

FOR INFORMATION ONLY

CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS

May 2, 2012

TO: BOARD OF RECREATION AND PARKS COMMISSIONERS
FROM: 
JON KIRK MURKI
General Manager
SUBJECT: SEPULVEDA GARDENS UPDATE

Background

Sepulveda Garden Center is located at 16633 Magnolia Boulevard in the Encino community of the City, in Council District 5. The community garden facility, which is approximately 20 acres and contains 807 community garden plots, is located within the Sepulveda Basin Recreation Area. The Sepulveda Basin Recreation Area is owned by the U.S. Army Corps of Engineers (USACOE). USACOE leases approximately 1,530 acres of the Sepulveda Basin Recreation Area - including the area where the Sepulveda Garden Center is located - to the Department of Recreation and Parks (RAP) for the development, operation and maintenance of public recreational lands and facilities. The lease agreement between RAP and the Corps is for a 75-year term that ends on January 4, 2042 (Lease No. DACW09-1-67-11).

Summary

On July 14, 2010, the Board of Recreation and Park Commissioners (Board) approved, in Board Report No. 10-180, changes to various sections of the Department of Recreation and Parks' (RAP) Schedule of Rates and Fees. One of the fee changes approved by the Board was the annual rate for a community garden plot. That annual fee was changed from \$25 per year to \$120 per year effective January 1, 2011 and was applied to nine community gardens within the RAP, including the community garden at Sepulveda Garden Center. As detailed in Board Report No. 10-180, the purpose for the increase in rates and fees was to more accurately recover RAP costs and to generate new revenues. Starting in Fiscal Year 2007-2008, the City of Los Angeles (City) began applying indirect charges (including water costs) to RAP, which resulted in the RAP prioritizing core functions and trying to recover operational costs for non-core programs that RAP and the City had previously subsidized throughout the years.

Notification of the change in the community garden fee schedule was sent to the gardeners at the Sepulveda Garden Center and USACOE. A community meeting was held at Sepulveda Garden Center on November 23, 2010, to discuss the fee increase with the plot holders. Approximately 80 plot holders attended to voice their concerns with the fee increase. RAP staff explained that the fee changes were needed in order to continue operation of the garden center and that RAP could no longer continue to fully subsidize the entire costs of the center. The plot holders were not satisfied with the information provided by RAP.

On January 5, 2011, the Board approved, in Board Report No. 11-012, a suspension in the billing due date for the new community garden fees and instructed RAP staff to develop a comprehensive policy for community gardening and to return to the Board.

On February 22, 2011, USACOE indicated that they had objections to the fee increase and requested a formal fee increase request from RAP along with documentation on how RAP based its fee increase. USACOE also informed RAP that a fee would be charged to review the proposed fee increase and any other projects taking place on USACOE property. It should be noted that, to date, USACOE has not specified or detailed their review fee schedule.

On May 4, 2011, the Board approved, in Board Report No. 11-121, a new policy relative to partnering with individuals and organizations to operate and maintain RAP parkland; a set of uniform operating guidelines for community garden sites managed by RAP; and, changes to the Community Garden Plots section of RAP's Schedule of Rates and Fees. The changes to the Community Garden Plots section of RAP's Schedule of Rates and Fees that were adopted by the Board increased the annual rental fees for a garden plot at the Sepulveda Garden Center from \$25 annually to \$120 annually, which would be paid in semi-annual installments on July 1st and January 1st of each year. This new Schedule of Rates and Fees adopted by the Board was to be effective on July 1, 2011.

On June 7, 2011, RAP sent a letter to USACOE Colonel R. Mark Toy notifying him that the Board had approved a new community garden fee schedule and respectfully requesting that the USACOE approve the increase in the annual fee for community garden plots at the Sepulveda Garden Center. The letter further stated that RAP would like to start collecting fees on July 1, 2011. The letter notified the USACOE that no fees would be collected from January 1, 2011 to June 30, 2011; which effectively meant that all existing community garden members at the Sepulveda Garden Center had effectively been permitted to garden for six (6) months' rent free. The letter also noted that the annual per plot cost to RAP to operate the Sepulveda Garden Center was \$177 but that the new annual fee for community garden plots was only \$120.

The USACOE did not formally respond to RAP's request for approval of the fee increase until January 19, 2012 (Attachment 1). In that response, USACOE approved the new community garden fee schedule that was adopted by the Board. However, USACOE also stipulated that RAP could start collecting fees on April 1, 2012 and could not impose fees retroactively on any gardeners.

