

BOARD REPORT OF GENERAL MANAGER



No. 12-178

DATE June 6, 2012

C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 29th STREET AND SAN PEDRO STREET POCKET PARK (PRJ20648) PROJECT - PORTION OF LOT 279 NORTHWEST CORNER - PRELIMINARY AUTHORIZATION TO PROCEED WITH THE ACQUISITION OF A PARCEL FOR DEVELOPMENT OF A POCKET PARK

R. Adams _____ K. Regan _____
H. Fujita _____ *M. Shull _____
V. Israel _____ N. Williams _____

[Handwritten signature]
General Manager

Approved [checkmark] Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

- 1. Authorize the Department of Recreation and Parks (RAP) to initiate preliminary acquisition for development of a park parcel identified by Assessor's Parcel Number (APN) 5128-015-033, which is approximately 1,783 square feet or 0.04 acres. Parcel is located at 2900 South San Pedro Street, Los Angeles, California 90011;
2. Authorize staff to coordinate acquisition activities with the Department of General Services (GSD) including the request for GSD and City Attorney's Office (CA) to draft a Purchase and Sale Agreement upon completion of preliminary work and all due diligence and for staff to obtain the necessary environmental, and funding clearances for the acquisition of said property; and,
3. Upon the completion of the preliminary acquisition activities, direct staff to return to the Board of Recreation and Park Commissioners (Board) with a Purchase and Sale Agreement, escrow instructions and related documents for the Board's final approval to purchase the property, contingent on the following conditions:
A. Council Office and GSD will finalize and confirm parcels to be acquired for 29th Street and San Pedro Street Pocket Park Project.

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- B. Funding will be made available for the acquisition of the property through Quimby Funds or an alternative funding source;
- C. Appropriate California Environmental Quality Act (CEQA) review of documentation/ actions will have been identified reviewed, addressed, and required actions completed;
- D. All environmental assessments, Phase I and Phase II or any additional assessments needed, will have been completed and appropriate actions taken and satisfied prior to close of escrow;
- E. A Class "A" Formal Appraisal will have been completed and reviewed by GSD and upon review will make recommendation to RAP staff on action to be taken as it relates to the acquisition; and,
- F. GSD will negotiate a purchase price that is consistent with their professional opinion of market value.

SUMMARY:

RAP, with support from the Councilmember of Council District 9 (CD9), is considering the acquisition of parcel identified by APN: 5128-015-033 located at 2900 South San Pedro Street, Los Angeles, California 90011. The parcel is approximately 1,783 square feet or 0.04 acres. This is the fourth of four parcels that is being considered for acquisition for the 29th Street and San Pedro Street Pocket Park Project. The owner of this parcel is different from the other 3 parcels being considered for acquisition. The parcel is currently improved with residential and commercial use and is located in the Southeast Los Angeles Community Plan Area.

RAP, along with CD9, is interested in acquiring the property in the Southeast Los Angeles area to expand the recreational activities in the area as part of the Mayor's 50 Parks Initiative. The proposed acquisition will provide more recreational space for the surrounding community and make for a more complete pocket park. GSD will provide a Class "A" estimate of value for the property.

The California Environmental Quality Act (CEQA) and the necessary Environmental Site Assessment are being reviewed and processed. Both the CEQA and the required Environmental Site Assessment will be completed and made available for review prior to making a determination on the possibility of acquiring this property.

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ACQUISITION SITE BACKGROUND - PALACE PLATING

Some of the indicated parcels that are to be acquired are the site of the industrial business “Palace Plating” Palace Plating was an industrial metal finishing plant facility located on 710 East 29th Street, Los Angeles, California 90011 which conducted plating and anodizing of parts along with metal finishing using chemicals as part of the process. Chemicals that were used at the facility were acid zinc, alkaline and acid cleaners, chromate dips, and cadmium cyanide. The above mentioned facility had been in operation since 1962, and in November 2011, a Los Angeles Superior Court Judge approved a settlement that would close Palace Plating permanently and force the Palace Plating to remediate all contamination and remove all hazardous waste from the site.

Throughout the years, Palace Plating had been cited for numerous environmental violations which included the release of chromium into the City’s sanitary sewer system and the discharge of cleaning solvent tetrachloroethylene into the air which was polluting the surrounding air quality. The release of these contaminants and other numerous violations were having a serious and hazardous effect on the children of the adjacent 28th Street Elementary School. As a result of these violations, which were recorded as early as 2003, a multi-agency task force, (which included City of Los Angeles, State and County Agencies) began to investigate and enforce corrective measures. As a result of investigations and inspections the findings concluded that violations did exist and Palace Plating was convicted and placed on probation on July 2006.

