

APPROVED

REPORT OF GENERAL MANAGER

MAR 20 2013

NO. 13-072

DATE March 20, 2013

BOARD OF RECREATION
AND PARK COMMISSIONERS

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 50 PARKS INITIATIVE – 1ST AND BROADWAY CIVIC CENTER PARK – 217 WEST FIRST STREET – FINAL AUTHORIZATION TO ACQUIRE PROPERTY (PRJ20655)

| | | | |
|-----------|-------|-------------|-----------|
| R. Adams | _____ | K. Regan | _____ |
| H. Fujita | _____ | *M. Shull | <u>ms</u> |
| V. Israel | _____ | N. Williams | _____ |



 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Adopt the Resolution, substantially in the form on file in the Board of Recreation and Park Commissioners' (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 1.96 acre or 85,377 square feet parcel, located at 217 West 1st Street, Los Angeles, California 90012; Assessor's Parcel Numbers (APN) 5161-005-925;
2. 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 and Zone Change Fees, Quimby Fee Interest, Department of Recreation and Parks (RAP) Special Parks Capital Park Development B, per cats project details report, Quimby 302/89/89460K-RX, RAP Special fund Capital Park Development B, 302/89/89270K-CG, Quimby Interest Income, 302/89/89760K-01, Zone Change Interest Income, 302/89/89440K-01 or an alternative funding source yet to be determined;

REPORT OF GENERAL MANAGER

PG. 2 NO. 13-072

- B. Appropriate California Environmental Quality Act (CEQA) documentation is completed;
 - C. Any additional required environmental assessments, if needed, is completed and satisfied prior to close of escrow; and,
 - D. Clearance/resolution of all and any Title issues prior to closing of escrow.
3. In order to expedite the acquisition of the proposed project authorize the Board President and Secretary to execute the Purchase and Sale Agreement (PSA) upon receipt of the necessary approvals, and; request and grant authority to GSD and City Attorney's Office to review, negotiate, draft and finalize and execute forthwith a PSA on behalf of the Board if necessary 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
4. 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 1st and Broadway Civic Center Park;
5. 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;
6. Authorize the reallocation of \$1,735,692.10 in Quimby and Zone Change Fees, currently allocated for the following projects, to the 1st and Broadway Civic Center Park Project (PRJ20655):
- A. \$730,507.91 in Quimby Fees currently allocated for the Pecan Recreation Center - Swimming Pool and Bathhouse (PRJ20492) project, per Board Reports No. 10-310 and No. 11-073;
 - B. \$400,000 in Quimby Fees currently allocated for the Spring Street Park - Park Development (PRJ20387) project, per Board Reports No. 10-035 and No. 10-114;
 - C. \$546,225.11 in Quimby Fees currently allocated for the Trinity Recreation Center - Recreation Center Building and Outdoor Park Improvements (PRJ1903B) project, per Board Report No. 08-23; and,

REPORT OF GENERAL MANAGER

PG. 3 NO. 13-072

- D. \$58,959.08 in Zone Change Fees currently allocated for the Trinity Recreation Center - Building and Outdoor Park Improvements (PRJ1526B) project, per Board Report No. 06-362.
7. Authorize the transfer of \$1,735,692.10 in Quimby and Zone Change Fees, currently allocated to the following accounts, to the 1st and Broadway Account No. 89460K-RX:
- A. \$730,507.91 in Quimby Fees from the Pecan Recreation Center Account No. 89460K-PK;
 - B. \$400,000 in Quimby Fees from the Spring Street Park Account No. 89460K-SZ;
 - C. \$546,225.11 in Quimby Fees from the Trinity Recreation Center Account No. 89460K-TR; and,
 - D. \$58,959.08 in Zone Change Fees from the Trinity Recreation Center Account No. 89440K-TR.
8. Authorize the transfer of \$4,564,377.52 in Quimby and Zone Change Fee Interest from the following accounts to the 1st and Broadway Account No. 89460K-RX:
- A. \$4,011,430.78 in Quimby Fee Interest Income Account No. 89460K-01;
 - B. \$552,946.74 in Zone Change Fee Interest Income Account No. 89460K-01;
9. Authorize the Department's Chief Accounting Employee to transfer \$3,650,000 in Department's Special Funds from Capital Park Development B Fund No 302, Dept. No 89 Account No. 89270K-CG to the 1st and Broadway Account No. 89460K-RX;
10. Approve the allocation of \$9,950,069.62 in Quimby and Zone Change Fees, Quimby and Zone Change Fee Interest, and RAP Special Funds Capital Park Development B from 1st and Broadway Fund No. 302 Depart No. 89 Account No. 89460K-RX for pre-acquisition, acquisition, site preparation, and pre-development expenses related to 1st and Broadway Civic Center Park – Acquisition of Park Property (PRJ20655) project, as described in the Summary of this Report.

