

REPORT OF GENERAL MANAGER

NO. 05-235

DATE September 14, 2005

C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ANNA BING TRUST – ACQUISITION OF 0.15 ACRE PROPERTY LOCATED AT 5207 SOUTH BROADWAY IN SOUTH LOS ANGELES FOR POCKET PARK DEVELOPMENT

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

Robert H. Jensen (for)
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Adopt a resolution, substantially in the form attached hereto, authorizing the acquisition of a 0.15 acre parcel (APN 5110-028-002), located at 5207 South Broadway, for the amount of \$371,113.60, including escrow and title insurance fees, for future pocket park development;
2. Authorize the Department to expedite the processing of a demand to the City Controller for the amount of \$371,113.60 from Department Fund 205, Account 900H, to be reimbursed by the Anna H. Bing Living Trust/City of Los Angeles Escrow Account (Master Account), and upon receipt of the Controller's demand to transmit it to the Department's Real Estate and Asset Management Section for deposit with the escrow officer by September 25, 2005;
3. Authorize the Board Secretary to execute the escrow instructions and grant deed for the purchase of the subject property; and,
4. Upon receipt of reimbursement from the Master Account, direct the Chief Accounting Employee to reimburse the amount of \$371,113.60 to Department Fund 205, Account 900H.

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SUMMARY:

The Department of General Services, Asset Management Division (DGS), has notified staff that negotiations for the acquisition of the property at 5207 South Broadway have concluded. Preliminary authorization for this acquisition was granted by the Board of Recreation and Park Commissioners (Board) on May 12, 2005 (Board Report No. 05-122). At that time, the Board preliminarily approved the acquisition of two parcels, one at 5207 South Broadway and the other at 1644-48 Beverly Boulevard. Since then, DGS has been successful in coming to a mutually acceptable agreement with Mr. and Mrs. Robert Scott, owners of the Broadway property. Negotiations for the Beverly property are ongoing.

The Broadway property consists of approximately 0.15 acres and is currently unimproved. The addition of this property to the Departments inventory of parkland will provide the surrounding community's residents, and particularly families, with a much needed place to relax, recreate, and gather socially. A new fifty (50) unit housing complex was recently constructed directly across the street from the planned pocket park. Gang activity is prevalent in this area, which is categorized as very low income with the median household income below the citywide median income. Local residents have no parks or recreational facilities within walking distance of their homes. By replacing this vacant lot, the new pocket park will provide a fresh addition to this community which has historically had a high incidence of vandalism and illegal dumping.

DGS has negotiated the acquisition of the subject property at the fair market value of \$369,000.00. The original appraisal, performed by Keith Settle and Company (June 2005), indicated a property value of \$320,000.00. Based on the appraised value, a purchase offer was made on June 28, 2005. However, after reevaluating the seller's asking price of \$369,000.00 and consulting with Department staff, DGS determined the Scott Family's counter offer was acceptable and on July 27, 2005, the DGS agreed the City would accept the price of \$369,000.00, subject to the Board's approval.

The funds for this acquisition (\$371,113.60) will be available to the Department through the \$4,000,000.00 bequest to the City from the Anna H. Bing Living Trust (Trust). However, to close escrow by September 26, 2005 as agreed upon, the Department may need to first advance the required amount from Reserve Account, Fund 205, Account 900H, to be later reimbursed by a "Release of Funds" from the Anna H. Bing Living Trust/City of Los Angeles Escrow Account (Master Account), which administers funding disbursements from the \$4,000,000.00 bequest.

The terms and conditions for the City's use of the bequeathed funds including the terms and conditions for the disbursement of funds for the acquisition and development of three (3) pocket parks in underprivileged areas of Los Angeles are specified in the Master Account Agreement between the City and Trust, which established the Master Account controlled by the Trust. The Master Agreement was approved by the Board (Board Report No. 05-218) on August 9, 2005, and

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City Council (Council File No. 05-0181) on August 16, 2005. To receive funding from the Trust for acquisition of the Broadway property the City needs to provide the Trust with the escrow instructions, an approved form of Grant Deed, a Ground Lease and Ground Sublease executed by the Los Angeles Neighborhood Land Trust, evidence of the Board's approval of the acquisition and either a statement that all conditions except funding have been satisfied or that the property has been acquired. Upon receipt of all of the above required documentation, the Trust will consider the City's request for funding or reimbursement within (3) business days and will instruct the Bank to release the approved funding to the City.

