

APPROVED
JUN 06 2012

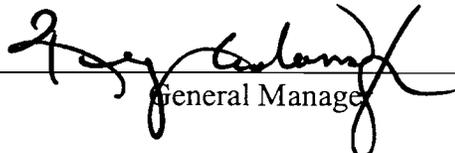
BOARD REPORT OF GENERAL MANAGER **BOARD OF RECREATION AND PARK COMMISSIONERS** NO. 12-177

DATE June 6, 2012 C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 29th STREET AND SAN PEDRO STREET POCKET PARK (PRJ20648) PROJECT
– LOTS 277, 278, AND 279 – PRELIMINARY AUTHORIZATION TO PROCEED
WITH THE ACQUISITION OF PARCELS FOR DEVELOPMENT OF A POCKET
PARK

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



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Authorize the Department of Recreation and Parks (RAP) to initiate preliminary acquisition of parcels identified by Assessor's Parcel Numbers (APN's) 5128-015-031 (Lot 277), 5128-015-032 (Lot 278), and 5128-015-034 (Lot 279), which are approximately 6,585 square feet or 0.15 acres, 6,555 square feet or 0.15 acres and 4,745 square feet or 0.11 acres respectively for development of a park. Parcels are located at 710 East 29th Street, 706 East 29th Street, and 2906 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;
3. Authorize the Department's Chief Accounting Employee to establish new Quimby Fees Account No. 89460K-PU and new Zone Change Fees Account No. 89440K-PU with 29th and San Pedro Park as the Account Name,

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4. Approve the allocation of \$75,000 in Quimby Fees from 29th and San Pedro Park Account No. 89460K-PU for the completion of the preliminary acquisition activities for 29th Street and San Pedro Street Pocket Park Project, as described in the Summary of this Report; and,
5. 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;
 - 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 parcels identified by APN's: 5128-015-031 (Lot 277), 5128-015-032 (Lot 278), and 5128-015-034 (Lot 279), located at 710 East 29th Street, 706 E. 29th Street, and 2906 South San Pedro Street, Los Angeles, California 90011. The parcels are approximately 6,585 square feet or 0.15 acres, 6,555 square feet or 0.15 acres and 4,745 square feet or 0.11 acres respectively. See attached Aerial and Map. The parcels are currently improved with residential, commercial and industrial structures and are located in the Southeast Los Angeles Community Plan Area.

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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. 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.

ACQUISITION SITE BACKGROUND - PALACE PLATING

Some of the parcels identified for acquisitions are the site where the industrial business Palace Plating is located. 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 No. 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

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company agreed to pay \$750,000 to LAUSD in restitution for costs associated with contamination at the 28th Street Elementary School.

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 four parcels in the area to develop a park that will enhance the quality of life for all members of this long suffering community. The parcels are owned by what appear to be two different owners. One owner holds title to 3 parcels and the other holds title to one parcel. Although this is a worthwhile project (especially for the benefit that it 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. 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. At this time, staff is requesting preliminary authority to initiate acquisitions proceedings and necessary due diligence.

Due to the size of the proposed project, and the facilities, features, programs, and services it could provide once complete, the 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 this report, \$75,000 in Quimby Fees can 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.

The total Quimby Fees allocation for the project is \$75,000. These Quimby Fees were collected within one mile of the 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.

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

HANCOCK'S SURVEY
M.R. 2-108-111
CODE 6658
FOR PREV. ASSM'T. SEE: 27 - 21 & 29

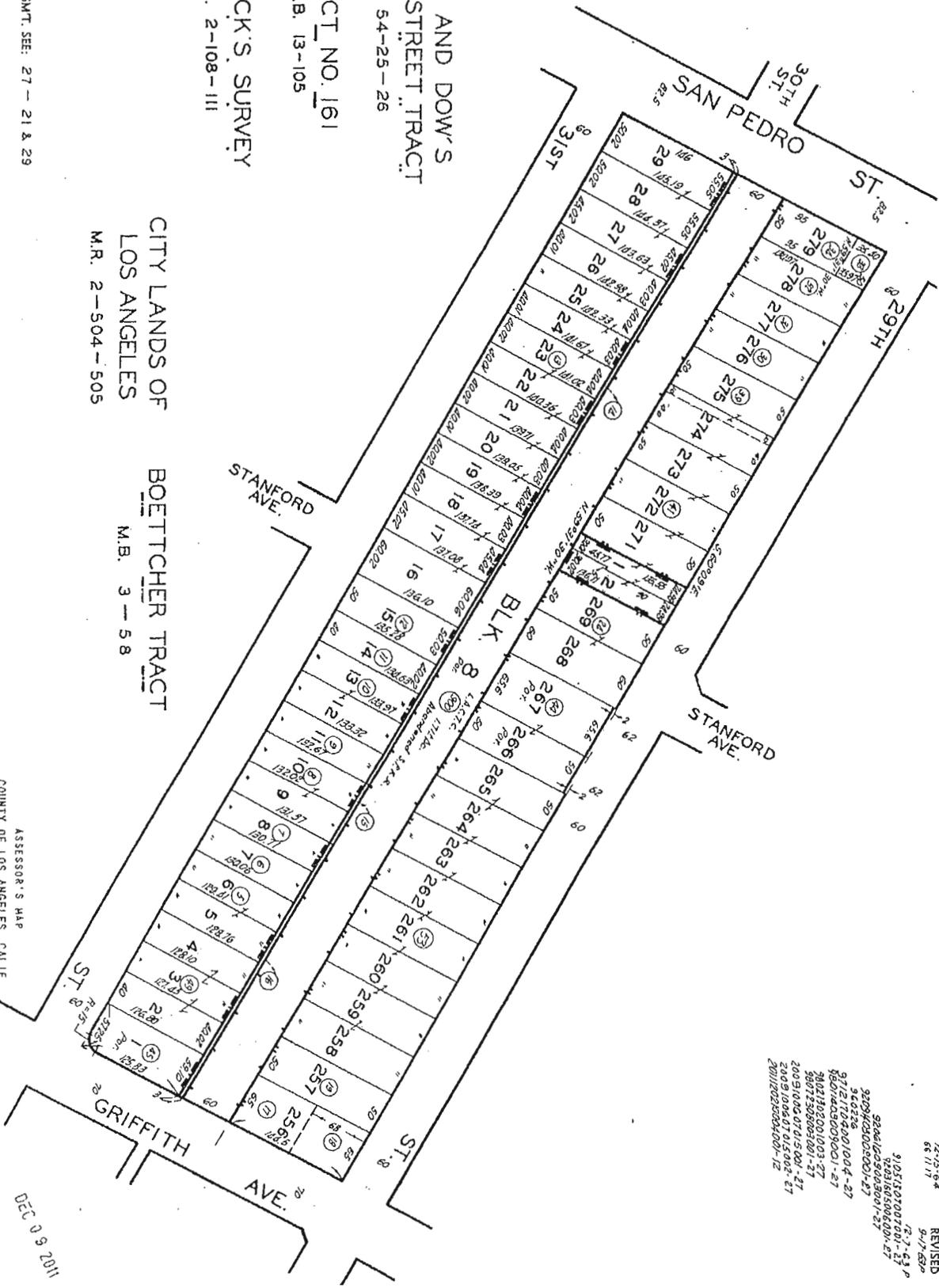
GRIDER AND DOW'S
ADAMS STREET TRACT
M.R. 54-25-26

TRACT NO. 161
M.B. 13-105

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

BOETTCHER TRACT
M.B. 3-58

ASSASSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.



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REVISED
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