

REPORT OF GENERAL MANAGER

NO. 04-216

DATE June 16, 2004

C.D. VARIOUS

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: **PARK FEES PROJECT AND EXPENDITURE PROGRAM: FISCAL YEARS 1999/00, 2000/01, 2001/02, AND 2002/03**

* K. Chan
H. Fujita
F. Mok



J. Combs
J. Kolb
G. Stigile



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the attached Park Fees Project and Expenditure Program for Fiscal Years 1999/00, 2000/01, 2001/02 and 2002/03;
2. Authorize the Director of Finance to allocate funds as indicated in the Expenditure Program, including allocation of receipts and earned interest for Fiscal Years 1999/00, 2000/01, 2001/02 and 2002/03;
3. Direct staff to implement the Program to the extent permitted with available funding and reconcile the Expenditure Program with financial records as needed;
4. Approve implementation of the procedures outlined in the body of this report to assure responsible financial management and completion of the capital improvement projects and land acquisition described in the attached Project and Expenditure Program; and,
5. Establish new sub-accounts for the following facilities:

Yucca Park (CD 4)
Trinity Recreation Center (CD 9)
Elysian Valley Recreation Center (CD 13)
Hazard Park (CD 14)
Pecan Recreation Center (CD 14)
Bandini Canyon Park (CD 15)

REPORT OF GENERAL MANAGER

PG 2

NO. 04-216

6. Approve the Transfer of Funds between the following sub-accounts:

<u>CD</u>	<u>From Sub-Account: :</u>	<u>To Sub-Account:</u>	<u>Amount</u>
2	460KST(Studio City RC)	440KVS(VNSO)	\$50,000.00
2	460K00(Unallocated Acct)	440KVS(VNSO)	\$16,578.00
2	460K00(Unallocated Acct)	440KVS (VNSO)	\$4,023.00
4	460KNL(No.Hollywood LAPD)	460KNO (No.Hollywood Pk)	\$14,505.80
4	460KLP(Las Palmas SCC)	New sub-acct (Yucca Pk)	\$40,000.00
4	460KNO(No.Hollywood Pk)	440KNO (No.Hollywood Pk)	\$5,947.39
4	460KPG(Pan Pacific Pk)	460KWV (Pan Pacific Pk & RC)	\$579,542.22
5	460KLB(Laurel Cyn Pk)	440KLB (Laurel Cyn Pk)	\$1,364.85
5	460KWP(Westwood Pk)	460KWW (Westwood Outdoor Basketball)	\$190.80
6	440KVN(Van Nuys Pk)	460KVN (Van Nuys Pk)	\$57,722.23
6	440KVL(Van Nuys SC Mult- purpose Ctr)	460KVN (Van Nuys Pk)	\$138,356.84
6	460KFE (Fernangeles RC)	440KFE (Fernangeles RC)	\$925.50
7	460KDA (Devonshire/ Arleta Pk)	460KPM (Ritchie Valens Pk)	\$69,942.42
9	460KCJ (City Hall Pk)	New sub-acct (Trinity RC)	\$32,127.24
10	460KHH (Harold Henry Pk)	460KAR (Seoul Int'l. RC)	\$12,950.60
11	460KP2 (Playa Del Rey Lot 2)	460KP1 (Playa Del Rey Lot 1)	\$71,485.27
	460KP3 (Playa Del Rey Lot 3)	460KP1 (Playa Del Rey Lot 1)	\$75,884.54
	460KP4 (Playa Del Rey Lot 4)	460KP1 (Playa Del Rey Lot 1)	\$71,408.86
	460KP5 (Playa Del Rey Lot 5)	460KP1 (Playa Del Rey Lot 1)	\$66,646.46
	460KP1 (Playa Del Rey Lot 1)	460KDR (Del Rey Lagoon)	\$479,582.42
	460KVE (Venice Beach)	440KVE (Venice Beach)	\$78,491.82
12	440KCT (Chatsworth Pk)	460KCT (Chastworth Pk No.)	\$22.35

REPORT OF GENERAL MANAGER

PG 3

NO. 04-216

<u>CD</u>	<u>From Sub-Account:</u> : No.)	<u>To Sub-Account:</u>	<u>Amount</u>
12	460KOB (O'Melveny Pk)	460KBC (Bee Cyn Pk)	\$37,190.90
12	440KVG (Wilkinson/Vanalden Park)	460KVG (Wilkinson/Vanalden Park)	\$49,565.66
13	460KBH (Bellevue Pk)	440KBH (Bellevue Pk)	\$1.76
13	440KLG (Lemon Grove RC)	440KLX (Lexington Pocket Pk)	\$5,000.00
15	460KGF (Gaffey Pool)	460KFA (Angels Gate Pk)	\$3,841.26
15	460KAM (Anderson Memorial Pk)	New Sub-account (Bandini Canyon Park)	\$41,830.28
15	460KLE(Leland RC)	New Sub-account (Bandini Canyon Park)	\$43,539.15

