

REPORT OF GENERAL MANAGER

NO. 05-280


DATE October 19 , 2005

C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ADDENDUM TO ESCROW INSTRUCTIONS FOR THE PURCHASE OF PROPERTY AT 5207 S. BROADWAY, EXTENDING THE ESCROW CLOSING DATE FROM SEPTEMBER 26, 2005, TO OCTOBER 26, 2005.

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



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the addendum to Stewart Title of California, Inc., escrow account number 05110627, substantially in the form attached hereto, authorizing the extension of the escrow account closing date from September 26, 2005, to October 26, 2005, for the purchase of property at 5207 S. Broadway (APN 5110-028-002); and,
2. Authorize the Board Secretary to execute the addendum to the escrow instructions, grant deed, and certificate of acceptance, for the purchase of the subject property.

SUMMARY:

On September 14, 2005, the Board of Recreation and Park Commissioners granted final approval (Board Report 05-235) for the purchase of the property located at 5207 S. Broadway for purposes of future pocket park development. The approved escrow instructions provided that escrow account 05110627 would close on or before September 26, 2005. However, due to several unanticipated events listed below, the escrow account was not able to close on the specified date.

1. In accordance with certain conditions contained in the escrow account agreement between the City of Los Angeles and Anna H. Bing Living Trust (Master Account), approved by the Board via Board Report 05-218, specific language must be included in the property's grant deed which restricts the use of the subject property for park purposes only. Because said language had to be approved by the Trust before including it on the deed, there was a

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delay in delivering the final version to the escrow company for the September 26, 2005 closing date;

2. In anticipation of the September 26th escrow closing, and being unaware of all the Trust requirements, Stewart Title Company prepared a standard grant deed for signature processing, per their normal procedures. However, it did not contain the required language and therefore could not be used. Upon determination of the final deed language, a revised grant deed was prepared and is on file in the Board Office; and,
3. The sellers, Robert and Hortense Scott, requested that the escrow period be extended to accommodate their search for a replacement property under a planned "1031 land-exchange."

All documents related to the subject acquisition have been processed, and all signatures have been obtained from the seller. The only remaining item(s) required to close escrow on this transaction is the signature of the Board Secretary.

In accordance with the requirements of the California Environmental Quality Act (CEQA), the Initial Study/Mitigated Negative Declaration for 5207 South Broadway Pocket Park was prepared and adopted by the Board on August 9, 2005 and by the City Council on August 16, 2005. A Notice of Determination was filed the Los Angeles County Clerk on August 23, 2005.

FISCAL IMPACT STATEMENT

The funds for this acquisition (\$371,113.60) are available to the Department through the \$4,000,000.00 bequest to the City from the Anna H. Bing Living Trust (Trust). A check (H645982) in the required amount of \$371,113.60 has been generated by the City Controller and delivered to the Department of General Services for deposit into escrow account 05110627. The initial funds to complete this transaction were made available through the Department's Reserve Account, Fund 205, Account 900H, which will be reimbursed by a "Release of Funds" from the Master Account. All Master Account funding disbursements from the \$4,000,000.00 bequest are subject to the prior approval of the Trust.

This report was prepared by Joel Alvarez, Management Analyst II, Real Estate and Asset Management.