

APPROVED
MAY 16 2007

REPORT OF GENERAL MANAGER

NO. 07-114

DATE May 16, 2007

**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: **STONEY POINT PARK – FINAL APPROVAL FOR THE ACQUISITION OF TWO ADJACENT PARCELS**

R. Adams	_____	J. Kolb	_____
J. Combs	_____	F. Mok	_____
H. Fujita	_____	K. Regan	_____
S. Huntley	_____	*M. Shull	<i>Chief M.S.</i>

[Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Affirm Resolution No. 10190, adopted by the Board on February 21, 2007 (Board Report No. 07-50), that gave preliminary approval for the acquisition, including the acceptance of the grant deeds and dedication as park property, of two parcels at the southern border of Stoney Point Park (APNs 2722-004-009 and -010);
2. Direct staff to request that the Department of General Services assist with the acquisition and also draft a month-to-month lease, to be executed by the General Manager, in order to allow the current tenancy of the parcels to continue after the close of escrow;
3. Accept with gratitude the \$20,000 donation from the Chatsworth Neighborhood Council, to be transferred to Recreation and Parks Fund 205/Dept. 88 by the Department of Neighborhood Empowerment, to be used for the property acquisition or later, for improvements that will enhance the public enjoyment of Stoney Point Park; and,
4. Authorize the Department's Chief Accounting Employee to expand the use of the new "Stoney Point Acquisition Account" within Fund 205/Dept. 88 to include the deposit of tenant rental payments and the donation cited above as well as future deposits and expenditures for park development and tenant relocation assistance, which sums staff are hereby authorized to seek from grant-funding and other sources.

REPORT OF GENERAL MANAGER

PG. 2 NO. 07-114

SUMMARY:

The Department's acquisition of the two privately-owned parcels at the southern border of Stoney Point Park will expand the park by 5.05 acres. Resolution No. 10190, adopted on February 21, 2007, identified the funds needed for the agreed-upon sales price of \$2,500,000 and related acquisition costs, including the \$7,700 cost for the environmental assessment. Subsequently, the "L. A. for Kids" Steering Committee received Council approval for the reallocations and expenditures involving grant or other special funds. The Mayor concurred with the Council's approval on March 12, 2007 (Council File 07-0662). The adopted Motion also approved the loan of \$1,410,368 in funds from the Municipal Improvement Corporation of Los Angeles (MICLA); this cash-flow sum will be repaid after the close of escrow and the reimbursement of previously-approved funding from the Propositions 12 and A-I programs. If the donation from the Chatsworth Neighborhood Council is included, the total amount available for the acquisition is \$2,540,000.

The Board gave preliminary approval for the acquisition understanding that the results of the Phase I environmental assessments were pending. That report recommended soil sampling for part of the property because it had been used over several decades for agricultural purposes. The recommended soil sampling was performed and detected no contaminants. As stated in Report No. 07-50, approved by the Board on February 21, 2007, Department environmental staff will file a Notice of Exemption from the provisions of the California Environmental Quality Act prior to the close of escrow. There is no environmental impediment to the City's acquiring the property.

The City Attorney has advised that, pursuant to Section 7.68.5 of the Los Angeles Administrative Code, the Department may adopt the recommendation of Council District Twelve to extend temporarily the current month-to-month lease after the close of escrow. Such action will allow the existing horse boarding/training facility to be temporarily retained while the Department and Council Office, together with the community, assess various long-term, public uses for the site. Staff in the Asset Management Division of the Department of General Services indicate that the current monthly rent of \$4,000 is a fair return for the City. It is anticipated that these rental payments, perhaps extending for two years, will be deposited into the newly created account within Fund 205/Dept. 88 in order to partially pay future relocation costs. General Services staff will provide an estimate of these costs closer to the relocation date.

Both the Assistant General Manager of Operations West and the Superintendent of the Valley Region concur with staff's recommendations.

REPORT OF GENERAL MANAGER

PG. 3

NO. 07-114

FISCAL IMPACT STATEMENT:

Valley Region field personnel estimate the annual maintenance costs to be \$6,000, which will be requested as part of the budgeting process. At present, tenant relocation costs can only be roughly estimated; accumulating tenant rent payments at the rate of \$48,000 per year, plus interest, will reduce the sum needed at the time of the actual relocation.

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