7. Approve the set aside amounts from the following sub-accounts:

<u>CD</u>	<u>Sub-Acct:</u>	<u>Project</u>	<u>Amount:</u>
2	460KSX(Stonehurst RC)	1237C	\$126,000.00
2	460KSQ(Sunland Pk)	ADA Proj.	\$70,000.00
3	460KCD(Serrania Pk)	Land Acquisition	\$200,000.00
3	460KCN(Corbin Cyn Pk)	Drainage & erosion control	\$31,941.36
3	460KKN(Knapp Ranch Pk)	Basketball imps.	\$7,029.48
3	460KWH(Woodland Hills RC)	ADA Proj.	\$1,800.00
3	460KWI(Warner Ranch Pk)	Children's play area imps	\$70,361.12
4	460KNL(No. Hollywood LAPD)	Intergenerational Ctr	\$150,102.00
4	460KWV(Pan Pacific Pk and RC)	1731C	\$2,284,389.00
4	460KNO(No. Hollywood Pk)	ADA Proj.	\$118,000.00
5	440KEN(Encino Pk & Comm.Ctr)	Tricycle Track Proj.	\$30,000.00
6	460KDB(Delano Pk)	1805A	\$61,375.04
6	460KSF(Sepulveda Basin East)	1275B	\$265,846.58
6	440KVN (Van Nuys Pk)	ADA Proj.	\$13,000.00
7	460KHA(H.H.Humphrey Mem. Pk)	ADA Proj.	\$40,000.00

REPORT OF GENERAL MANAGER

PG 4

NO. 04-216

<u>CD</u>	<u>Sub-Acct:</u>	<u>Project</u>	<u>Amount:</u>
8	460KMC(Algin Sutton Pk Manchester).	ADA Proj	\$2,000.00
11	460KBE(Barrington RC)	1653A	\$600,000.00
	440KBE(Barrington RC)	1653A	\$87,000.00
11	460KCS(Culver Slauson Pk)	1571A	\$29,713.47
11	460KDR(Del Rey Lagoon)	1272B	\$565,829.65
11	460KMB(Glen Alla Pk)	1339A	\$1,687,529.44
11	460KOC(Oakwood RC)	1340C	\$566,941.06
11	460KPT(Potrero Cyn Pk)	1017B	\$5,000.00
11	460KWR(Westchester RC)	1539A	\$489,154.00
12	440KIP(Parthenia Park)	Outdoor park Improvements	\$27,000.00
12	460KBC(Bee Cyn Pk)	1203C	\$92,182.51
12	460KMA(Mason RC)	ADA Proj.	\$118,000.00
12	460KNT (Northridge RC)	Pool	\$150,000.00
12	460KPO(Porter Ranch Pk)	Aliso Cyn land Acquisition & Greening	\$826,221.24
12	460KZE(Zelzah Pk)	1349B	\$50,000.00
13	460KBD(Barnsdall Pk)	1026C	\$2,600.00
13	460KGT(Glassell Pk)	Outdoor park Imps/Fencing Imps.	\$34,528.53
13	460KLS(Lasorda Field of dreams)	Restroom	\$182,945.72
15	New sub acct(Bandini Cyn Pk)	Bandini Cyn Urban Pk Project	\$85,369.43
15	460KCE(Cabrillo Beach Bathhouse)	Bldg. imps.	\$18,611.40
15	460KNR(Normandale RC)	Bldg. Imps.	\$94,246.81
15	440KRA(Rosecrans RC)	ADA Proj.	\$50,000.00
15	460KWY(Wilmington RC)	ADA Proj.	\$2,000.00

SUMMARY:

Attached is the proposed Park Fees Program for FY's 1999/00, 2000/01, 2001/02 and 2002/03. The program involves two separate, but related, Trust Funds: the Subdivision Fees Trust Account (Quimby) and the Zone Change Park Fee Trust Account (Zone Change). The corresponding sub-accounts within Department Fund 302 are 440K and 460K. Guidelines for the expenditure of Quimby and Zone Change income are identical.