On April 20, 2012, RAP responded in a letter addressed to USACOE Colonel R. Mark Toy (Attachment 2). The letter discussed the nation's budget crisis, the downturn of both the state and local economies, and how the City's budget deficit is affecting every aspect of the City's operations. The letter further discussed that RAP was now subject to reduced allocations from the City's General Fund and the implementation of a system of charge backs through which RAP is required to pay for many City services it previously was not required to pay for. The letter stressed the importance of self-generated revenue to RAP and detailed how USACOE's prohibition on collecting fees due on July 1, 2011 and January 1, 2012 had resulted in a revenue loss to RAP of at least \$96,000. It should also be noted that the USACOE has not yet notified RAP of its review fee for this item. The letter notified USACOE that, due to the combination of their stipulation that the fees cannot be collected retroactively and with the numerous delays in approval of the fee increase, RAP has no choice but to request that the Sepulveda Community Garden Center be removed from RAP's leasehold and be returned to USACOE effectively July 1, 2013.

On April 19, 2012, RAP sent a letter to the gardeners at Sepulveda Garden Center notifying them that the fee increase was approved by USACOE and that RAP would be collecting payment of \$60 per plot on July 1, 2012 and January 1, 2013 (Attachment 3). The letter also informed the gardeners of RAP's intention to return the Sepulveda Garden Center to the USACOE effective July 1, 2013.

This report was prepared by Darryl Ford, Management Analyst II, Planning, Construction and Maintenance Division.

REPLY TO
ATTENTION OFOffice of the Commander
and District EngineerMr. Jon Kirk Mukri
General Manager
Department of Recreation and Parks
City of Los Angeles
221 North Figueroa Street
Los Angeles, CA 90012

Dear Mr. Mukri:

I am responding to your letter dated June 7, 2011 requesting my approval of an increase in annual fees from \$25.00 per plot to \$120.00 per plot at the Sepulveda Community Garden Center in the Sepulveda Flood Basin.

My staff has reviewed the material provided by your department and has concluded that the community garden is beneficial to the surrounding community and that a fee increase is justified and necessary to allow the City to continue to operate the facility. I am therefore approving the fee increase on the following conditions: (a) rental fees be paid in biannual installments of \$60.00, due on January 1st and July 1st of each year; (b) the new rates may go into effect as of April 1, 2012 and may not be imposed retroactively on any gardener. This will allow your staff to issue approximately three months' advance notice of the fee increase so that gardeners who wish to vacate will have an opportunity to "bring in their crops" before the rates go up.

During our meeting on July 8, 2011, we discussed the City's plan to convert the Sepulveda Community Garden to a self-operated facility. My staff is available and prepared to collaborate and consult with Recreation and Parks personnel in furtherance of this idea. In the interest of insuring compliance with applicable Federal and Corps of Engineers regulations, I would appreciate the opportunity to review the final arrangement before you formally implement it.

Thank you for understanding the additional time my staff required to review the proposed increase in fees. This was necessary to allow me to make a fully informed decision. If you have any questions or require additional information please feel free to contact me at (213) 452-3961 or your staff may contact Ms. Terri Kaplan, Chief of Asset Management at (213) 452-3118.

"Building Strong and Taking Care of People!"

Sincerely,

R. Mark Toy, P.E.
Colonel, US Army
Commander and District EngineerDEPARTMENT OF THE ARMY
LOS ANGELES DISTRICT CORPS OF ENGINEERS
P.O. BOX 623711
LOS ANGELES, CALIFORNIA 90062-2325

January 19, 2012

RECEIVED
2012 JAN 24 AM 9:00

RECREATION & PARKS

[] GM Jon .
[x] XO Regina
[] Prtnship Vicki
[x] Rec. Op Kevin
[] Bd Ofc Mary
[] Finance Noel
[] G.A. Susan
[] H/R Harold
[] MKTG Andrea
[x] PLNG M-Shuil
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RECREATION AND PARKS221 NORTH FIGUEROA STREET
15TH FLOOR, SUITE 1550
LOS ANGELES, CA 90012(213) 202-2633
FAX (213) 202-2614JON KIRK MUKRI
GENERAL MANAGER

April 20, 2012

Colonel R. Mark Toy
Commander, Los Angeles District
U. S. Army Corps of Engineers
915 Wilshire Boulevard, Suite 1101
Los Angeles, CA 90017

Dear Colonel Toy:

Thank you for your January 19, 2012 letter (Attachment A) in response to our June 7, 2011, request to the United States Army Corps of Engineers (USACOE) for approval of an increase in annual per plot fees at the Sepulveda Community Garden Center, which is located in the Sepulveda Flood Control Basin.

As you know firsthand, the nation's budget crisis and downturn in both the State and local economies have severely hampered our ability to continue to provide programs and services at their previous levels. In fact, the City's current budget situation has hit a breaking point with a serious structural deficit that has carried over for several fiscal years. The budget deficit is affecting every aspect of the City's operations. For the Department of Recreation and Parks (RAP), this has meant reduced allocations from the City's General Fund and the implementation of a system of charge backs in which RAP must now pay for many City services, such as fuel, water, power, and sanitation disposal, just to name a few. With reduced direct financial support from the City's General Fund, and with RAP now paying millions of dollars annually for a variety of indirect costs, we have had no other choice but to reduce services, increase program fees, furlough and lay off employees, and focus our remaining dollars on only the basic core of our service delivery.