REPORT OF GENERAL MANAGER

PG. 4 NO. 13-072

SUMMARY:

50 Parks Initiative

In recognition of the need to develop a coordinated long-term strategy to meet the recreational needs of current and future residents of the City, RAP has launched an initiative to acquire and develop at least fifty (50) sites into new public parks - The 50 Parks Initiative. The primary goal of the initiative is to increase the number of parks and facilities across the City of Los Angeles with a specific focus on densely populated neighborhoods and communities that lack sufficient open space and recreational services.

The development of fifty (50) new public parks will provide innumerable physical, social, health, and environmental benefits for local communities. These new parks will help stabilize neighborhoods and property values by providing needed public infrastructure improvements, removing blight caused by abandoned buildings and empty lots, and beautifying underutilized public property.

RAP, along with the Mayor's Office and Council District (CD) 14, are interested in acquiring the 1st and Broadway Civic Center site to expand the recreational activities in the area as part of the Mayor's 50 Parks Initiative. The site is located in a very densely populated area of the Civic Center and the proposed acquisition will provide more recreational space for the surrounding community. The site offers 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. The 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 of economic times.

On September 5, 2012, the Board of Recreation and Park Commissioners (Board) approved Board Report No. 12-264 authorizing RAP to initiate preliminary acquisition activities for a parcel identified by Los Angeles County Assessor's Parcel Number (APN) 5161-005-925. The 1st and Broadway Civic Center Park acquisition parcel is located at 217 West 1st Street, Los Angeles, California 90012. The total lot area is approximately 1.96 acre or 85,377 square feet. The acquisition site is currently owned by the State of California. The parcel is currently a vacant and unimproved parcel. Said parcel has been vacant for over thirty-five (35) years and has become an urban blight to the community, and also possesses potential health, environmental, and liability risks by remaining unused and vacant. There are remnants of a building foundation on-site that invite an unwanted crime element to the community. A new park at this site would provide a viable solution to many of the problems presented at this vacant and unused lot.

The Board also instructed RAP staff, upon the completion of the preliminary acquisition activities, return to the 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:

REPORT OF GENERAL MANAGER

PG. 5 NO. 13-072

- A. Funding is made available for the acquisition of the property through Quimby Funds and Zone Change Fees, Quimby and Zone Change Fee Interest, RAP Special Funds Capital Park Development B or an alternative funding sources;
- B. Appropriate California Environmental Quality Act (CEQA) review of documentation/ actions is identified reviewed, addressed, and required actions completed;
- C. All environmental assessments, Phase I and Phase II or any additional assessments needed, will be completed and appropriate actions taken and satisfied prior to close of escrow;
- D. A Class "A" Formal Appraisal will have been completed and reviewed by GSD and upon review will make a recommendation to RAP staff on the action to be taken as it relates to the acquisition; and,
- E. GSD will negotiate a purchase price that is consistent with their professional opinion of market value.

All conditions have or will be satisfied to the satisfaction of RAP Planning, Construction and Maintenance Branch staff, which recommends that the City proceed with the acquisition of the 1st and Broadway Civic Center Park. RAP Staff however, will proceed cautiously and acquire whatever infraction necessary to keep the Board aware of potential cost and liability concerns that maybe present as a result of the site and potential environmental issues.