REPORT OF GENERAL MANAGER

PG 5

NO. 04-216

Former State legislator, John P. Quimby, developed the basic Quimby concept during the 1960's. Along with others, Mr. Quimby knew that recreation and park facilities and programs reduce crime, enhance property values and improve the quality of life in our neighborhoods and communities. They provide positive alternatives for youth, families and senior citizens urgently needed in a large, urban metropolis. With this in mind, Mr. Quimby initiated State legislation (California government Code Section 66477) which permitted cities and counties to require the dedication of land, or the payment of a fee, as a condition of local residential tract map approval. Projects of less than fifty-one residential units are exempt from the dedication of land, but the owners of such projects are required to pay an in-lieu fee.

The City of Los Angeles implemented the Subdivision (Quimby) Fees Trust in 1971 (Ordinance 141,422). Ten years later, the City's complex fee schedule, which related property valuation to a density formula, was replaced with a simplified, City-wide, per-unit-per-zone fee (Ordinance 155,458). The City Planning Department calculates fees for affected subdivisions and zone changes, revising the schedule each May 1st. Fees are based on the percent change in the value of existing single-family dwellings as determined by the Real Estate Research Council of Southern California.

The Zone Change Park Fee was originated by the late City Councilman Howard Finn. The Zone Change Ordinance was approved by the City Council and signed into law by the Mayor in 1985. This law applies only to the finalization of Zone Changes for multiple residential projects (two units or more). The fee schedule for Zone Change is exactly the same as for Quimby. For projects where both Quimby and Zone Change apply, there is an option of paying under one or the other program. Some residential development does not pay either Quimby, or zone change fees, and pays only a small fee, called the dwelling unit construction tax.

Funding

Since the Program's inception, approximately 30 years ago, the City of Los Angeles has acquired more than 35 parks, and millions of dollars in capital improvement projects have been completed with funds from the Park Fees Program. Over the past 3 years, 66 projects have been completed and more than \$9,161,688.74 has been spent to improve Neighborhood and Community parks in the City of Los Angeles with funds from Park Fees. These projects range from small projects (e.g., play area improvements) to large projects (e.g., new Recreation Center).

This successful Program provides the Department with an average of \$2 million for capital improvement projects each year. Program development and management is achieved through the coordinated efforts of staff throughout the Department, many other City Departments (City Planning, Building and Safety, Office of Finance, Treasurer, City Clerk), and all 15 Council Offices.

REPORT OF GENERAL MANAGER

PG 6

NO. 04-216

Park fees paid for FY's 1999/00, 2000/01, 2001/02 and 2002/03 totaled \$14,988,399.53. The Zone Change Fund (440K) has \$4,003,970.11 as of 6/30/03. The Quimby Fund (460K) has \$21,648,136.91 as of 6/30/03. The entire program totals \$25,652,107.02 and is planned for design and construction projects, for land acquisitions, and capital improvements, as outlined in the attached Program.

Pursuant to State Law, funds must be committed to specific projects within five years of collection. The City Attorney has opined that the Department satisfies this requirement through the adoption of an Expenditure Program, such as the one under consideration as an attachment to this report. Expenditures are made within 1.5 miles from the point of collection to ensure that residents of the new real estate projects can benefit from the facilities their funds helped to create or improve. This is the standard distance for allocation of Park fees. This distance also represents an average recommended service radius for neighborhood and community facilities, outlined in the Public Recreation Plan of the City's General Plan. In addition, funds remain in the Council District where they were collected.

The Department may use Quimby and Zone Change fees for capital improvements only: the acquisition of land and the design/construction of park and recreational improvements. Quimby/Park fees may not fund expenses for park operations such as salaries for recreation or maintenance staff, materials and supplies, or equipment.

Program Management

Effective management of the Program requires essential interdepartmental collaboration and cooperation, responsiveness to Council office and developer needs, efficient procedures, sound financial management, and succinct understanding of land development processes.

Each Quimby or Zone Change case begins with the review of the calculation letter prepared by the City Planning Department, as well as Tract Conditions of Approval, or Zone Change Ordinance, and other documents, as necessary. A developer may also propose a land dedication or a credit, in lieu of fees, which is reviewed by staff. Once fees are paid, or dedication/credit determined, a clearance memo to the City Planning Department, or a Board Report relative to the credit/dedication, is prepared, thus permitting the developer to continue with finalizing the land development process for that site.

Covenants may be recorded for fee deferments, payment of future fees, and credits for recreation and park areas. Site inspections are performed. A Department staff person is a member of the City's Subdivision Committee, with representatives of all Departments that have a role in land development in the City.

Once fees are collected, entry to a database is utilized to identify allocation options relative to site

REPORT OF GENERAL MANAGER

PG 7

NO. 04-216

selection. Working with Department staff and Council Offices, projects are developed for specific sites with fees. Projections may be made relative to future residential development patterns and possible additional fees. These patterns may also suggest opportunities for new park needs, such as the recent residential increase in the downtown area.