In 2006, the City of Los Angeles approved a motion that requested city forces to begin to review and investigate further the environmental hazards being experienced by community residents living near 28th Street Elementary School in CD9 associated with the activities of Palace Plating (Council File: 03-1732).

In 2007, the City of Los Angeles filed a lawsuit for non-compliance and environmental violations. The lawsuit was handled by City Attorney’s Environmental Justice and Protection Unit. Said lawsuit was finally settled in 2011. In the settlement approved by a Los Angeles Superior Court Judge, the company agreed to remediate all contamination, cease its business operations by December 31, 2011, and remove all on-site hazardous waste within 90 days. Additionally, the company agreed to pay \$750,000 to LAUSD in restitution for costs associated with contamination at the 28th Street Elementary School.

The parcel identified by APN: 5128-015-033 located at 2900 South San Pedro Street, Los Angeles, California 90011 was not a part of the actions taken against Palace Plating Inc, nor does it appear that said site was part of any violations that took place as it use was not an industrial use but instead appears to have been a commercial use. Nevertheless, because of its proximity and potential use as part of this proposed park and issues relating to Palace Plating Inc., all relevant and related issues should be considered in the decisions that affect the acquisition of this site.

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As part of the City of Los Angeles continued efforts to improve quality of life for the surrounding community, the City is now looking into acquiring several of the parcels in the area to develop a park that will enhance the quality of life for all members of this long suffering community. Although this is a worthwhile project (especially for the benefit that would create for the children of the community), the Board needs to be cognizant that the pursuit of this acquisition could be costly and carry with it unforeseen liabilities for RAP and the City. As it relates to the Palace Plating sites, there are still some unresolved issues having to do with Department of Toxic Substances Control compliance orders as well as cleanup responsibilities that the City could be ultimately accountable for if RAP acquires said property. These issues require further investigation before a recommendation is presented on what solutions or problems could arise. So, at this time, staff is requesting preliminary authority to initiate acquisitions proceedings and necessary due diligence as relates to all four parcels that are being proposed as part of the 29th Street and San Pedro Street Pocket Park Project .

As stated above, although this parcel was not used by Palace Plating for industrial use and instead was used as a store, the above information is relevant due to its proximity to the adjacent property that was used by Palace Plating. Information is also relevant as it appears that Palace Plating illegally stored chromic acid under neighboring private residences according to City Attorney's Office information. It is possible that this site could have been impacted by the Palace Plating environmental violations. See attached aerial and map (missing).

Due to the size of the proposed project, and the facilities, features, programs, and services it could provide once complete, 29th Street and San Pedro Street Pocket Park Project site would meet the standard for a Neighborhood Park, as defined in the City's Public Recreation Plan.

Upon approval of the acquisition board report for the portion of the Pocket Park (PRJ20648) Project, comprising of Lots 277, 278, and 279 submitted as another board report, \$75,000 in Quimby Fees would be allocated for the completion of the preliminary acquisition activities for 29th Street and San Pedro Street Pocket Park Project and transferred to the 29th and San Pedro Park Account No. 89460K-PU. This account will also serve this second part of this overall project identified by PRJ20648.

The total Quimby Fees allocation for the project is \$75,000. These Quimby Fees were collected within one mile of 29th Street and San Pedro Street Pocket Park Project site, which is the standard distance for the allocation of Quimby Fees for neighborhood recreational facilities. This allocation will not meet all the estimated costs for the acquisition and development of this project site. Multiple funding sources, including the allocation of additional Quimby fees, will be needed in order to implement a project at this site.

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FISCAL IMPACT STATEMENT:

Acquisition of this parcel will increase RAP's maintenance cost. Staff will request a budget increase through the standard budget process. An estimate of additional maintenance costs will be provided with final request for approval of acquisition. There are possibly unforeseen environmental remediation costs, development costs, and relocation costs. When these costs become known, they will be presented to the Board.

This report was prepared by John Barraza, Management Analyst II, Planning, Construction, and Maintenance Division.

