REPORT OF GENERAL MANAGER

BOARD OF RECREATION AND PARK COMMISSIONERS

NO. 10-276

DATE October 20, 2010

C.D. 13

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 5927 CARLTON WAY – ACQUISITION AND APPROVAL OF PURCHASE AND SALE AGREEMENT

R. Adams F. Mok K. Regan
H. Fujita M. Shull
S. Huntley
V. Israel

Approved Disapproved Withdrawn

RECOMMENDATIONS:

That the Board:

1. Adopt the Resolution, substantially in the form on file in the Board Office, authorizing staff to request the assistance of the Department of General Services and other entities, per Charter Section 594 (a) and (b), in obtaining fee simple title to a privately owned, 0.19 acre or 8,325 square feet vacant parcel (Assessor Parcel Number (APN) 5545-005-016) near the intersection of Carlton Way and Bronson Avenue in the Hollywood area of the City of Los Angeles using previously allocated Quimby fees, as described in the Summary of this Report and setting it apart and dedicating it as park property;

2. Approve a proposed Agreement of Purchase and Sale (Agreement), substantially in the form on file in the Board Office, subject to the approval of the City Attorney as to form;

3. Direct the Board Secretary to transmit forthwith the proposed Agreement to the City Attorney for review and approval as to form;

4. Authorize the Department’s Chief Accounting Employee to transfer the necessary monies to fund the acquisition to the appropriate City Department accounts or escrow company account in order to expeditiously effectuate the acquisition of the 5927 Carlton Way acquisition site;
5. Authorize the Board President and Secretary to execute the Agreement upon receipt of the necessary approvals; and,

6. Direct the Board Secretary, to accept the grant deed to the parcel, which shall be set apart and dedicated as park property in perpetuity;

**SUMMARY:**

On March 3, 2010, in Board Report No. 10-055, the Board gave preliminary approval to the acquisition of approximately 0.19 acre or 8,325 square feet of a privately owned vacant parcel property, located at 5927 Carlton Way and with an APN 5545-005-016, for the purpose of developing a new park. The proposed new park site will serve a part of the inner City that lacks sufficient park space for families. The area is a densely populated area that is surrounded by apartment complexes. This acquisition would help meet the open space and park needs of the community. As part of the preliminary acquisition approval, the Board authorized staff to work with the General Services Department (GSD) to acquire the privately owned parcel, known as the Carlton Way - Acquisition site. The Board also authorized the Department's Chief Accounting Employee to transfer $650,000 in Quimby Fees, which were collected in Fiscal Year 2008-2009; from the Quimby Fees Account No. 460K-00 to the Carlton Way Account No. 460K-AH for park acquisition. The Board also approved the allocation of $650,000 in Quimby Fees from the Carlton Way Account No. 460K-AH for the new park acquisition project and directed staff to return to the Board for final authorization to acquire the property upon the conclusion of negotiations with the property owner and completion of due diligence requirements. The Trust for Public Land (TPL) and GSD have completed negotiations. An appraisal was prepared by Eichel, Inc., on November 9, 2009, with an estimated as-is Market Value of $582,750 as of November 9, 2009. Funding sources are available to purchase the Carlton Way acquisition site. RAP, GSD and TPL are ready to proceed with the acquisition of the Carlton Way site using Quimby funds.

**Acquisition Cost and Funding**

The cost of the proposed Carlton Way acquisition is $582,750, plus additional acquisition costs related to site acquisition, such as site security and preliminary site development, which could bring the total cost of the acquisition to $650,000. All funding for the acquisition and related costs of the Carlton Way new park acquisition project will come from Quimby funds.

On March 3, 2010, through Board Report No. 10-055, the Board authorized the Chief Accounting Employee to establish a new Quimby fees Account No. 460K-AH for the Carlton Way acquisitions with the name of Carlton Way as the account. The Board also approved the transfer and allocation of $650,000 in Quimby Fees, into Carlton Way Account No. 460K-AH, from Quimby Fees Account No. 460K-00.
Acquisition

RAP staff is requesting that the Board authorize the acquisition and acceptance of approximately 0.19 acre or 8,325 square feet of vacant land that would provide a new park in a densely populated area of Hollywood. The proposed acquisition project consists of one parcel identified by APN 5545-005-016. The proposed acquisition will add greatly needed open space/recreation area to the Hollywood area. There are no parks within 1 mile of this site. This acquisition is a rare opportunity to continue the progress in acquiring urban parkland in the Metro portion of Los Angeles which TPL and the City of Los Angeles (City) continue to work on together. The acquisition will add to the open space in the area and bring more recreational opportunities to the entire city through expanded availability of recreational activities and facilities.

On August 17, 2010, City Council adopted the actions under Council File No. 09-2839 approving and authorizing the RAP Board President and Secretary to execute the donation agreement between the City and Trust for Public Land as detailed in the July 23, 2010 City Administrative Officer (CAO) Report in connection with the acquisition of four (4) prospective parks, subject to approval of the City Attorney. The goal is for TPL to acquire four prospective parks and to transfer them to RAP for park purposes as part of the Statewide Proposition 84 program.

TPL will act as the buying agent for this acquisition. TPL has entered into an option Agreement with the current owners of the property, the William R. Frias Family Trust dated August 4, 2004. TPL will also enter into an Agreement with the City in order to acquire the Carlton Way site. TPL will use City funds to acquire the property which it will then convey to the City via grant deed. GSD will ensure that City receives the property for the City and conveys jurisdiction to RAP. Upon acceptance, RAP will set apart and dedicate the property as park property in perpetuity.

The owners of the above mentioned property and TPL have agreed to a final purchase price of $582,750, and GSD agrees with the stated purchase price. An additional amount is required for escrow fees, title report fees, and other closing costs and related acquisition costs. The final overall cost of said (not-to-exceed $650,000) acquisition will be determined at a later time. RAP, GSD, and TPL will review the final cost as part of their due diligence prior to closing escrow.

A Phase I Environmental Site Assessment (ESA) was completed on January 14, 2010 in conformance with the scope and limitations of ASTM Standard Practice E1527-05 and the Environmental Protection Agency Standards and Practices for All Appropriate Inquiries (40 CFR Part 312) for the subject property. The ESA report indicated that there are no recognized environmental conditions in connection with the property, and therefore, no impediment to the City’s acquiring the property for public use.
Staff determined that the subject project consists of the acquisition of property with the intent to preserve open space for park purposes. Therefore, the project is categorically exempt from the provisions of California Environmental Quality Act (CEQA), pursuant to Article III, Section 1(y), Class 25 (5) of the City CEQA Guidelines.

In addition to the Office of Council District 13, the Assistant General Manager of Operations East concurs with staff's recommendations.

FISCAL IMPACT STATEMENT:

Maintenance funds for the new parkland will be requested as part of the Department of Recreation and Park's annual budget process. As RAP plans the new development scope, staffing needs will need to be assessed.

This report was prepared by John Barraza, Management Analyst II in Real Estate and Asset Management, Planning and Construction Division.