The closing costs for this transaction will be \$1,000.00 for escrow fees and \$1,113.60 for title insurance. The total amount of funds required to be deposited in the escrow account prior to the escrow closing date is \$371,113.60. The necessary funds for this acquisition are available from Department reserve account, Fund 205, Account 900H.

Additional costs related to this acquisition include an appraisal (\$2,500.00), Phase I Environmental Site Assessment (\$4,000.00), and CEQA Mitigated Negative Declaration (\$15,000.00), and Notice of Determination filing fees (\$25.00), totaling \$21,525.00. These costs are also reimbursable from the Master Account. There will be no legally obligated relocation expenses associated with this acquisition as the property is vacant with no one residing on the property.

In accordance with the requirements of the California Environmental Quality Act (CEQA), the Initial Study/Mitigated Negative Declaration for the 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 with the Los Angeles County Clerk on August 23, 2005.

The Operations East Assistant General Manager and Pacific Region Superintendent are aware of staff's recommendations and have expressed their support. The Office of Councilmember Jan Perry of the Ninth Council District has been consulted and concurs with staff's recommendations.

FISCAL IMPACT STATEMENT:

Funds provided by the Anna H. Bing Trust will cover the cost of acquisition and will be available for the expected costs of development of the playground. The Los Angeles Neighborhood Land Trust has agreed to have The Los Angeles Conservation Corps provide maintenance of the playground at no cost to the City for 99 years.

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

RESOLUTION NO. _____

BE IT RESOLVED, that acquisition of the following described property for dedicated park purposes, hereby is approved in accordance with the provisions of Section 506(c) of the City Charter:

5207 S. Broadway, which consists of approximately 0.15 acres of unimproved land (APN 5110-028-002).

LEGAL DESCRIPTION OF PROPERTY – 5207 S. BROADWAY:

The Land referred to herein is situated in the State of California, County of Los Angeles, City of Los Angeles, Described as Follows:

Lot 2 and the north 5 feet of Lot 3, Block "B" of Walters Moneta Avenue and Figueroa Street Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 7, Page 156 of Maps, in the Office of the County Recorder of said County.

Except the East 10 feet included in Moneta Avenue, now Broadway, as now established.

End of Legal Description

BE IT FURTHER RESOLVED, the Department of General Services, Asset Management Division, has negotiated the acquisition of said property at a cost of \$371,113.60, including escrow closing costs, to be funded from the \$4,000,000.00 bequest to the City of Los Angeles from the Anna H. Bing Living Trust (Trust); and,

BE IT FURTHER RESOLVED, that the Department of Recreation and Parks (Department) be authorized to expedite a demand to the City Controller for the amount of \$371,113.60, payable to Stewart Title and Escrow Company, to be deposited into escrow account 05110627 from the Department's Fund 205, Account 900H, which will be reimbursed, within sixty (60) days of the close of escrow, from the \$4,000,000.00 bequest upon the approval of acquisition expenditures and release of funds by the Trust, for the acquisition of the vacant 0.15 acre parcel of land located at 5207 S. Broadway; and,

BE IT FURTHER RESOLVED, that the Board Secretary is authorized to execute the escrow instructions and grant deed for the subject property, as approved by the City Attorney.

BE IT FURTHER RESOLVED, that upon reimbursement from the Trust, that the CAE be authorized to reimburse Department Fund 205, Account 900H, the amount of \$371,113.60.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Recreation and Park Commissioners of the City of Los Angeles at its meeting held on September 14, 2005.

MARY ALVAREZ,
Board Secretary

Resolution No. _____