

**APPROVED**  
JUN 04 2008

REPORT OF GENERAL MANAGER

NO. 08-164

DATE June 4, 2008

**BOARD OF RECREATION  
and PARK COMMISSIONERS**

C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: EAST WILMINGTON GREENBELT COMMUNITY CENTER – ACQUISITION FOR EXPANSION

R. Adams	_____	J. Kolb	_____
H. Fujita	_____	F. Mok	_____
S. Huntley	_____	K. Regan	_____
V. Israel	_____	*M. Shull	_____

*[Signature]*  
General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

**RECOMMENDATION:**

That the Board:

1. Adopt the Resolution, on file in the Board Office, authorizing staff, in accordance with Charter Section 594 (a), to seek assistance from the Department of General Services and the Office of the City Attorney to complete the acquisition of two adjacent parcels totaling 2.43 acres and owned by Union Pacific (UP) Railroad, the parcels being located across Sanford Avenue from the new East Wilmington Greenbelt Community Center and having Assessor Parcel Numbers of 7425-011-803 and -804 (also collectively known as UP Folder No. 1794-76);
2. Authorize the Board President and Secretary to execute a Purchase and Sale Agreement (PSA) in accordance with the terms outlined in the Summary of this report;
3. Authorize the Board Secretary, upon the successful close of escrow, to accept the Grant Deed to the parcels, which are to be set apart and dedicated as park property in perpetuity;
4. Authorize the Board Secretary to express appreciation to UP on behalf of the Board for the donation of this acreage for public recreational use;
5. Direct staff to assist the Bureau of Engineering, Environmental Affairs and other entities with site remediation;

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6. Authorize staff to assist the Bureau of Engineering with site development in accordance with previously approved funding (Report No. 06-223); and,
7. Authorize staff to seek additional grant funding in order to add amenities to the initial plans for site development.

### SUMMARY:

On August 9, 2006, the Board gave preliminary approval to the acquisition of 2.43 acres of vacant land with the tentative address of 845 North Sanford Avenue in the community of Wilmington (Report No. 06-223). This land is across Sanford Avenue from a new Department community center consisting of a 9,800 square-foot building having a basketball court, multi-purpose room, an office, storage area and restrooms. There is also a small parking lot. The existing site is not large enough for an outdoor play area, hence the need for the proposed expansion to the vacant land. If acquired, it will be developed with two sports fields and associated amenities, including security lighting and fencing, a play area, small parking lot and a modular restroom.

Since obtaining the Board's initial approval, City staff negotiated with UP the terms of a Purchase and Sale Agreement (PSA). The agreed-upon sales price was \$1.2 million until several issues arose that required further study and resolution. One such issue was UP's intent to keep control of a 25-foot wide segment along the northern edge of the property that contains underground pipes with an attached, above-ground pump station and valve manifold. The equipment is part of a system conveying gasoline from the Los Angeles harbor to a terminal in Carson. UP wanted to continue the revenue stream provided by the use of the pipeline segment by the firm of Kinder Morgan Energy Partners. This plan became problematic because of UP's insistence on liability terms that both the City Attorney and City Risk Management found onerous.

A second issue was the extent and cost of the proposed environmental remediation. The City's Geotechnical Engineering Division oversaw both an initial and expanded Phase II site assessment and communicated the results to UP. The recommended remediation method involves both fixation and encapsulation because the combination seems the most effective for the City's intended use. The site will be excavated to a depth of six feet and a pre-determined amount of contaminated soil removed. The rest of the excavated soil will be "fixed" with a cement-like mixture to prevent the soil from contaminating ground water and also to form an impermeable cap. Over this will be placed clean soil, compacted to a depth of two feet. The top layer will provide for drainage and an irrigation system; the cap will prevent surface water from causing underground contaminants to migrate. The cost of the remediation plan is now estimated at \$2.5 million. The Environmental Affairs Department has obtained a \$200,000 grant from the federal Environmental Protection

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Agency (EPA) for use at the site provided that escrow closes before June 30, 2008. City staff will work to meet this deadline if the Board approves the acquisition. If the deadline cannot be met, City staff will reapply for funding in the next EPA grant cycle.

Recently and perhaps in recognition of the environmental disclosures, UP agreed to donate the property to the City; therefore, the acquisition costs consist of a \$100 token purchase price plus escrow and title-report fees of less than \$25,000. This sum is available in Fund No. 205, Department No. 89, Account No. WV03 (Proposition 40, Urban Parks). The project manager from the Bureau of Engineering (BOE) estimates that site development, including design costs, will total approximately \$2.9 million. The available funding from Proposition 40 is \$3.2 million. There is also \$1 million from the competitive Proposition K program (\$100,000 for Fiscal Year 09/10 and \$900,000 for Fiscal Year 10/11) and \$1 million from the City's Capital Improvement Expenditure Program, to be appropriated by Public Works.

With the EPA funding, the total amount available for this project is \$5.4 million, which is the anticipated cost of site remediation and design/development. The BOE project manager believes that the City can meet the Proposition 40 grant-liquidation deadline of June 30, 2010. By then, the new amenities must be ready for public use with all required documentation submitted to the State. On May 29, 2008, the "L.A. for Kids" Steering Committee recommended that the project proceed and that BOE begin design activity upon the opening of escrow.

The revised PSA will contain a provision for an access easement to UP for the pipeline segment and above-ground equipment. Other provisions are technical, such as escrow instructions and the inclusion of an American Land Title Association survey. As for liability, UP has agreed to provide a statement that they do not know of any legal impediment to the City's acquiring the property, such as the potential for future litigation. The revised PSA will also have wording to confirm the acceptable limits of the City's liability.

Departmental environmental staff has determined that the proposed project consists of the acquisition of vacant land in order to preserve it as open space for park purposes and to provide for outdoor recreation as an adjunct to the East Wilmington Greenbelt Community Center, located at 918 North Sanford Avenue. The project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 11 (3, 6) and Class 25 (5) of the City CEQA Guidelines.

The Office of Council District Fifteen, the Assistant General Manager of Operations East and the Superintendent of Pacific Region concur with staff's recommendations.

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FISCAL IMPACT STATEMENT:

Adequate funding has been identified for the acquisition and remediation of this property and for recreational design and development. Therefore, there is no immediate, anticipated impact to the Department's General Fund. Once the recreational amenities are completed, Region staff estimates that annual site operation and maintenance will cost approximately \$90,000. Should the acquisition be successful, a budget request will be submitted for this sum in the future.

This report was prepared by Joan Reitzel, Senior Management Analyst, Real Estate and Asset Management Section of the Planning and Development Division.