5128 15
SCALE 1" = 100'

2012



GRIDER AND DOW'S
ADAMS STREET TRACT
M.R. 54-25-26

TRACT NO. 161
M.B. 13-105

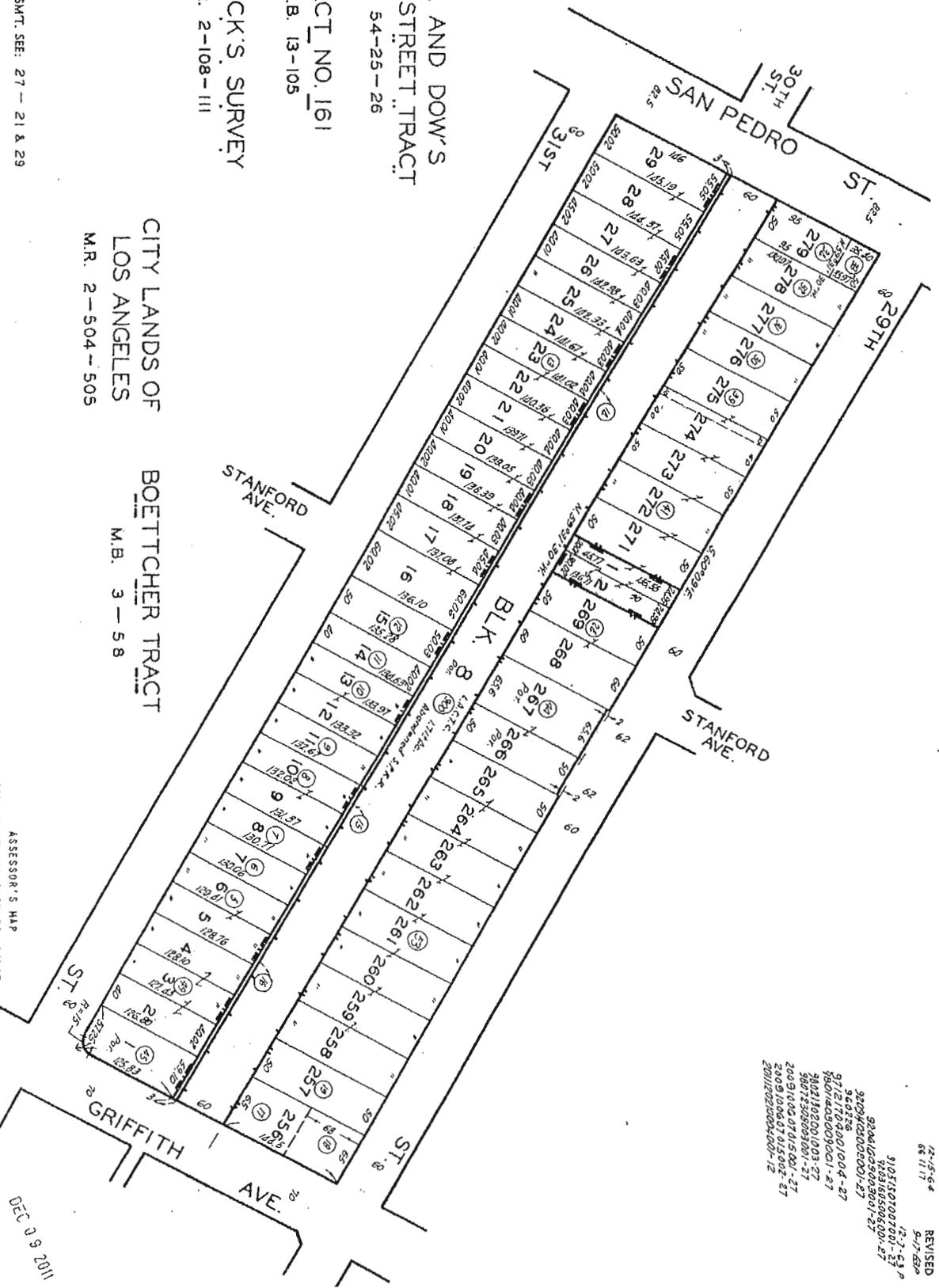
HANCOCK'S SURVEY
M.R. 2-108-111

CITY LANDS OF
LOS ANGELES
M.R. 2-504-505

BOETTCHER TRACT
M.B. 3-58

FOR PREV. ASSMT. SEE: 27 - 21 & 29

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.



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DEC 9 2011



Notes
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29th St. and San Pedro St.- Palace Plating Project

