

APPROVED  
MAR 15 2006

REPORT OF GENERAL MANAGER

NO. 06-64

DATE March 15, 2006

BOARD OF RECREATION  
and PARK COMMISSIONERS

C.D. 13

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: FINAL AUTHORIZATION TO ACQUIRE AND DEVELOP FOUR PARCELS  
FOR A POCKET PARK AT ROCKWOOD/COLTON STREETS AND  
GLENDALE BOULEVARD

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Withdrawn \_\_\_\_\_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 the Resolution, on file in the Board Office, authorizing the acquisition of four privately-owned parcels in the triangular block bounded by Rockwood/Colton Streets and Glendale Boulevard (APNs 5159-015-024, -025, -026 and -039) subject to City Council approval of the reallocation of the necessary Proposition 12 (2/3 per capita) funds;
2. Authorize staff to assist the Department of General Services in completing the acquisition;
3. Authorize the Board Secretary to accept the grant deeds to the parcels, which are to be set apart and dedicated as park property in perpetuity; and
4. Authorize staff to assist the Bureau of Engineering and other departments, as needed, in order to develop the site into a passive park.

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### SUMMARY:

On August 9, 2005, through Report No. 05-221, the Board authorized staff to request the Asset Management Division of the Department of General Services to enter into negotiations on one or more of the four subject parcels, which are located south of the Hollywood (101) Freeway in the Echo Park area. The four parcels total 18,400 square feet or 0.42 acre. The Board also authorized staff to assist the Environmental Affairs Department (EAD) and the Bureau of Engineering with the Phase II site assessment, which was needed in order to determine the feasibility of acquiring the parcels. Following these actions the Board was to receive a report on the information obtained, with further recommendations from staff.

On November 2, 2005, the City's Geotechnical Engineering Division communicated to the Department the results of the Phase II assessment. The assessment had been funded by a grant from the federal Environmental Protection Agency (EPA) under a "brownfield" program since the property showed signs of crude oil contamination. The report estimated that remediation costs would range from \$76,000 to \$95,000 for all four parcels. The work consists of removing soil and disposing of it primarily in a Class III (municipal) landfill. The higher estimate takes into account the potential need for disposing more of the soil in a Class II (designated) landfill or at a soil recycling facility. Exact costs will be known only when the work is performed.

The EAD has applied to the EPA for a grant of \$200,000 for this remediation. Their decision is expected before the end of Fiscal Year 2005-06; however, the EAD was informed that even if awarded the grant, the funds would not be released unless the City owns at least one (but preferably all) of the parcels by June 30, 2006.

The Asset Management Division of General Services reports that the owners of all four parcels are willing to sell to the City; total acquisition costs are consistent with the Class "C" estimates set forth in a communication dated July 13, 2005. Data on the parcels are as follows, extending from west to east:

### The Parcels

- A. Corner vacant parcel, no street address, APN 5159-015-026; 2,300 square feet, sale price of \$92,000; the owner is Ker Oil International, Inc., headquartered in Southern California. (Estimated remediation cost is \$1,000.)
- B. Two vacant parcels, 1571-79 Rockwood Street, APN 5159-015-024 and -025; total of 6,300 square feet, sale price of \$250,000; the parcels are held in a family trust. (The address is sometimes cited as 1552-56 Colton Street. Estimated remediation cost is \$40,000.)

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- C. One parcel consisting of two lots, each with a vacant structure, 1569 Rockwood Street, APN 5159-015-039; 9,800 square feet of which 3,513 square feet are structures, sale price of \$345,800; owner is the federal Department of Housing and Urban Development. (The address is sometimes cited as 1544 Colton Street. Estimated remediation cost is \$35,000.)

On March 2, 2006, the "L. A. for Kids" Steering Committee recommended that approval be sought from the City Council so that \$956,625 in Proposition 12 (2/3 per capita) funds can be reallocated from a Vermont Corridor project to this proposed acquisition. The sum includes the agreed-upon total purchase cost for the four parcels of \$687,800 plus total estimated escrow and title insurance fees of \$7,605. It is anticipated that after the acquisition is complete, a maximum of \$261,220 will be available for site development, including remediation if the EPA denies the grant. The Bureau of Engineering estimates that fully developing the pocket park could cost nearly \$500,000 so there may be a shortfall of half or more of the development costs. This circumstance is known to the Steering Committee and other interested parties.

As for the California Environmental Quality Act (CEQA), staff learned that this project will consist of the acquisition of property with the intent to establish a passive park having a limited number of accessory amenities such as a walkway, trellis and benches but no structures. Therefore, the project is exempt from the provisions of CEQA pursuant to Article III, Section I(c), Class 3(6) and Section 1(y), Class 25(f) of the City CEQA Guidelines.

The EAD has determined that the use of federal funds to remediate the property is exempt from the provisions of the National Environmental Policy Act. Staff concurs with this determination.

The Office of Council District Thirteen, the Assistant General Manager of Operations East and the Superintendent of Metro Region concur with staff's recommendations.

### FISCAL IMPACT STATEMENT:

Unless Council approves the reallocation of funds, there will be no project as it is currently envisioned. If the EPA approves the grant, those funds may be used for remediation only. Staff and the Council Office will seek to identify the supplemental funding needed for full development of the passive park.

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