

**APPROVED**

REPORT OF GENERAL MANAGER

NO. 12-324

DATE December 10, 2012

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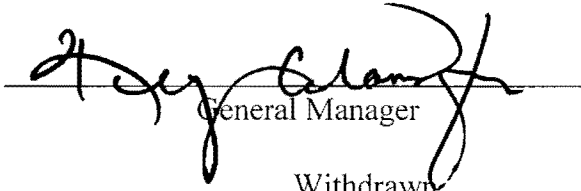
BOARD OF RECREATION  
AND PARK COMMISSIONERS

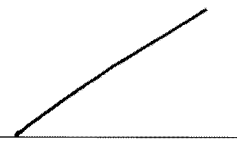
BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 50 PARKS INITIATIVE – YORK BOULEVARD POCKET PARK – 4948-4956  
YORK BOULEVARD – FINAL AUTHORIZATION TO ACQUIRE PROPERTY

R. Adams \_\_\_\_\_  
H. Fujita \_\_\_\_\_  
V. Israel \_\_\_\_\_

K. Regan \_\_\_\_\_  
\*M. Shull  \_\_\_\_\_  
N. Williams \_\_\_\_\_

  
General Manager

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Withdrawn \_\_\_\_\_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 (GSD) and other City entities, per Charter Section 594(a) and (b), in obtaining fee title to a 0.29 acre or 12,632.4 square feet parcel, located at 4948-4956 York Boulevard, Los Angeles, California 90042; Assessor's Parcel Numbers (APN) 5477-002-030;
2. Approve the use of Capital Park Development B Account funds (Fund 302, Department 89, Account 89270K-CG) for the acquisition of 4948-4956 York Boulevard., Los Angeles, California 90042; Assessor's Parcel Numbers (APN) 5477-002-030 (York Boulevard Pocket Park), said funds will be used to cash flow the acquisition and will be reimbursed by Proposition 84;
3. Grant final approval to purchase the property upon the completion of the preliminary acquisition activities, contingent on the following conditions:
  - A. Funding will be made available for the acquisition of the property either through: Quimby funds, Proposition 84 (Prop 84) Statewide Park Program funds, Capital Park Development B Funds or an alternative funding source yet to be determined;
  - B. Appropriate California Environmental Quality Act (CEQA) documentation will have

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- been completed, which would also be needed for Proposition 84 reimbursement of Capital Park Development B funds (B funds);
- C. Any additional required environmental assessments if needed, will have been completed and satisfied prior to close of escrow;
  - D. Clearance/resolution of all and any Title issues prior to closing of escrow; and,
  - E. GSD will have negotiated a purchase price that is consistent with their professional opinion of market value.
4. In order to expedite the acquisition of the proposed project, request and grant authority to GSD and City Attorney's Office (CA) to negotiate, draft and finalize and execute forthwith a Purchase and Sale Agreement (PSA) on behalf of the Board pending final review and approval by GSD Asset Management Division and, subject to the approval of the City Attorney as to form and upon completion and approval of all conditions indicated in this Board Report; and;
5. Authorize the Department's Chief Accounting Employee to make technical corrections as necessary to establish the necessary accounts to acquire the project site, and to accept and/or authorize transfer of the necessary monies to fund the acquisition to the appropriate City Department accounts or escrow company account in order to expeditiously complete the acquisition of the York Boulevard Pocket Park;
6. Authorize the Board Secretary to execute the escrow instructions and to accept the grant deed for the subject property, as approved by the City Attorney, which shall be set apart and dedicated as park property in perpetuity.

