

REPORT OF GENERAL MANAGER

NO. 05-122

DATE May 12, 2005

C.D. 6, 9, & 13

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PROPOSED \$4 MILLION BEQUEST TO THE CITY FROM THE ANNA H. BING LIVING TRUST FOR PLAYGROUNDS FOR CHILDREN IN UNDERSERVED AREAS - PROPOSED MOU STATING THE TERMS AND CONDITIONS OF THE CITY'S USE OF THE BEQUEST FOR THE ACQUISITION, DEVELOPMENT AND MAINTENANCE OF THREE POCKET PARKS LOCATED AT 1644 BEVERLY BOULEVARD, 5207 S. BROADWAY, AND 15262 W. MARSON STREET; ACQUISITION OF TWO PROPERTIES FOR DEVELOPMENT AS POCKET PARKS; AND TRANSFER OF JURISDICTION OF SURPLUS CITY PROPERTY TO THE DEPARTMENT FOR DEVELOPMENT OF A POCKET PARK.

J. Kolb _____	J. Combs _____
F. Mok _____	H. Fujita _____
*S. Huntley <u>SH</u> _____	B. Jensen _____
K. Regan _____	

Robert Jensen (for)  
General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Approve the Memorandum of Understanding (MOU), substantially in the form on file in the Board Office, agreeing to the terms and conditions of a \$4,000,000.00 bequest to the City from the Anna H. Bing Living Trust (Bing Trust), for the acquisition of real property, development of three pocket parks, and performance of related future maintenance;
2. Preliminarily approve the acquisition of two separate properties at 5207 S. Broadway and 1644-48 Beverly Boulevard, each for the development of a pocket park with turf areas, a children's play area, picnic area(s), park benches, pathways, and a drinking fountain;
3. Authorize the Department of General Services, Asset Management Division (DGS) to act as the lead negotiator on behalf of the Department of Recreation and Parks for the acquisition of said properties;

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4. Upon conclusion of negotiations, direct staff to prepare escrow instructions indicating a form of ground lease, a form of sublease, and such other documents as may be necessary to implement the actions contemplated by the MOU for the Board's final approval, authorizing the purchase of said properties;
5. Preliminary approve a transfer of jurisdiction for the property at 15262 W. Marson Street, from the Department of General Services to the Department of Recreation and Parks for the development of a pocket park;
6. Authorize the Department to enter into lease negotiations with the Los Angeles Neighborhood Land Trust (LANLT) for the future programming and maintenance of the three proposed pocket parks;
7. Direct the Board Secretary to concurrently transmit a copy of the MOU to the Office of the Mayor per Executive Directive No. 16 and to the City Attorney for review as to form, requesting an expedited review due to the deadline of May 27, 2005, included as a condition of the bequest for the City to reach an agreement with the Trustees; and, request an expedited transmittal of the MOU to City Council in time for the MOU to be placed on the Council agenda of May 24, 2005; and,
8. Authorize the Board President and Secretary to execute the MOU upon the necessary approvals being obtained.

SUMMARY:

On April 8, 2005, the Department of Recreation and Parks and Office of the City Attorney, with the support of the Mayor and City Council, presented 12 projects to the Trustees of the Bing Trust for consideration of project funding through a \$4,000,000.00 bequest for the acquisition and development of pocket parks in densely populated and park poor areas within the City of Los Angeles. The Department is proud to inform the Board that three projects located at the following sites were selected by the Trustees for pocket park development. The projected acquisition costs included below are based on the Class "C" Estimates of Value provided by the Department of General Services, Asset Management Division:

- A) Marson Street Project (unofficial name)  
15262 W. Marson Street, Panorama City (APN 2209-030-901) CD-6  
Size of Property: 0.20 Acres  
Projected Cost of Acquisition: Not Applicable as Property is City Owned

