

REPORT OF GENERAL MANAGER

APPROVED
DEC 12 2007

NO. 07-299

DATE December 12, 2007

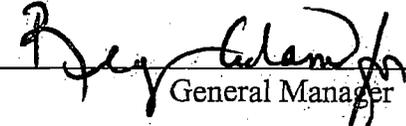
C.D. 9

**BOARD OF RECREATION
and PARK COMMISSIONERS**

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SOUTH LOS ANGELES WETLANDS PARK - PRELIMINARY
AUTHORIZATION TO ACQUIRE AND DEVELOP THE PARCEL AT 5413
SOUTH AVALON BOULEVARD

R. Adams	_____	J. Kolb	_____
J. Combs	_____	F. Mok	_____
H. Fujita	_____	K. Regan	_____
S. Huntley	_____	*M. Shull	_____



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve on a preliminary basis the acquisition of the nine-acre parcel (APN 5101-002-900) at 5413 South Avalon Boulevard, currently owned by the Los Angeles County Metropolitan Transportation Authority, for the purpose of creating the "South Los Angeles Wetlands Park";
2. Authorize staff to assist the Department of General Services (GSD), the Office of the City Attorney and other entities with negotiations on the terms of a Purchase and Sale Agreement; and,
3. Direct staff to report to the Board on the outcome of this activity and to submit further recommendations concerning the property prior to its acquisition.

SUMMARY:

The opportunity for the City to acquire for park purposes the nine-acre parcel at 5413 South Avalon Boulevard is partly associated with a lawsuit concerning a street improvement project elsewhere in Los Angeles. The project involved the realignment of the two divided segments of Santa Monica Boulevard extending eastward from Sepulveda Boulevard to the border of Beverly Hills. At that time the median strip, which is now City-owned, belonged to the Los Angeles County Metropolitan

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Transportation Authority (Metro). In 2001 in conjunction with the street improvement project, Metro canceled certain ground leases for billboard placement and removed the signs, which prompted Clear Channel Outdoor, Inc., to sue Metro in December 2002 (Superior Court Case No. BC286040). A settlement is still pending.

In the meantime, the Office of Council District Nine had begun negotiating with Metro on acquiring the nine-acre parcel at 5413 South Avalon Boulevard; the site contains an aging bus maintenance facility that Metro is willing to relocate. The Council Office also agreed to assist Metro with City approval of a Supplemental Use District (SUD), thereby facilitating Clear Channel's construction of replacement signs. Initially, it seemed that the SUD might include the nine-acre parcel; however, the site eventually chosen for the SUD is on other Metro property, so the entire parcel is available for park purposes. City approvals of the SUD and of signage permits are prerequisites to settling the lawsuit and closing escrow on the acquisition of the nine-acre parcel at 5413 South Avalon Boulevard.

In 2005 the City Council authorized the City Planning Department to initiate proceedings for the SUD; Council also approved acquisition funding for the Metro site and the development there of a "South Los Angeles Wetlands Park" (C. F. No. 05-1231). The entire Metro site consists of the block between 54th and 55th Streets, with San Pedro Street on the west and Avalon Boulevard on the east (APN 5101-002-900). On November 5, 2007, the Board of Public Works adopted a recommendation to certify the Environmental Impact Report (EIR) for the wetlands project; they also adopted the Mitigation Monitoring and Reporting Program. On November 13, 2007, City Planning conducted a public hearing on both the SUD and the wetlands project with recommendations for General Plan amendments, zone changes, etc. It is anticipated that Council will consider both the SUD and the EIR in early 2008.

The available funding for acquisition and development exceeds \$19 million. The Proposition K competitive grant program awarded \$1 million for property acquisition. On February 6, 2007, Council approved over \$3 million in Proposition 40 per capita and Roberti-Z' Berg-Harris funds for the acquisition; because of subsequent Council actions, the Proposition 40 funding now totals \$3,344,221 (C. F. No. 06-2978). Council had previously approved \$8,100,000 in Measure "O" funds for site development on August 18, 2006 (C. F. No. 06-1235). Also available for site development is \$3,407,000 from the Sewer Maintenance Charge that the Bureau of Sanitation approved on September 12, 2007; this allocation will partly settle two lawsuits involving City stormwater runoff and enforcement of the Clean Water Act. The California Department of Water Resources has committed funds under Proposition 50, Chapter 8; the agreement is not yet final, but the anticipated sum is \$3,300,000.

Metro will sell the nine-acre parcel to the City for \$3 million, a price supported by a Class "A" appraisal obtained by GSD. Over time, Metro expects to receive an additional \$1.9 million from interest on the City's payment into escrow and from a share of the revenue generated through the long-term SUD, the replacement signage being on Metro property.

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In anticipation of the City's acquisition of the nine-acre site, the Bureau of Engineering (BOE) development team envisions that 4.5 acres will become a demonstration project for urban stormwater management/reuse featuring wetlands and native landscaping. The wetlands project will recreate some of the habitat diversity once common to the area, which is part of the Lower Los Angeles River Basin. The project will include a stormwater pre-treatment facility and signage on the biological process whereby the three wetland "cells" improve the quality of local stormwater and dry-weather runoff. Also included will be various mini-habitats for nature study with paths and raised walkways. The Department facility most closely resembling the ecological focus of the new project is the Augustus F. Hawkins Natural Park, seven blocks east of the Metro site at the intersection of Compton and Slauson Avenues.

The Metro site has several structures. The largest dates from 1922 and totals nearly 84,000 square feet; it is concrete, rectangular and situated alongside 55th Street. It may be feasible to develop the structure into a multi-use community center with exhibits on the site's heritage as a transit hub. The other seven, much smaller structures are likely to be demolished because almost all are in disrepair. To the north of the Metro site is property belonging to the Los Angeles Unified School District. While their plans are in flux, it may also be possible to enter into an agreement for the joint use of any outdoor sports amenities they develop.

As for environmental remediation, BOE staff are analyzing the Phase II assessment and investigating strategies and costs as well as the need for further soil assessment. Metro has agreed to contribute up to \$900,000 for site remediation.

The Acting Assistant General Manager of Operations East and the Superintendent of the Pacific Region concur with staff's recommendations.

FISCAL IMPACT STATEMENT:

Department and BOE staff believe sufficient funding exists for the acquisition and development of the site. A more exact determination can be made after BOE staff estimate the costs of environmental remediation.

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