

REPORT OF THE GENERAL MANAGER

NO. 04-170

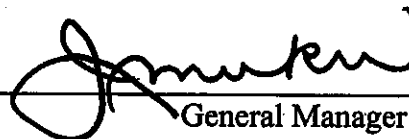
DATE May 19, 2004

C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: AUTHORIZATION TO PAY THE COMMUNITY REDEVELOPMENT AGENCY A PORTION OF THE QUIMBY FEES PAID BY THE L.A. ARENA COMPANY, FOR THE ACQUISITION OF REAL PROPERTY FOR THE DEVELOPMENT OF A PUBLIC RECREATION FACILITY AT VENICE BOULEVARD AND HOPE STREET.

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



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board, subject to the Community Redevelopment Agency (CRA) proceeding with the acquisition of real property on or before June 30, 2004, in compliance with all applicable legal requirements including the California Environmental Quality Act (CEQA), and the escrow officer being instructed to record a covenant in the form attached hereto as Exhibit-A, restricting use of the property and any facility constructed thereon to be maintained for public park and recreational purposes; Authorize the payment of \$1,000,000.00 from Department 89, fund 302, account 460K (Quimby Account) to the CRA CT3030 account to complete the necessary funding for the acquisition of two commercial properties at 320 and 324 Venice Boulevard, for the future development of a public recreation facility at Venice Boulevard and Hope Street.

SUMMARY:

The L.A. Arena Company has requested that the Department of Recreation and Parks (Department) provide the Community Redevelopment Agency (CRA) with a \$1,000,000.00 portion of the \$1,372,500.00 in Quimby fees that the L.A. Arena Company paid the City of Los Angeles (City) on April 29, 2003. The Quimby fees, which were calculated based on the residential development at 110 S. Figueroa Street, were paid for Tract No. 53384 recreational facility development. The remaining \$372,500.00 will remain in the Department's Quimby account for the Department's future use.

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The CRA is proposing to acquire two commercial properties located in the community of South Park at 320 and 324 Venice Boulevard. The proposed site is approximately 1.5 miles from the development where the fees were collected, which is the standard distance for allocation of Quimby fees. The purpose for the acquisition is for the future development of a multistory recreational facility, approximately 24,500 square feet in size. It has been determined that the proposed site and facility are appropriate for a recreational facility, and in accordance with the City's Recreational Master Plan.

In order to close escrow and complete the acquisition, the CRA needs the Department to provide \$1,000,000.00 from its Quimby Fee Account (Department 89, fund 302, account 460K, sub-account 00) to the CRA's CT3030 account, which is designated for the Venice Hope Recreation Center. The Quimby funds will only be used for property acquisition.

The CRA approval process includes several levels of consideration, which are scheduled as follows: Board of CRA Commissioners on May 20, 2004; City Council Committee on May 26, 2004; and, City Council on June 1, 2004. The CRA will provide the Department with documentation of all approvals, the acquisition's completion, and fulfillment of all legal requirements, as applicable.

If approved by the Board, the payment of funds will be made directly to the CRA for deposit into the appropriate escrow account. Escrow is scheduled to close on or before June 10, 2004. The CRA will return the Quimby funds to the Department should the CRA fail to comply with applicable legal requirements, including CEQA, and close escrow by June 30, 2004.

Once acquired, title to the property(s) will remain with the CRA. The CRA has partnered with the California Hospital Medical Center (CHMC) for the development of the proposed recreation center. Once developed, the facility will be managed, operated, and maintained by the CHMC through a CRA ground lease. The Department's sole involvement relates only to the payment of the previously negotiated Quimby funds.

The subject properties identified for acquisition by the CRA are located at 320 Venice Boulevard (APN 5134-014-004) and 324 Venice Boulevard (APN 5134-014-005). Both parcels are owned by the same entity, the Rehman Family Trust. Each parcel is approximately 6,100 square feet in size, totaling to approximately 12,200 square feet when combined. The CRA and property owner have negotiated the mutually acceptable sale price of \$1,650,000.00. The CRA has communicated to the Department that the required additional \$650,000.00 has been secured through CB Public Benefit Funds.

The CRA proposed recreation center project will encompass three parcels of land. One of the parcels, located at 1600 S. Hope Street (CRA Parcel), has already been acquired by the CRA. At a minimum, two additional parcels are needed. The subject two parcels at 320 and 324 Venice

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Blvd. are separated from the CRA Parcel by one parcel located at 330 Venice Boulevard, which the CRA is referring to as "the Land Exchange Parcel." The owner of the Land Exchange Parcel owns additional parcels located east of the 320 and 324 parcels which are proposed to be acquired by the CRA. It is anticipated that subsequent to the CRA purchase of the 320 and 324 parcels, the CHMC will complete negotiations with the owner of the Land Exchange Parcel and will exchange of one of the two acquired CRA parcels (320 and 324 Venice Blvd.) for the Land Exchange Parcel. For the purpose of assembling a contiguous site, both for the private owner of the Land Exchange Parcel and the CRA, the CRA intends to cooperate in the swap of properties, which shall be of equal size and value to the parcel to be exchanged. Should this swap of properties occur, approval from the Board and City Council will be required pursuant to the covenant agreement, and a new covenant agreement for the Land Exchange Parcel would subsequently be required.

The Department has discussed the proposed payment of Quimby fees with the developer (L.A. Arena Company), the City Attorney, CRA and the Ninth District Council Office, and all parties have respectively agreed that the payment is appropriate and acceptable.

This report was prepared by Joel Alvarez, MA II, from the Department's Real Estate and Asset Management Section.

EXHIBIT - A

Department of Recreation and Parks
205 S. Broadway, Room 420
Los Angeles, CA 90012

.....SPACE ABOVE THIS LINE FOR RECORDER'S OFFICE.....
COVENANT AND AGREEMENT

The undersigned hereby certified that (I am) (we are) the owners of the hereinafter legally described real property located in the City of Los Angeles, State of California:

LEGAL DESCRIPTION: _____
as filed in Book _____, Page(s) _____, as per map(s) recorded in the office of the County Recorder, which property is located at and commonly known as: _____

(ADDRESS): _____
In consideration of approval of _____ by the City Council, (I) (we) do hereby promise, covenant and agree to and with said City of Los Angeles, City Council, and the Department of Recreation and Parks that:

THE PROPERTY SHALL BE RESTRICTED FOR PUBLIC PARK AND RECREATIONAL PURPOSES AND THE UNDERSIGNED SHALL CAUSE SUCH PROPERTY AND ANY FACILITIES TO BE CONSTRUCTED THEREON TO BE MAINTAINED FOR SUCH PURPOSES.

This covenant and agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors, heirs or assigns and shall continue in effect until the Department of Recreation and Parks of the City of Los Angeles approves its termination, ~~because such requirements have been met or because they are no longer in effect~~ and the City Council.

Owner's Name (Please type or print): THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA

SIGNATURES Signature of Owner: _____ (sign)

MUST BE Two Officer's Signatures Required for Corporations: _____ (sign)

NOTARIZED Name of Corporation: _____
Dated this _____ day of _____ 20____

.....
ALL-PURPOSE ACKNOWLEDGE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

On _____ before me, _____ (name and title of officer), personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal:

(SEAL)
Notary Public Signature

.....
MUST BE APPROVED BY Department of Recreation and Parks prior to recording **CASE NO.** _____ **COND. NO.** _____

APPROVED BY _____ **Date:** _____