### SUMMARY:

On June 27, 2011, the Board of Recreation and Park Commissioners (Board) approved Board Report No. 11-196 which authorized staff to submit a Prop 84 grant application for the 2<sup>nd</sup> round of Prop 84 grant funding for the York/Avenue 50 (York Boulevard Pocket Park) park acquisition and development project, parcel located at 4948-4956 York Boulevard, Los Angeles, California 90042. The proposed parcel acquisition is identified by APN: 5477-002-030. The Board recommended to City Council (Council) to adopt the resolution which authorized City of Los Angeles (City) to apply for state funds under Prop 84 necessary for the completion of the above mentioned project. On August 16, 2011, Council adopted the actions under Council File No. 10-0540-S2 authorizing City to apply for Prop 84 Funds for the completion of a new park acquisition and development. On March 26, 2012, the California State Parks' Office of Grants and Local Services (OGALS)

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announced via letter that the Department of Recreation and Parks (RAP) had been awarded \$2,875,000 for the York Boulevard Pocket park project. In order to expedite and not lose the opportunity to acquire this property the Board is being asked to grant the necessary authorities required to complete this acquisition as intended by Council and previous Board actions taken on Prop 84 concerning this project. To further expedite this acquisition an alternative funding source will need to be found that will enable RAP to cash flow this acquisition until Prop 84 can reimburse RAP's/City acquisition and related costs.

On September 5, 2012, the Board authorized through Board Report No. 12-241 the use of Capital Park Development B funds for the 50 Park Projects. RAP is now requesting approval to use the Capital Park Development B funds for Account 89270K-CG to cash flow this acquisition. Account 89270K-CG will be reimbursed by Prop 84 funds once they become available. This is a rare opportunity to meet RAP's, the Mayor's and Council's goals of adding more park space in areas that lack open park space. City of Los Angeles is being looked at nationally as being once again in the forefront of progress as the City attempts to provide more park area at this most difficult time. The property is a vacant parcel at the corner of York Boulevard and North Avenue 50. The total lot area is approximately 0.29 acre or 12,789 square feet.

The acquisition is necessary due to its potential for enhancement and enrichment of the surrounding community. This area lacks parks and would tremendously benefit from a park in the area. There is no park within a 1.5 mile radius of this area. The area is also a very densely populated area which increases the need for a park in the area. This acquisition site was presented to RAP by Council District 14. As of the drafting of this Report a final development plan has not yet been finalized. Therefore there is no information available on development costs or funding for the development of this site.

A Phase I was performed and no evidence of Recognized Environmental Conditions (RECs) was found on the property, with the recommendation that no further site investigation is required. Nevertheless, according to GSD, several title issues remain unresolved which could affect cost and liability for RAP if these issues have significant impact on the project site are not resolved. At this time, RAP cannot determine the potential costs related to these issues. Council Office 14 is aware of these issues and has been informed. Nevertheless, the 14th Council District strongly supports this acquisition and stresses that this site meets all requirements for a new park in the area. As part of its due diligence RAP has indicated to GSD that all title issue must be resolved prior to acquisition of the parcel and that GSD and City Attorney should include language in the PSA that address these title issues. Although the site itself would make for a good park in the area, there are environmental and or Title issues that are a concern to RAP staff and, therefore; staff recommends caution with this acquisition and that all title issues be resolved prior to RAP acquiring the parcel. Council District 14 has been instrumental in promoting this acquisition and has been involved in the process from the start.

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To determine the fair market value for the above mentioned property identified by APN: 5477-002-030, GSD used a Formal Appraisal prepared by an independent appraiser. This appraisal was prepared on October 22, 2012. The estimated value of the appraisal was determined to be \$1,100,000 as of October 17, 2012. GSD concurs with appraiser's valuation methodology used to arrive at the value for the subject property. GSD has agreed to a purchase price of \$1,100,000 that is consistent with their professional opinion of market value for the property.