In order to expedite and retain the ability to acquire this property, the Board is being asked to grant the necessary authorities required to complete this acquisition as intended by previous Preliminary Board actions taken (Board Report No. 12-264) concerning this project. This project requires that the Board approve the State of California's (State) "as is" Purchase and Sale Agreement that has been reviewed by the City Attorney Office ,and the Board is being asked to be aware of the: Remediation costs and Demolition costs in addition to the acquisition costs. As discussed in detail below, Staff is recommending that the Board approve the allocation of a total of \$9,950,069.62 in Quimby and Zone Change Fees, Quimby Fee Interest, and RAP Special Funds Capital Park Development B Funds from 1st and Broadway Account No. 89460K-RX for any and all pre-acquisition, acquisition, and demolition and remediation costs related to the 1st and Broadway Civic Center Park (PRJ20655) project.

The acquisition of the 1st and Broadway parcel is necessary for its potential enhancement and enrichment of the surrounding Civic Center community that will serve as the focal point for the entire Los Angeles Community while strengthening the City's status as a world class city. As the City's Civic community continues to grow and reinvent itself, there will be a need to provide more

REPORT OF GENERAL MANAGER

PG. 6 NO. 13-072

recreational open space areas that will meet the growing needs of an ever increasing population in this Civic Center community area. And with the new housing and future public sector and private sector developments, park space will provide much needed recreational outlets and socialization centers that are part of any vibrant Global City community.

Additionally, the 1st and Broadway parcel is located immediately adjacent to Los Angeles County's new Grand Park, which is now being recognized as the City's future central gathering center where people can meet, reflect, enjoy and shape the future of the City of Los Angeles. Grand Park is a 12-acre public park that spans four distinct blocks in the heart of downtown Los Angeles from the Music Center to City Hall. Grand Park features multi-use spaces and lawns that welcome all sizes and styles of events, celebrations and activities for the residents across Los Angeles. Grand Park serves as an important central gathering place for all, including children and families, youth and school groups, couples and seniors, downtown residents, daily commuters, and tourists. The 1st and Broadway parcel abuts the "Event Lawn" portion of Grand Park and could, once developed, be operated synergistically with Grand Park to provide a wide and dynamic variety of recreational facilities, features, programs, and services.

Due to the size of the proposed project, its location immediately adjacent to Los Angeles County's Grand Park, and the specialized and unique facilities, features, programs, and services the park could provide once completed, the proposed 1st and Broadway Civic Center Park project would meet the standard for a Community Park, as defined in the City's Public Recreation Plan.

This will be a welcomed outcome for many in the Community of Los Angeles that are tired in seeing this parcel as an eye sore. And thanks to the State and City Officials efforts, the site will become an inviting park that families, tourist and anyone living or working in the Los Angeles area can enjoy.

Site History:

The 1st and Broadway site was the site of a thirteen (13)-story State office building that was constructed in 1931 as part of the Public Works Programs. The State building was occupied until the mid-1970's and has remained vacant since then. The building was demolished in 1976 due to systemic damage suffered in the 1971 San Fernando /Sylmar earthquake. The site remains vacant, but has remnants of the former building (i.e., lobby floor, basement, and subterranean parking garage). There have been several attempts throughout the years to develop the site, but all efforts until now have failed. According to the State, a 1986 Tri-party Agreement between the, Los Angeles County, City and State was entered into to facilitate multiple parcel ground leases in anticipation of a private office development. The plan did not come to fruition and the tri-party partnership terminated the agreement with the developer in 1997. The tri-party agreement was terminated in

REPORT OF GENERAL MANAGER

PG. 7 NO. 13-072

2008. This new endeavor between the State and City to purchase the property from the State offers the best option for the development of this parcel that will benefit the entire City of Los Angeles in the grandest scale.

Issues of Concern:

The acquisition of this property does present several issues that require careful consideration because of the current condition of the property. Some of these issues of concern are related to environmental remediation which will add to the overall cost of this park development project. The other concern has to do with demolition cost. Because there is an existing underground parking structure that is not structurally sound, the parcel will require substantial demolition work that will increase the cost of this park development project. At this time, RAP is providing its best estimates to determine the potential costs related to these remediation and environmental issues. Council Office (CD) 14 is aware of these issues. Nevertheless, the 14th Council District and the Mayor's Office strongly support this acquisition and stress 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 any significant title issue must be resolved prior to acquisition of the parcel. According to GSD, there are no title issues requiring resolution. As stated above, Staff recommends the site for acquisition for its future overall enhancement of this City. Staff nevertheless recommends caution or awareness of the remediation and demolition issues. The Mayor's Office, and CD 14 have been instrumental in promoting this acquisition and have been involved in the process from the start.

