

APPROVED

REPORT OF GENERAL MANAGER

NO. 12-053

FEB 15 2012

DATE February 15, 2012

BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 1171-1177 MADISON AVENUE – EAST HOLLYWOOD PUBLIC GARDEN
AND ACHIEVEMENT CENTER – APPROVAL OF GENERAL ASSIGNMENT

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

[Signature]
General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board authorize the Board President and Secretary to execute the General Assignment document, substantially in the form on file in the Board Office, which transfers certain rights relative to the property located at 1171-1177 Madison Avenue, Los Angeles, California 90029, as described in the document to the benefit of the City, subject to the to review and approval of the City Attorney as to form.

SUMMARY:

Los Angeles Community Garden Council (LACGC) is a non-profit corporation made up of volunteers. It was founded in 1999 with a mission to connect people with community garden space in their neighborhood. Last year, LACGC was awarded \$984,542 in Parks First Trust Fund (PFTF) monies and \$2,400,000 in Community Development Block Grant (CDBG) monies for land acquisition and development of the East Hollywood Public Garden and Achievement Center project on 0.56 acre site located at 1171-1177 Madison Avenue, Los Angeles CA 90029. The project will consist of a Community garden and public park. On February 2, 2011, the Board indicated its willingness to accept the property and enter into a lease agreement with LACGC for the development and operation of the project should a PFTF grant be received by LACGC (Board Report No. 11-042).

Although LACGC was awarded the PFTF grant, grant guidelines require that ownership of land acquired with grant funds must be held by the City. As a result, LACGC was to purchase the property from the current owners, transfer title of the property to the Department of Recreation and Parks (RAP) through escrow at no cost to RAP, and RAP would in turn issue a right of entry permit

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to LACGC to allow for the preliminary design and construction work as well as begin maintenance responsibilities until such time as a long-term lease agreement with LACGC could be drafted and approved by the Board.

On December 14, 2011, the Board of Recreation and Parks Commissioners (Board), through Board Report No. 11-316, approved the acceptance of property located at 1171-1177 Madison Avenue, Los Angeles, CA 90029, consisting of approximately 0.56 acres of vacant land (Assessors Parcel Nos. 5542-028-018 to 020), for the development of the East Hollywood Public Garden and Achievement Center. During the course of the escrow period, it was discovered that the Purchase and Sale Agreement (PSA) listed Los Angeles Neighborhood Land Trust (LANLT) as the "purchaser" rather than LACGC who is the grantee for the PFTF grant and the CDBG funds. This discrepancy came about although LACGC is the applicant/grantee for all the grant funds and they hired LANLT serve as their acquisition agent.

In order to clarify the discrepancies, the parties involved which included the City, LACGC, LANLT and 1175 Madison Properties LLC, decided that LANLT would assign its interests in the PSA to LACGC. The escrow instruction directed that the owner of the property deed the property directly to the City. It was further decided that the City, as the final recipient and owner of the subject property, would also be assigned certain rights that the property owner had, as described in the General Assignment document on file in the Board Office. In order to receive these rights, the City must execute the General Assignment document.

The Board's action on December 14, 2011, to accept the subject property did not authorize the execution of any ancillary documents related to the acceptance of the property. As such, staff is requesting that the Board approve the execution of the General Assignment. The deed has already been recorded and escrow closed on January 31, 2012. Thus, the General Assignment will be retroactive to be effective as of January 31, 2012. The property is currently the responsibility of RAP. However, in accordance to the Board action last December 14, 2011, an ROE is being issued to LACGC to give responsibility for the property until a lease agreement is approved and executed.

Staff has determined that the proposed project involves the acquisition and transfer of land to preserve open space, and the development of properties for use as community gardens and public park. Therefore, the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(14, 40), Class 4(1, 3) and Class 25(5) of the City CEQA Guidelines.

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FISCAL IMPACT STATEMENT:

The execution of the General Assignment will have no impact on RAP's General Fund as the acceptance of the subject property is at no cost to the City and the LACGC will develop and operate the project pursuant to a lease agreement yet to be negotiated and executed.

This report was prepared by Cid Macaraeg, Sr. Management Analyst II, Planning, Maintenance and Construction Branch.