

REPORT OF GENERAL MANAGER

NO. 03-315

DATE: October 01, 2003

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: NORTH HOLLYWOOD - AUTHORIZATION FOR TWO LEASES AND A JOINT-USE AGREEMENT WITH THE LOS ANGELES UNIFIED SCHOOL DISTRICT

L. Barth \_\_\_\_\_  
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J. Kolb \_\_\_\_\_  
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R. Reyes \_\_\_\_\_

  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

**RECOMMENDATIONS:**

It is recommended that the Board:

1. Adopt the draft Resolution, on file in the Board Office, authorizing the Department to enter into a lease as lessor for the area on the attached architectural master plan labeled "C", enter into a lease as lessee for area "E" and enter into a Joint-Use Agreement for the areas labeled "C, D, P1 and P2" with the Los Angeles Unified School District (LAUSD), which will reconfigure these four areas for shared recreational use next to the existing North Hollywood Administration and Service Center, located at 11480 Tiara Street;
2. Direct staff to negotiate the two leases and the Joint-Use Agreement, subject to approval by the City Attorney and LAUSD and consistent with the terms outlined in the attachment to this Report;
3. Recommend that the City Council review and adopt LAUSD's addendum to the final initial study/Mitigated Negative Declaration, prepared for the new North Hollywood Elementary School No. 3 to be built adjacent to the Service Center, as the City's environmental clearance for this project pursuant to the City guidelines under the California Environmental Quality Act (CEQA);
4. Recommend that the City Council also review and adopt the amended mitigation monitoring program found in section five of the addendum to the Mitigated Negative Declaration; and,
5. Direct the Board Secretary to forward said documentation concurrently to the City Attorney and Mayor for review and upon approval, to the City Council; and

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6. Upon receipt of the necessary approvals, authorize the Board President and Secretary to execute the two leases and Joint-Use Agreement authorized by this Report.

### **SUMMARY:**

This Report proposes a new, recreational use for the site of the Department of Recreation and Parks' North Hollywood Administration and Service Center. LAUSD is constructing a new elementary school at the other end of the same block. As part of their respective developments, the Department and LAUSD intend to enter into mutual agreements so that students and the general public will both be able to use other portions of the block for recreational purposes at certain specified times. In order for this joint-use project to go forward, certain documents described later in this Report will need to be drafted and executed.

### **Background**

On September 24, 1990, the Board of Recreation and Park Commissioners, acting through Board Report No. 484-90, authorized property transfers that were later reauthorized by Resolution No. 9551 adopted on June 1, 1994. One transfer was for 2.74 acres of unusable, nearby park land to the Department of General Services for use by the Los Angeles Police Department (APN 2350-001-901). In return, our Department was to receive two small parcels that were under the jurisdiction of General Services: 0.91 acre adjacent to North Hollywood Park (APN 2350-001-908) and 1.92 acres comprising the existing North Hollywood police station, parking lot and vehicle service/fuel-dispensing center. These 1.92 acres are located at the northwest corner of Lankershim Boulevard and Tiara Street (APN 2338-012-900). In addition, LAPD was to pay the Department a cash settlement of \$160,000 representing the difference in the appraised values of the parcels to be exchanged. Later, on April 26, 1995, the City Council adopted Ordinance No. 170,508 authorizing these transfers, and the three transfer deeds were recorded by Los Angeles County.

Previously, our Department intended to seek funding in order to renovate the former police-station site for senior-citizen programs. These initial attempts to develop the site were unsuccessful, however, and our operations personnel have been using it; the site is known as the North Hollywood Administration and Service Center with an address of 11480 Tiara Street. Operations personnel are prepared to vacate the site so that it will be available for the uses outlined in this Report.

### **Proposed Developments**

LAUSD recently acquired parcels in the same block as the service center in order to build North Hollywood Elementary School No. 3. LAUSD would now like to develop more of the block so

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that the area between the school and service center may be used for recreational purposes by both LAUSD students and the general public. Doing so will require two leases and a Joint-Use Agreement.