The Program permits efficient project identification and construction. If funds are available at a site, with Council/staff support, and Board approval of the Program, a Board Report with CEQA clearance is all that is needed, and the project can proceed.

Expenditure Program

The proposed Expenditure Program reflects the priorities and projects expressed by Department staff, as well as by Councilmembers and staff. The Program is arranged by Council Districts, with facilities listed alphabetically. In a few cases, portions of parks are located in more than one Council District and are so noted. If the sites are large enough to have multiple facilities, they may also have multiple accounts.

New/Updated Procedures

The Park Fees Program is developed working with other City Departments, and through a Planning process, which includes discussions with Department Executive and Senior Staff, meetings with Region staff, and meetings with individual Council Districts for their concurrence. Specific projects and priorities at Department facilities with Park fees are identified through these meetings.

During the course of the development of this Program, it was determined that several procedural changes should be implemented in order to better manage the program. Staff developed and established new, updated, and improved procedures including:

- Development of future Expenditure Programs on an annual basis.
- Identification of necessary human resources to manage the program effectively.
- Development of training for staff using Quimby/Park fees for projects.
- Continued collaboration with City Planning Department staff for improvements to fee assessment and collection procedures.
- Collaboration with Building and Safety Department relative to covenants, fee payments, and enforcement of covenant provisions.
- Development of a system to allow for improved tracking of consultant design and construction projects using Quimby/Park funds.
- Implementation of the Department's Contract Purchase Order System (CPO) for tracking purchases. This centralized allocation of funds requires two signatures of Senior Department staff to encumber the approved allocations of funds for project materials and labor. The approvals to fund expenditures are done on-line and only by designated staff to control the funding of all expenditures.

REPORT OF GENERAL MANAGER

PG 8

NO. 04-216

- Requirement of a Completion Memorandum to be filed when projects are completed, to close a project and finalize the accounting of project cost, thus releasing any unexpended funds for future work at the facility.
- Reconciliation on a regular basis of Expenditure Program with financial records, with Accounting/Finance staff.
- Development of a database to record, track, and allocate fees collected by Council District sites. This system also permits funds collected to be allocated to a specific sub-account and park facility.
- Development of an annual Work Program to identify facilities with sufficient funds for smaller park improvement projects or large construction projects. This Work Program will identify, at a minimum, one project in each Council District that would be completed during the FY with Quimby/Park funds.
- Once a project is established, a CEQA clearance must be generated through an individual Board Report.

These procedures are part of a plan to provide more accurate information, regular reports of project status, better financial management, improved coordination with other Departments and Council, and streamlined procedures to get projects done efficiently. These changes have begun to show positive effects on the Program, and will continue to do so.

Staff recommends approval of this Park Fees Expenditure Program as outlined above. All Council District Offices and Region staff support the recommendations in this Report.

This report was prepared by Camille Didier, City Planner, Anita Cormier, Management Analyst II, Egbert Capalla, Clerk Typist Advance Planning/Special Projects.

Attachment A (Guide and key to the Program Document)

- Column 1. The proposed Expenditure Program identifies the Council District and lists the various facilities with recommended projects in order of decreasing priority. This is a five-year Plan. Some projects are carried over from previous years because of insufficient funds. Several projects may be currently in design or construction, either by Department staff or consultant firms.
- Column 2. "ACCT" indicates whether the funds belong to account 440K for Zone Changes or 460K for Quimby.
- Column 3. "Sub ACC" has the individual designation for specific facilities. Sub-account designations are the same for both 440K and 460K accounts.
- Column 4. "Adjusted Balance" indicates the current running balance in each sub-account as of June 30, 2003.
- Column 5. "New Fees: FY 99/00,00/01,01/02,02/03"; shows which facilities are to receive the fees paid during the past fiscal years from June 1, 1999- June 30, 2003.
- Column 6. "Transfers/Allocations" has transfers between sub-accounts Allocations of funds are planned for expenditures that need funding.
- Column 7. "Interest" allocates the interest earned during the four (4) fiscal years from July 1, 1999 to June 30, 2003, to individual sub-accounts.
- Column 8. "Subtotal" indicates the total amount of Quimby and Zone Change funds for a facility if it has income from both sources. Set asides are amounts for active projects in construction, or projects in design where funds may be expended.
- Column 9. "Total" represents the sum currently available for that site. This column includes the results of any proposed transfers and allocations and expenditures.
- Column 10. "Comments/Status" provides explanations of the different transactions in the various columns, details information on completed projects and clarifies specific actions.