

REPORT OF GENERAL MANAGER

NO. 04-103

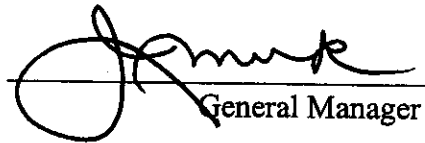
DATE April 7, 2004

C.D. 06

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: BLYTHE STREET PARK: ADOPTION OF REVISED MITIGATED NEGATIVE DECLARATION AND FINAL AUTHORIZATION TO ACQUIRE A 0.21 ACRE PROPERTY IN THE COMMUNITY OF PANORAMA CITY FOR PARK EXPANSION (#1345B).

* K. Chan	<u>                    </u>	J. Combs	<u>                    </u>
H. Fujita	<u>                    </u>	J. Kolb	<u>                    </u>
M. Mariscal	<u>                    </u>	F. Mok	<u>                    </u>
K. Regan	<u>                    </u>	G. Stigile	<u>                    </u>

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

- 1) Review, consider, and adopt the Initial Study/Mitigated Negative Declaration (IS/MND) and the associated Mitigation Monitoring and Reporting Plan (MMRP – on file in Board Office) for the Blythe Street Park Expansion Project, finding that all potentially significant environmental effects of the project have been properly disclosed and evaluated in compliance with the California Environmental Quality Act (CEQA) and the State and City CEQA Guidelines, and that the IS/MND reflects the Department of Recreation and Parks' independent judgment and analysis;
- 2) Adopt a resolution, substantially in the form attached hereto, authorizing the acquisition of a 0.21 acre parcel (APN 2210-021-003), located at 14750 Blythe Street in the community of Panorama City for the amount of \$558,177.00, including escrow and title insurance fees, for future expansion of the existing Blythe Street Park;
- 3) Authorize the Department to expedite the processing of a demand to the City Controller for the amount of \$200,000.00 from Proposition K, Fund 43K and Account V282, and upon receipt of the check to transmit it to the Department's Real Estate and Asset Management Section;
- 4) Authorize the Department's Grants Administration section to expedite the processing of an invoice to the State of California for the amount of \$358,177.00, for direct deposit into Stewart Title and Escrow Company escrow account 04110091, to be combined with Proposition K funds (\$200,000.00) to complete the required amount of \$558,177.00;

## REPORT OF GENERAL MANAGER

PG 2

NO. 04-103

- 5) Authorize the Department to proceed with the legally obligated relocation of the tenants presently residing on the property;
- 6) Authorize the Department to process demands for any and all legally obligated costs associated with relocation assistance;
- 7) Authorize the Board Secretary to execute the escrow instructions and grant deed for the subject property; and,
- 8) Direct Staff to file a Notice of Determination with the Los Angeles County Clerk within five (5) days.

### SUMMARY:

The Department of General Services, Asset Management Division (DGS), has notified staff that negotiations for the acquisition of the property at 14750 Blythe Street have concluded. Preliminary authorization for this acquisition was granted by the Board of Recreation and Park Commissioners (Board) on April 16, 2003 (BR 03-129). At that time, the Board preliminarily approved the acquisition of three parcels at 14746, 14750, and 14752 Blythe Street in the community of Panorama City. Since then, the Department of General Services (DGS) has been conducting negotiations with each of the property owners in an attempt to secure all three properties for acquisition. However, the only owner with whom the City has had any success to date is with Mr. and Mrs. Gary Payton, owners of 14750 Blythe Street and Mr. Sukhdeep Singh, owner of 14746 Blythe Street. Although negotiations for the purchase of the 14746 Blythe Street property are ongoing between the City and Mr. Singh, it is anticipated that they will conclude in the very near future.

The Department is no longer pursuing the acquisition of the property at 14752 Blythe Street, as the property owner has demonstrated and confirmed an unwillingness to sell the property to the City. Due to certain restrictions associated with the use of Proposition 12 funds, the City cannot acquire either of the Blythe Street properties (14746 or 14750) through its powers of eminent domain (condemnation). Therefore, the City has had to continue negotiations with the respective property owners for an extended period of time before reaching a mutually acceptable property value.

The 14750 Blythe Street property measures approximately 9,150 square feet or 0.21 acres. The property is currently improved with an apartment building consisting of six (6) units (4,800 sq. ft.). The addition of this property to the Blythe Street Pocket Park, which presently consists of 0.28 acres, combined with the soon to be purchased property at 14746 Blythe Street (negotiations being finalized), will eventually increase the park's size to 0.70 acres. The additional, contiguous open space will create valuable opportunities for additional recreational amenities to be added to the existing children's tot-lot.

REPORT OF GENERAL MANAGER

PG 3

NO. 04-103

The DGS has negotiated the acquisition of the 14750 Blythe Street at the fair market value of \$555,500.00. The original appraisal performed by Joseph Bates and Associates, Inc., (August 2002) indicated a property value of \$325,000.00. Based on that appraised value, a purchase offer was made on May 15, 2003. However, after having received and reviewed counter offers from Mr. Payton, with supporting documentation reflecting the significant increase in real estate market property values over the past two years, the DGS updated the appraisal accordingly to a new value of \$550,000.00. Based on this value, the DGS made Mr. and Mrs. Payton a subsequent offer on February 13, 2004. Mr. and Mrs. Payton accepted the City's offer at the purchase price of \$555,500.00. However, in order to maintain the purchase price at the agreed upon amount, the sellers have required that escrow close on or before April 19, 2004, and that the purchase price increase by 1% for each month that passes beyond the specified escrow closing date.