Attached to this Report is a site plan of the service center and the LAUSD parcels. The various parts of the block are labeled "A, B, C, D, E, P1 and P2" to better clarify the following references. The service center, which is the site of the former police station, occupies areas "A, C, and P1". LAUSD owns areas "B, D, E and P2" and has agreed to configure the school grounds in order to provide for the maximum recreational use by the public. The school itself will occupy area "B".

The first proposed agreement is a lease from the City to LAUSD for the area labeled "C", which is part of the service center site. This area, together with "D", which is owned by LAUSD, will be improved for joint recreational use at LAUSD's cost. The amenities will include playing fields and basketball courts. LAUSD will also assume all liability during the development of the areas.

The second agreement is a lease from LAUSD to the Department of Recreation and Parks for the area labeled "E". This area "E" adjoins area "A", which contains most of the existing service center. The Department expects to develop a new facility by renovating the former police station in area "A"; there will be joint-use parking in "P1", which is part of the same site. The new facility, which will occupy areas "A, E and P1", is a Proposition K specified project called the "North Hollywood Senior Citizen Center/Administration and Service Center and Ranger Substation".

Approved funding for the development of the Department's centers/substation is as follows: Proposition K funding of \$2,806,306 plus \$150,102 in Quimby funds (Account 460K-NL), the \$160,000 from the LAPD previously mentioned as part of the property transfer and \$143,592 appropriated from Fund 100 (General Fund). The total available is \$3,260,000. This sum is programmed for renovating the former police-station site. Department staff intends to seek funding of approximately \$200-500K for the further development and greening of area "A" and for all of "E". The total open space requiring additional funding is approximately a half acre.

The third agreement, specifying joint recreational use, will pertain to areas "C and P1" owned by the City and areas "D and P-2" owned by LAUSD. The District will develop all of the joint-use areas at their cost, including "P1". A summary of the principal terms of the proposed Joint-Use Agreement is attached to this Report as well as a conceptual plan for the Department's new facility.

In order to obtain state funding for these improvements, LAUSD needs extended site control of the joint-use area. Therefore, it is recommended that the two proposed leases and Joint-Use

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Agreement be co-terminus and extend for 40 years with one option to renew for ten years. If one of the leases or the Joint-Use Agreement were to terminate, the others would necessarily terminate as well.

However, both the proposed leases and the Joint-Use Agreement may only be terminated due to the gross negligence or willful misconduct of either party. This is a stricter termination standard than is found in most Department leases. LAUSD has insisted that this standard is necessary in order for them to obtain grant funding for the project. Fortunately, though, LAUSD has agreed to seek Departmental approval before assigning their leasehold rights in area "C" to a third party should their plans for the school change over the lengthy term of the three agreements.

Furthermore, because LAUSD is funding the development of the joint-use areas "C, D and P2" and because the entire project involves constructing a new school, LAUSD requests that the initial five-year period of the two leases be "non-terminable". LAUSD insists that this condition is also required in order for them to obtain grant funding.

Lastly, LAUSD will oversee and pay all costs involved in the removal of the gasoline storage tanks that are part of the service center and will remediate the site in accordance with City Fire Department regulations. LAUSD will also process any clearance or closure letters required by the City CEQA Guidelines and the State Department of Toxic Substances Control.

This project received approval from the LAUSD Board on September 23, 2003. Pending the City's approval and the timely execution of the required agreements, LAUSD anticipates that construction will extend from January 2004 through February 2005, in which case their tenancy of the fully-constructed facility would begin in July 2005.

The Mayor's Office, the Councilmember for the Fourth District, the Department's principal liaison with LAUSD and the Superintendent of Operations West all concur with staff's recommendations.

This Report was prepared by Joan Reitzel, Senior Management Analyst, and Damian A. Pacheco, Management Assistant, of Real Estate and Asset Management with the assistance of the Office of the City Attorney.