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- B) Broadway Project (unofficial name)  
5207 S. Broadway, South Los Angeles (APN 5110-028-002) CD-9  
Size of Property: 0.15 Acres  
Projected Cost of Acquisition: \$360,000.00
- C) Beverly Project (unofficial name)  
1644-48 Beverly Boulevard, Filipino Town (APN 5153-012-020, 021) CD-13  
Size of Property: 0.32 Acres  
Projected Cost of Acquisition: \$960,000.00

The entire cost of acquiring all three properties (approximately \$1,320,000.00) will be funded by the Bing Trust donation. Remaining funds will be used for the development of park improvements consisting of universally accessible play equipment, picnic areas, landscaping, security lighting, and fencing. The bequest expressly states that no Bing Trust funds may be used for park maintenance. Acquisition related moving expenses and relocation assistance are not being anticipated for the three proposed park sites, as each property is vacant and absent of any residential or commercial improvements. However, further investigation may be necessary with respect to the Beverly project, due to the presence of an existing community garden.

Although the three proposed park sites will add only approximately 0.67 acres to the Department's inventory of parkland, the benefits to the community will be great. The proposed pocket park developments will add much needed park space to three park-poor areas of the City, and will provide additional recreational opportunities for many children through future programming developed and funded through the LANLT's coordination of resources with neighboring stakeholders and community groups.

### MEMORANDUM OF UNDERSTANDING

Bing Trust provisions require that the City and Bing Trustees enter into an agreement by May 27, 2005 to purchase real property for use as a playground in underprivileged areas of the City.

The choice of real property is to be made by the Trustees. The gift is conditioned on the City agreeing that the playgrounds will be operated and maintained on a continuing basis, so that they can safely be used as playgrounds for children. The MOU is that agreement specifying the terms and conditions of acquiring, developing, and maintaining the three (3) projects selected by the Trustees for funding.

The MOU sets forth the proposed rights, responsibilities, and obligations of the City and the Bing Trust in connection with the bequest and the steps to be taken to enter into final, binding documentation and disbursement of the bequest.

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The City will agree to acquire and use the three (3) selected properties perpetually and exclusively as public parks and playgrounds.

Within ninety (90) days of the approval by the City of the MOU, the City and Bing Trust shall agree upon and execute escrow instructions pursuant to which the Bing Trust will deposit the funds (\$4,000,000.00). Should the City fail to acquire or develop any of the three (3) park properties, or comply with any provision of the MOU for a particular property, the amount allocated to the property would be released from escrow to the Bing Fund and the City would not receive funding from the Bing Trust for the acquisition or development of that property.

Prior to the disbursement of funds from escrow for the acquisition of the park properties, the City and Bing Trust will agree on the form of a park ground lease (Lease) and park sublease (Sublease). Pursuant to the Lease and Sublease, the City will lease the properties acquired with Bing Trust funding to the LANLT for ninety-nine (99) years, as permitted by California Government Code Section 37396. The LANLT will then sublease the property to the City. The rent due from the City under the Sublease will be completion of the park improvements and performance of the maintenance requirements. It is anticipated that the City may contract with the LANLT, who may subcontract with the Los Angeles Conservation Corps (LACC) for some or all of the required maintenance. The City will agree to maintain the parks in a "first-class" condition, comparable to Hope Grand Park, Maguire Gardens, and Robert Burns Park, in compliance with the standards attached to the MOU. The City will install gated perimeter fencing and will close access to the parks between dusk and dawn.

The three (3) park properties must be acquired and designed by February 26, 2006. The bid and award process for the construction of the improvements shall be completed by July 27, 2006 and construction of the improvements shall be completed by July 27, 2007. To the extent that the acquisition and development costs of the three (3) sites exceed \$4,000,000.00, the City shall be responsible for the cost of completing the projects.

The attached MOU was negotiated with the Bing Trust and is presented today for the Board's review and consideration. The provisions contained therein have been reviewed by staff and the City Attorney, and have been found to be acceptable. In order to remain in compliance with the provisions of the Bing Trust, the proposed MOU must be executed on or before May 27, 2005.