Appraisal Value:

To determine the fair market value for the above mentioned property identified by APN: 5161-005-925, GSD used a Formal Appraisal prepared by an independent appraiser. This appraisal was prepared on February 6, 2013. The estimated value of the property was determined to be \$7,900,000 as of February 1, 2013. GSD concurs with appraiser's valuation methodology used to arrive at the value for the subject property. Because of remediation costs and demolition costs related to the condition of the property, the State and GSD have agreed to a purchase price of \$7,500,000 that is consistent with their professional opinion of market value for the property.

Acquisition Cost:

The cost of the proposed 1st and Broadway Civic Center Park acquisition as recommended by GSD is \$7,500,000. The estimated appraisal value is \$7,900,000 as of February 1, 2013. GSD has indicated that as part of its professional expertise that a fair negotiated price would be \$7,500,000. GSD recommends and supports the negotiated price of \$7,500,000. On February 11, 2013 the State of California, Department of General Services informed the City of Los Angeles that it would offer to sell the property to City for \$7,500,000. Estimated Closing costs are estimated to be approximately \$70,000 in total. These closing costs are estimates only and are for reference

REPORT OF GENERAL MANAGER

PG. 8 NO. 13-072

purposes only and are subject to change. GSD will verify correct costs prior to closing of escrow. The projected total acquisition, not including closing costs is estimated at \$7,500,000. 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. An offer letter of \$7,500,000 was first presented to the State of California (seller) on January 24, 2013.

Funding Sources:

On September 5, 2012, the Board approved the allocation of \$15,000 in Quimby Fees for preliminary acquisition activities for the 1st and Broadway Civic Center Park Project (Board Report No. 12-264). As detailed below, Staff is recommending that the Board approve the transfer and allocation of an additional \$9,950,069.62 in Quimby and Zone Change Fees, Quimby and Zone Change Fee Interest, and RAP Special Funds Capital Park Development B to the 1st and Broadway Account No. 89460K-RX for any and all pre-acquisition, acquisition, site preparation, and pre-development studies related to the 1st and Broadway Civic Center Park project.

Upon approval of the recommendations in this Report, sufficient funding totaling \$9,965,069.62 will be available for this project for the escrow and related pre-acquisition expenses; the acquisition of the subject property; demolition, remediation, and site preparation expenses; and, pre-development reports, studies, or analyses for the project from 1st and Broadway Account No. 89460K-RX: Fund 302, Department 89, Account 89460K-RX.

Quimby and Zone Change Fees:

Staff recommends that the Board authorize the reallocation and transfer of \$1,735,692.10 in Quimby and Zone Change Fees, currently allocated to the following projects and accounts, to the 1st and Broadway Account No. 89460K-RX for the 1st and Broadway Civic Center Park project (PRJ20655):

- \$730,507.91 from Pecan Recreation Center Account No. 89460K-PK currently allocated for the Swimming Pool and Bathhouse project (PRJ20492) at Pecan Recreation Center (Board Reports No. 10-310 and No. 11-073). Staff has identified the 1st and Broadway Civic Center Park Project as a higher priority project for the community and is recommending the reallocation of the unexpended residual Quimby funding currently allocated to the Swimming Pool and Bathhouse project at Pecan Recreation Center to provide funding for the 1st and Broadway Civic Center Park (PRJ20655) project.
- \$400,000 from Spring Street Park Account No. 89460K-SZ currently allocated for the Park Development (PRJ20387) project at Spring Street Park (Board Report Nos. 10-035 and No. 10-114). This project, which is currently under construction, will soon be complete and unexpended residual Quimby funding will be available for reallocation to other projects.

REPORT OF GENERAL MANAGER

PG. 9 NO. 13-072

- \$546,225.11 from Trinity Recreation Center Account No. 89460K-TR currently allocated for the Recreation Center Building and Outdoor Park Improvements project (PRJ1903B) at Trinity Recreation Center (Board Report No. 08-23). This project is complete and unexpended residual Quimby funding is available for reallocation to other projects.
- \$58,959.08 from Trinity Recreation Center Account No. 89440K-TR currently allocated for the Building and Outdoor Park Improvements project (PRJ1526B) at Trinity Recreation Center (Board Report No. 06-362). This project is complete and unexpended residual Zone Change funding is available for reallocation to other projects.

