

REPORT OF GENERAL MANAGER

NO. 05-221

DATE August 9, 2005

C.D. 13

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ACTIVITIES PRELIMINARY TO A FUTURE DETERMINATION OF WHETHER TO ACQUIRE PROPERTY FOR A POCKET PARK LOCATED AT ROCKWOOD/COLTON STREETS AND GLENDALE BOULEVARD

J. Combs	_____	J. Kolb	_____
H. Fujita	_____	F. Mok	_____
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B. Jensen	_____	M. Shull	<u>MS</u>


General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Authorize staff to request the Asset Management Division of the Department of General Services to enter into negotiations with the intent of acquiring one or more parcels, described in the Summary of this Report, located in the western part of the triangular block bounded by Rockwood/Colton Streets and Glendale Boulevard, south of the Hollywood (101) Freeway;
2. Authorize staff to assist the Environmental Affairs Department and the Bureau of Engineering with the Phase II assessment required for determining the feasibility of acquiring these properties; and
3. Direct staff to report to the Board, upon the completion of these activities, on the information obtained and on further recommendations before acquiring any of the parcels.

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SUMMARY:

The Office of Council District Thirteen has been consulting with the Environmental Affairs Department on four parcels a few blocks south of Echo Park Lake and its nearby recreation center, in an area described as Historic Filipinotown. The intent is to add open space by creating a passive park in a densely populated neighborhood. Asset Management staff of General Services prepared a Class "C" estimate of value for the parcels, whose owners have expressed interest in selling to the City.

The Class "C" data on the parcels are as follows, extending from west to east:

- A. Corner vacant parcel, no street address, APN 5159-015-026; 2,300 square feet, \$60,000.00; owner is Ker-Oil International, Inc., headquartered in southern California.
- B. Two vacant parcels, 1571-79 Rockwood Street, APN 5159-015-024 and -025; total of 6,300 square feet, \$300,000.00; the parcels are held in a family trust. (The address is sometimes cited as 1552-56 Colton Street.)
- C. One parcel consisting of two lots, each with a vacant structure, 1569 Rockwood St., APN 5159-015-039; 9,800 square feet of which 3,513 square feet are structures, \$420,000.00; owner is the federal Department of Housing and Urban Development (HUD). (The address is sometimes cited as 1544 Colton Street.)

The four parcels total 18,400 square feet or 0.42 acre; the total Class "C" estimated value is \$780,000.00.

The Environmental Affairs Department received an allocation of \$50,000.00 from the federal Environmental Protection Agency (EPA) for a Phase II assessment, which had been recommended by a Phase I study. The Bureau of Engineering has identified a firm to conduct the Phase II assessment. In addition, the EPA has authorized up to \$200,000.00 for remediation, the extent of which will be known after the Phase II assessment. It is already known that the HUD tenants had to vacate their units because of residual methane, which can become concentrated within structures.

The EPA funding of \$200,000.00 for remediation cannot be used for a lead paint/asbestos survey or for the demolition of the HUD-owned structures. Moreover, the City must own at least one of these four parcels by September 30, 2005, or lose the EPA remediation funds. If the City misses the deadline, there is a possibility of applying for a reallocation of funds in the next grant cycle, which will occur in approximately one year. The Phase II assessment is not constrained by the same deadline with respect to using the separate \$50,000.00 in EPA funds.

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In order to fund the acquisition of property at this site, the Council Office will seek approval from the "L. A. for Kids" Steering Committee so that \$956,000.00 in Proposition 12 (2/3 per capita) funds can be reallocated from the Vermont Corridor project to this new site. The City's plans for the parcels are to create a pocket park and to demolish the vacant structures. However, the City will not acquire any of the parcels without further action by the Board.

There has not yet been a sale agreement with one or more of the parcel owners and the City; as stated above, the total Class "C" estimated value for all four parcels is \$780,000.00. Escrow costs are estimated to range from one to three thousand dollars per acquisition.

FISCAL IMPACT STATEMENT:

There is \$50,000 available from the EPA for the Phase II assessment. Unless the Board makes a subsequent decision to acquire one or more parcels at this site, there is no other impact except for having to re-apply for the \$200,000.00 in EPA remediation funds if the City fails to acquire at least one parcel by September 30, 2005.

The Office of Council District Thirteen, the Assistant General Manager of Operations East and the Superintendent of Griffith-Metro Region concur with staff's recommendations.

This Report was prepared by Joan Reitzel, Senior Management Analyst, in Real Estate and Asset Management.