An offer letter of \$1,100,000 was first presented to the perspective seller on November 21, 2012. The owners of the above mentioned property, and the GSD, Asset Management Division have agreed to a final purchase price of \$1,100,000. It is estimated that an additional \$6,000 is required for payment of closing fees, bringing the total property acquisition cost to \$1,106,000. Escrow costs and related pre-acquisition costs will be funded by Capital Park Development B funds: Fund 302, Department 89, Account 89270K-CG. Funds for the acquisition of the subject property are to be made available from, Account number (89270K-CG). Prop 84 will be used to reimburse Capital Park Development B funds. The Board should be aware that Prop 84 funds could be denied if the State determines that City has not met the funding requirements in which case funding will have to be absorbed by RAP. It should be noted that there are additional funds available for the development of the subject property from Prop 84. At this time, further study is needed to determine the appropriate development plan for the community. There is no additional information on development plans or costs. This Report only addresses the acquisition of the new parcel acquisition identified by APN 5477-002-030.

### Funding Sources

Funding for the acquisition will come from Capital Park Development B Funds (B Funds): Account 89270K-CG. It is hoped that Prop 84 Funds will be used to reimburse the B Funds. Other alternative funding sources are being explored. Escrow costs and related pre-acquisition cost will be funded by B Funds, Account 89270K-CG. All funding used on this acquisition is expected to be reimbursed by Prop 84 funds once the funds are made available from the State. The State has awarded these funds for this acquisition, but RAP must still meet all requirements for release of funds, including all environmental issues and related Title issues. There is sufficient funding available for the acquisition of parcel indentified by APN: 5477-002-030. Estimated Acquisition cost is \$1,106,000. Staff is unable to determine an accurate complete total, which would include closing costs, as this information has not been made available as of the writing of this report. Staff does however estimate that up to an additional \$6,000 in closing costs fees will be needed to complete the acquisition. Closing cost totals could be less and as part of its due diligence, GSD and RAP will verify correct costs prior to closing of escrow. Prop 84 is expected to be used to pay for all acquisition related costs such as appraisals, environmental site assessments costs, escrow closing costs, and site preparation.

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### Acquisition Cost:

The cost of the proposed York Boulevard Pocket Park acquisition as recommended by GSD is \$1,100,000. The estimated appraisal value is \$1,100,000 as of October 17, 2012. GSD has indicated that as part of its professional expertise that a fair negotiated price would be \$1,100,000. GSD recommends and supports the negotiated price of \$1,100,000. Estimated closing costs are estimated to be approximately \$6,000 in total. These closing costs are estimates only and are subject to change and are for reference purposes only. The projected total acquisition cost is estimated at \$1,106,000. GSD will confirm final closing costs and review said costs before it approves the acquisition and the associated closing costs and other related costs based on its professional expertise.

### Environmental:

Environmental due diligence in the form of a Phase I Environmental Site Assessment (ESA) has been performed for the subject property in accordance with the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessments (Standard Designation E 1527-05) approved in November 2005 and the United States Environmental Protection Agency (US EPA) 40 CFR Part 312 Standards and Practices for All Appropriate Inquiries (AAI) – Final Rule adopted November 1, 2006. No evidence of Recognized Environmental Conditions (RECs) was found on the property, and no further site investigation is required. However, the removal of the groundwater monitoring wells from the remediation of the former gasoline station on the site has not been documented, and the wells may still exist at the site. The Phase I ESA Report dated June 29, 2011 is on file in the Department's Real Estate Division.

Staff determined that the subject project consists of the acquisition of property with the intent to preserve open space for park purposes. Therefore, the acquisition of the project site is categorically exempt from the provisions of California Environmental Quality Act (CEQA), pursuant to Article 19, Section 15325, Class 25 (f) of the State CEQA Guidelines.

In addition to the Office of Council District 14, the Assistant General Manager of the Planning, Construction and Maintenance Branch and Superintendent for the Metro Region have been consulted and concur with staff's recommendations.

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FISCAL IMPACT STATEMENT:

As indicated in the Summary of this Report, the design of the proposed park has not been determined and will be presented to the Board for final approval at a later time. At this time, there is no fiscal impact to the Department of Recreation and Parks for this board report. Once this project is completed, operational maintenance cost will be determined. Upon project completion, a request for funding will be submitted in future Department annual budget requests.

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