RAP relies heavily on self-generated revenue as an important part of its overall budget strategy. As previously stated, we have had to raise fees across the board in virtually every aspect of our operations. The numerous community gardens under RAP management have not been exempt from these fee increases. As you are already aware, the community garden fees are very reasonable and have not been raised for many years. At our other garden sites, the new fees were paid and accepted. Unfortunately, gardeners at the Sepulveda Community Garden Center were not in agreement with the proposed fee increase, which, resulted in a lengthy review process by the USACOE. In turn, this also caused a lengthy delay for RAP in collecting any fees whatsoever. In fact, no fees have been collected from the gardeners at the Sepulveda Community Garden Center since January 2010.



Colonel R. Mark Toy

April 20, 2012

Page 2

This has now placed RAP in a very difficult position moving forward with fee collections. Additionally, your approval letter stated that "...the rates may go into effect as of April 1, 2012 and may not be imposed retroactively on any gardener." This stipulation by the USACOE is unacceptable to RAP in that it prohibits us from collecting payment of \$60 each for July 1, 2011 and January 1, 2012, which result in a revenue loss of at least \$96,000. It is necessary for RAP to retroactively recuperate these fees in order to offset the operational costs for services that were provided during the period that the collection of fees was suspended. And as previously stated, the lengthy USACOE review of the proposed fee increase caused several delays in our ability to properly collect fees from existing gardeners.

Furthermore, we have also been advised by your office that the USACOE will charge RAP a fee for the fee increase review process. On several occasions we have asked for the exact cost of this review. To date, we have received no response from the USACOE regarding the amount of the review fee and/or the process by which this review fee will be calculated. This, in combination with the stipulation that fees cannot be collected retroactive, coupled with the numerous delays in approval of the fee increase leaves us with no choice but to request that the Sepulveda Community Garden Center be removed from our current lease and returned to the USACOE effective July 1, 2013. In a subsequent letter, we will provide more detailed information about the mapped out area affected in the lease.

Thank you for your continued support and assistance, as well as that of your staff. We look forward to working with your team to facilitate a smooth transition in removing portions of the Sepulveda Community Garden Center complex from the City's lease with the USACOE, and returning the gardens to the USACOE for future operation.

Attached is copy of our letter provided to the Sepulveda gardeners requesting payments of \$60 per plot on July 1, 2012 and January 1, 2013. (Attachment B).

If you have any questions regarding our response or require any assistance, please contact Executive Officer Regina Adams at (213) 202-2633 or via e-mail at Regina.Adams@lacity.org.

Sincerely,



JON KIRK MUKRI
General Manager

JKM:KWR/sa

Attachments

cc: Terri Kaplan, USACOE
Regina Adams, RAP
Kevin Regan, RAP
Mike Shull, RAP
Ramon Barajas, RAP
Cid Macaraeg, RAP
Darryl Ford, RAP

WA 12506

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DEPARTMENT OF
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LOS ANGELES, CA 90012

(213) 202-2633
FAX (213) 202-2614

JON KIRK MUKRI
GENERAL MANAGER

April 19, 2012

Dear Sepulveda Gardener:

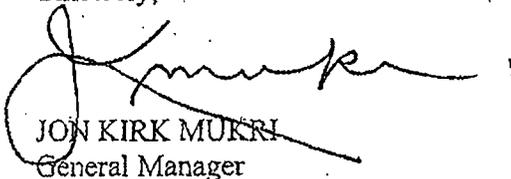
At the Board of Recreation and Park Commissioners meeting held on May 4, 2011, the Board approved to increase the plot fees at Sepulveda Garden to \$60.00 per plot semiannually, with payments becoming due on January 1 and July 1 of each year, per Board Report No. 11-121. The fee increase was also approved by the United States Army Corps of Engineers (USACOE).

Hence, we hereby give you notice that \$60.00 per plot is due to the Department of Recreation and Parks (RAP) on July 1, 2012, and again on January 1, 2013.

Also, please be informed that the Department of Recreation and Parks intends to return the gardens to the USACOE for future operation, effective July 1, 2013. Anyone who has made a payment subsequent to December 1, 2010 will be credited.

If you have any questions, please contact Barbara Pleasant at (818) 756-8189.

Sincerely,



JON KIRK MUKRI
General Manager

JKM:RA/bc

cc: Terri Kaplan, USACOE
Regina Adams, RAP
Kevin Regan, RAP
Mike Shull, RAP
Ramon Barajas, RAP