### ALLOCATION AND DISBURSEMENT OF FUNDS

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<u>Project</u>	<u>Allocation of Funding</u>
Broadway Project	\$ 1,000,000.00
Beverly Project	\$ 2,240,000.00
Marson Street Project	\$ 760,000.00

The Department will be authorized to draw from the established account for reimbursement or payment of expenses (acquisition, design, construction, etc.) as specified in the escrow instructions, which will be brought back to the Board for subsequent approval. If the cost of the projects is greater than the allocated amounts, the City shall be responsible for the excess costs to complete the projects. If the cost for acquiring and developing any individual project is less than the allocated amount, the City may apply the savings to a cost overrun on one of the other projects, or place the excess in a specified fund for repairing, replacing or providing additional improvements at the three (3) pocket parks.

POCKET PARK MAINTENANCE AND PROGRAMMING

The City shall be required to operate and maintain the three pocket parks on a continuing basis and in a first-class condition. To ensure compliance with Bing Trust requirements and to keep costs to the City at a minimum, the Department will enter into a lease-leaseback agreement with the LANLT for the continued maintenance and programming of activities at the three (3) pocket parks. The LANLT has committed to entering into a maintenance contract with the LACC for the long term maintenance of the three parks. The LACC has agreed to provide the high level of maintenance necessary to meet the predetermined standards acceptable to the Bing Trust, at no cost to the City. In addition, the LANLT has agreed to raise funds for an endowment that could be used for the future maintenance of the three parks.

The Department's Principal Maintenance Supervisor II from each of the Operations Regions in which the new pocket parks will be located has reviewed and commented upon the maintenance standards being required by the Bing Trust, and have found the standards to be reasonable.

Under the planned arrangement, the Department will contract with the LANLT for the primary maintenance of the three parks, and the LANLT will subcontract with the LACC to provide the required maintenance at no cost to the City. However, the Department will be responsible for any unanticipated discrepancies in maintenance performance or repairs outside the capacity of the LACC.

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The LANLT has agreed to develop and coordinate recreational programming through pre-identified neighborhood stakeholders and community groups. Recreational opportunities will be provided to the surrounding community through educational classes, social events, and recreation programs. The LANLT has a positive history of successfully partnering with community groups at other park sites, and is confident of the potential to do so at the three (3) pocket parks.

### DESIGN AND CONSTRUCTION

The Department of Public Works, Bureau of Engineering has agreed to perform the design the three (3) pocket parks and provide project management services to oversee the construction of the pocket parks. The Department will follow the normal procedures for the construction contract bid and award process.

### CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Board is being asked to consider approval of an MOU, which is an agreement between the City and Trustees of the Bing Trust, which addresses how the City will receive the funds from the Bing Trust bequest if the City meets the conditions specified in the MOU, including obtaining the necessary governmental approvals in a timely manner, including CEQA compliance. The Board is not giving final approval of the three (3) projects at this time. It should be noted that the MOU requires staff to obtain final approval of the projects from the Board. Final approval will be requested at a later date after the appropriate environmental studies have been completed.

### FISCAL IMPACT STATEMENT

The acquisition and development of the three (3) Bing Trust park sites should not have any financial impact on the Department. The anticipated costs for the acquisition and development of the three (3) projects are being funded through the Bing Trust's generous \$4,000,000.00 donation to the City. The City would only have to fund cost overruns for the development projects in the event there are any. The future maintenance of the three (3) sites has been pledged by the LANLT, to be provided by the LACC at no cost to the City.

The recommendations contained in this report are strongly supported by the Superintendents of the Griffith-Metro, Pacific, and Valley Regions, and by Councilmembers Jan Perry of the Ninth Council District, Eric Garcetti of the Thirteenth Council District, and Tony Cardenas of the Sixth Council District, respectively.

This report was prepared by Joel Alvarez of the Department's Real Estate and Asset Management Section, with the assistance of the Office of the City Attorney and Department Region Operations Offices.