The total Quimby and Zone Change Fee allocation for the 1st and Broadway Civic Center Park (PRJ20655) project, including previously approved Quimby fee allocations, is \$1,750,692.10. These Fees were collected within two miles of the 1st and Broadway Civic Center Park project, which is the standard distance for the allocation of the Quimby Fees for community recreational facilities.

Quimby and Zone Change Fee Interest:

Staff recommends that the Board authorize the allocation and transfer of \$4,564,377.52 in Quimby and Zone Change Fee Interest, currently allocated to the following accounts, to the 1st and Broadway Account No. 89460K-RX for the 1st and Broadway Civic Center Park (PRJ20655) project:

- \$4,011,430.78 in Quimby Fee Interest Income Account No. 89460K-01.
- \$552,946.74 in Zone Change Fee Interest Income Account No. 89440K-01.

Quimby Fees and Zone Change Fees paid to the Department are deposited, respectively, into the Quimby Fee trust account (Quimby Fees Account No. 89460K-00) and Zone Change Fee trust account (Zone Change Fee Account No. 89440K-00). Both the Quimby Fee trust account and the Zone Change Fee trust account are interest-bearing accounts. The interest income generated by the Quimby Fee trust account is placed in Quimby Interest Income Account No. 89460K-01 and the interest income generated by the Zone Change Fee trust account is placed in Zone Change Park Fee Interest Income Account No. 89440K-01.

The provisions and restrictions governing the use of Quimby and Zone Change Fee interest are similar to those governing the use of Quimby and Zone Change Fees. Quimby and Zone Change Fee interest income may only be used to acquire new public park land or to fund capital improvements at existing recreational and park facilities that will serve residents of the residential development projects that paid those fees.

REPORT OF GENERAL MANAGER

PG. 10 NO. 13-072

To determine the amount of Quimby and Zone Change Fee interest available for allocation to the 1st and Broadway Civic Center Park Project, Staff first determined that the 1st and Broadway Civic Center Park project would meet the City's standard for a Community Park, as defined in the City's Public Recreation Plan (a portion of the Service System Element of the City's General Plan). According to the principles and standards of the Public Recreation Plan, a community park has a service radius (i.e. the geographic area the park or facility serves) of two miles. Staff then calculated the total amount of Quimby and Zone Change Fee collections made to RAP since July 1, 2003 from residential development projects located within a two mile radius of the 1st and Broadway Civic Center Park Project. Staff analyzed these collections to determine what percentage of the total amount of Quimby and Zone Change Fees collected by the RAP since July 1, 2003 they represented. Finally, Staff applied that percentage calculation against the total amount of accrued Quimby and Zone Change Fee interest income in order to make a practical determination of the amount of Quimby and Zone Change Fee interest income generated from Quimby and Zone Change Fee collections from residential development projects located within a two mile radius of the 1st and Broadway Civic Center Park Project

RAP Special Funds Capital Park Development B:

Staff recommends that the Board authorize the allocation and transfer of \$3,650,000 in RAP Special Funds Capital Park Development B, Fund 302, Dept. No. 89, Account No. 89270K-CG currently allocated to the following account, to the 1st and Broadway Account No. 89460K-RX for the 1st and Broadway Civic Center Park (PRJ20655) project:

- \$3,650,000 in RAP Special Funds from Capital Park Development B Account No. 89270K-CG.

On September 5, 2012, the Board authorized the use of \$7,500,000 in Capital Park Development B funds for parks being developed as a part of the 50 Parks Initiative, subject to Board approval of each allocation from that account on a project by project basis (Board Report No. 12-241). Pursuant to that instruction, Staff is requesting Board approval to use \$3,650,000 from the Capital Park Development B Account for the 1st and Broadway Civic Center Park Project (PRJ20655).