In order to avoid having to pay the escalated purchase price due to the seller's 1% escalation requirement, the Department has coordinated with the State of California to expedite the processing of the approved Proposition 12 Murray-Hayden grant funds (\$358,177.00) through an advanced payment request for direct deposit into Stewart Title and Escrow Company escrow account 04110091. These Proposition 12 funds will be combined with the Proposition K funds (\$200,000.00) to complete the required amount of \$558,177.00, in order to close escrow prior to April 19, 2004.

The necessary funds (\$558,177.00) for this acquisition are available from the following sources:

SOURCE	AMOUNT	FUND	ACCOUNT
Proposition K grant	\$230,610.00	43K	V282
Proposition 12 Murray-Hayden grant	\$946,000.00	205	M005

The closing costs for this transaction will be \$1,200.00 for escrow fees and \$1,477.00 for title insurance. The total amount of funds required to be deposited in the escrow account prior to the escrow closing date is \$558,177.00. The funds for this acquisition have been allocated through Proposition K, year 7 specified funds (\$200,000.00- Fund 43K and Acct. V282) and Proposition 12 Murray-Hayden grant funds (\$358,177.00 - Fund 205, Acct No. M005).

Additional costs related to this acquisition include an appraisal (\$10,000.00), Phase I Environmental Site Assessment (\$2,838.00), CEQA filing fees (\$25.00), and Traffic Study (\$2,225.00), totaling \$15,088.00. Future expenses will include the legally obligated costs associated with tenant relocation assistance and moving expenses. Although the DGS has estimated these costs to be approximately \$160,000.00 for the six (6) units, they have also indicated that this cost may increase upon further evaluation due to several units being occupied by Section 8 tenants. The necessary funds to pay the legally obligated relocation expenses associated with this acquisition are available through the approved Proposition 12 Murray-Hayden grant funds (\$946,000.00) and will be from Fund 205, Account M005.

## REPORT OF GENERAL MANAGER

PG 4

NO. 04-103

In accordance with the requirements of the California Environmental Quality Act (CEQA), a Mitigated Negative Declaration (MND) for the expansion of Blythe Street Park was adopted and a Notice of Determination filed on June 6, 1999. However, because the number of properties proposed for acquisition changed since that document was adopted, a new MND (on file in Board Office) was prepared for the Board's final review and approval. The MND was circulated to all interested parties and responsible agencies, and filed with the State Clearinghouse for a 30-day review and comment period from April 24, 2003 to May 27, 2003. No substantive comments were received on environmental issues. However, all comments have been incorporated into the final MND, copies of which have been provided to the Board for its review and consideration. A Mitigation Monitoring and Reporting Plan has been prepared that specifies all the mitigation measures identified in the MND, which will either reduce or eliminate the potentially significant environment impacts of the project. It was determined that the project, as proposed, will not individually or cumulatively have an adverse effect on wildlife resources or their habitats as defined by Fish and Game Code 711.2 with adoption and implementation of the appropriate mitigation measures, as provided in the MND. A Phase I Environmental Site Assessment was also performed that determined there are no recognized environmental conditions associated with the subject properties.

The Operations West Assistant General Manager and Superintendent are aware of staff's recommendations and have expressed their support. Staff from the Office of the Sixth Council District have also been consulted and concur with the recommendations contained herein.

This report was prepared by Joel Alvarez, 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:

14750 Blythe Street, consisting of 0.21 acres of improved land, containing a six (6) unit apartment building.

**LEGAL DESCRIPTION OF PROPERTY:**

14750 Blythe Street: Lot 29 of Tract No. 1532, as per Map Book \_\_\_\_, Page \_\_\_\_, in the City of Los Angeles, State of California as recorded in Assessor's Office of said County.

BE IT FURTHER RESOLVED, the Department of General Services, Asset Management Division, has negotiated the acquisition of said property at a cost of \$558,177.00, including closing costs to be funded from the \$230,610.00 appropriation from the City of Los Angeles, Proposition-K Grant Funds and from the \$946,000.00 appropriation from State of California Proposition-12 Murray-Hayden Grant Funds; and,

BE IT FURTHER RESOLVED, that the Director of Finance be authorized to expedite an invoice to the City Controller for the amount of \$200,000.00 payable to Stewart Title and Escrow Company escrow account 04110091 from Department of Recreation and Parks Proposition -K Fund No. 43K, Account No. V282, and upon receipt of any check, to forward it to the Department of Recreation and Parks Real Estate and Asset Management Division; and to expedite an advance payment request to the State of California for the approved Proposition-12 Grant funds in the amount of \$358,177, to be deposited directly into Stewart Title and Escrow Company escrow account 04110091, for the acquisition of a 0.21 acre parcel located at 14750 Blythe Street; 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; and,

BE IT FURTHER RESOLVED, that a copy of this Resolution is ordered published in a daily newspaper publication.

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 April 7, 2004.

\_\_\_\_\_  
MARY ALVAREZ,  
Board Secretary

Resolution No. \_\_\_\_\_