 50 feet west of South Normandie Avenue, Los Angeles, CA 90501; Assessor's Parcel Numbers (APN) 7347-004-013;
2. Approve a proposed Purchase and Sale Agreement (PSA), substantially in the form on file in the Board Office, subject to the approval of the City Attorney as to form;
3. Direct the Board Secretary to transmit forthwith the proposed PSA to the City Attorney for review as to form;
4. Authorize the Department's Chief Accounting Employee to make technical corrections as necessary to establish the necessary accounts to acquire the project site, and to accept and transfer the necessary monies to fund the acquisition to the appropriate City Department accounts or escrow company account in order to expeditiously effectuate the acquisition of the Normandale Recreation Center Park Expansion/Sliver Parcel;

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5. Authorize the Board President and Secretary to execute the PSA upon receipt of the necessary approvals; and,
6. Authorize the Board Secretary to execute the escrow instructions and to accept the grant deed for the subject property, as approved by the City Attorney, which shall be set apart and dedicated as park property in perpetuity.

SUMMARY:

On May 20, 2011, the Board of Recreation and Park Commissioners (Board) approved Board Report No 11-130 which preliminarily authorized staff to begin the acquisition process of a property parcel located at the north side of West 225th Street, and 50 feet west of South Normandie Avenue, Los Angeles, California 90501 for the expansion and/or development of the Normandale Recreation Center. Said parcel is identified by APN 7347-004-013. The Board authorized staff to request the GSD to begin negotiations for the acquisition of the above mentioned property, which is funded through Proposition K Funds. The property is a vacant parcel adjacent to Normandale Recreation Center. The total lot area is approximately 2,850 square feet or 0.065 acre. The Board also determined that said acquisition would be contingent on the following conditions:

- A. Funding be made available for the acquisition of the property through Proposition K Fund and Account number (43K/10/10H885);
- B. Appropriate California Environmental Quality Act (CEQA) documentation would have been completed;
- C. All environmental assessments; Phase I, and Phase II if needed, would have been completed and satisfied prior to the close of escrow; and,
- D. The GSD would negotiate a purchase price that is consistent with their professional opinion of the market value.

All of the above mentioned conditions have been met to the satisfaction of RAP. The GSD has completed negotiations for the acquisition of the property located near the northwest corner of Normandie and 225th Street. The acquisition is necessary due to its potential for enhancement and development of the existing adjacent Normandale Recreation Center and the surrounding community. The 15th Council District strongly supports this acquisition.

To determine the fair market value for the above mentioned property identified by APN 7347-004-013, GSD used a Formal Appraisal prepared by an independent appraiser. This appraisal was prepared on November 16, 2010. The estimated value of the appraisal was determined to be \$57,000. GSD concurs with appraiser's valuation methodology used to arrive at the value for

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the subject property. GSD has negotiated a purchase price of \$57,000 that is consistent with their professional opinion of market value for the property.

An offer letter of \$57,000 was first presented to the perspective seller on July 15, 2011. The owners of the above mentioned property, and the GSD, Asset Management Division have agreed to a final purchase price of \$57,000. An additional \$1,206 is required for payment of closing fees, bringing the total property acquisition cost to \$58,206. Funds for the acquisition of the subject property are available from Proposition K Fund and Account number (43K/10/10H885). It should be noted that there are additional funds available for the development of the subject property from Proposition K. The Proposition K funds are for acquisition and development of land for expansion of the existing Normandale Recreation Center. At this time, further study is needed to determine the appropriate development plan for the community.

Funding Sources:

Funding for the acquisition will come from Proposition K, Fund and Account number (43K/10/10H885). There is sufficient funding available for the acquisition of parcel identified by APN: 7347-004-013. Estimated Acquisition cost is \$57,000. Proposition K funding will be used to pay for all acquisition related costs such as appraisals, Phase I Environmental Site Assessment, escrow closing costs, and site preparation.

Acquisition Cost:

The cost of the proposed Normandale Recreation Center Park Expansion/Sliver Parcel acquisition as recommended by GSD is \$57,000. The estimated appraisal value is \$57,000 as of December 31, 2010. GSD has indicated that as part of its professional expertise that a fair negotiated price would be \$57,000. GSD recommends and supports the negotiated price of \$57,000. Estimated closing costs are estimated to be approximately \$1,206 in total. The estimated closing costs are totaled from the following estimates: Escrow fee, \$630; CLTA owners, \$453; and Natural Hazard Disclosure Report, \$123. These closing cost estimates are subject to change and are for reference purposes only. The projected total acquisition cost is estimated at \$58,206.

Environmental:

Staff determined that the subject project consists of the acquisition of property with the intent to preserve open space for park purposes. Therefore, the acquisition of the project site is categorically exempt from the provisions of California Environmental Quality Act (CEQA), pursuant to Article III, Section 1(y), Class 25 (5) of the City CEQA Guidelines.

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In addition to the Office of Council District 15, the Assistant General Manager of Operations, and Superintendent of Planning, Construction and Maintenance Division concurs with staff's recommendations.

FISCAL IMPACT STATEMENT:

Maintenance funds for the new parkland will be requested as part of the Department of Recreation and Park's (RAP) annual budget process. After RAP plans the new development scope, staffing needs will be assessed.

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