Demolition costs:

The 1st and Broadway Civic Center Park site has been vacant since 1973 and the building was demolished in 1976 due to damage the building suffered in the 1971 San Fernando/Sylmar Earthquake. The building was demolished, but the foundation and underground parking remain. As part of an appraisal prepared by an independent appraiser dated February 6, 2013, the cost to remove the parking structure and back fill the parking garage to street level and to clean the site of hazardous conditions could cost up to \$3,200,000. RAP staff has done its own estimate and has concluded that the cost to demolish the parking garage will cost an estimated amount of \$2,000,000 to \$3,000,000

REPORT OF GENERAL MANAGER

PG. 11 NO. 13-072

in order to demolish and back fill the parking garage to ground level. There will be additional cost to make the site suitable for park purposes, which is the intent of RAP.

Park Development:

At this time, a complete project scope for the development of the 1st and Broadway Civic Center Park Project has not yet been determined. Additional outreach and work is needed to determine the appropriate development plan for this site.

While there is no information available on the park development costs or funding for the park development of this site, it should be noted for the record that the funding being allocated in this report will not meet the anticipated costs for the development of this project site.

Staff recommends that the Board authorize staff to utilize any funds remaining after the acquisition of the property for expenses related to the demolition and remediation for the site; site preparation; and related reports, studies, or analyses necessary to develop a project scope for the future development of the site.

Environmental:

A Phase I Environmental Site Assessment was prepared in August 2009 for the State Department of General Services to identify and disclose all recognized environmental conditions of the property in conformance with Environmental Protection Agency Standards and Practices for All Appropriate Inquiries (40 CFR Part 312). The assessment revealed evidence of recognized environmental conditions (RECs), historical RECs (HRECs), and/or de minimis conditions in connection with the subject property. A Phase II Site Investigations (SIs) was also conducted in August 2009 in accordance with the recommendations of the Phase I assessment. The SI revealed potential soil contamination from both lead and arsenic, probable asbestos-containing materials (ACMs) and lead-based paint (LBP) due to the age of the structures remaining on the site, and potential mold hazards due to inactive use of the property. Sampling of the standing water in the underground parking structure was also determined to pose a bacteriological hazard.

On March 6, 2013, a Supplemental Phase II SI was conducted for the Department to further identify the extent of the soil contamination and the presence of ACMs and LBP to determine potential remediation cost as part of the demolition of the site. As a result, an estimated 3,850 cubic yards of soil with concentrations of lead and arsenic above residential health screening levels would need to be remediated prior to development of the site as a park. LBP was identified on a limited number of painted surfaces including: door frames/jambs, yellow exit signs, some walls, boilers, boiler room paint, and elevator doors and trim. In addition, 500 square feet of vinyl floor tile and associated mastic, and 20 linear feet of pipe lagging was identified as ACMs. However, none of the 30 soil samples collected at the site had asbestos. Surface samples from areas with visible water intrusion

REPORT OF GENERAL MANAGER

PG. 12 NO. 13-072

and suspect microbial growth identified approximately 640 square feet of sheetrock with various forms of hazardous molds and fungus.

Environmental Remediation cost:

The primary remediation costs would be for the removal of the contaminated soil and the standing water in the underground parking structure, and only minor abatement cost for ACMs. LBP and mold would not need to be remediated prior to demolition. These costs are itemized as follows:

- | | |
|--|-----------------------------|
| • Contaminated soil removal (3,850 cubic yards) | \$ 450,000 |
| • Standing water removal (pump & treat) | \$ 90,000 |
| • ACM abated | \$ 5,000 |
| • LBP abatement (limited) | (demolition waste) |
| • Mold contaminated sheetrock | (no demolition regulations) |
| ○ <u>Total estimated remediation costs</u> | <u>\$ 545,000.</u> |

Staff has further determined that the acquisition of property at 217 West 1st Street with the intent to preserve open space for future park purposes is categorically exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Article 19, Section 15325, Class 25 (f) of the State CEQA Guidelines. A Notice of Exemption will be filed with the Los Angeles County Clerk within 5 days of the Board approval of the acquisition of the property. Additional CEQA evaluation will be done for development of the project site once a plan has been prepared and funding identified, including remediation and demolition activities.

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.

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, the impact to the Department of Recreation and Parks is the cost for Demolition which is estimated at \$3,000,000 and the cost for Acquisition which is estimated at \$7,570,000, plus the costs for Remediation which are projected to be \$545,000 as of the drafting of this 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.