

REPORT OF GENERAL MANAGER

NO. 04-298

DATE October 6, 2004

C.D. 05

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ENCINO WOMAN'S CLUB: FINAL APPROVAL OF THE ACQUISITION AND APPROVAL OF AN IRREVOCABLE LICENSE

* K. Chan	<u><i>KC</i></u>	J. Kolb	_____
J. Combs	_____	F. Mok	_____
H. Fujita	_____	G. Stigile	_____

J. Muki
General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Adopt the Resolution, on file in the Board Office, authorizing the acquisition for \$900,000.00, plus escrow and title-insurance fees, of a quarter-acre parcel known as the "Encino Woman's Club", a California non-profit organization located at 4924 Paso Robles Avenue (APN 2258-018-009);
2. Direct staff to expedite the processing of a request to the State of California for payment of \$754,776.00, which represents eighty percent of the total approved grant funding under Propositions 12 and 40, to be deposited with Stewart Title of California, Inc., Escrow Account No. 04110206;
3. Direct staff to continue working with the Council Office and the Office of the Chief Legislative Analyst to secure and appropriate or transfer the additional funding needed to complete the total acquisition cost of \$905,100.00, said cash-flow sum of \$150,324.00 to be deposited in escrow and to be repaid to the cash-flow account when the State's reimbursement is received after the close of escrow;
4. Approve the License Agreement, in substantially the form on file in the Board Office, between the Department and the Woman's Club, specifying the terms of the Club's continued use of the site;
5. Direct the Board Secretary to transmit forthwith the proposed Agreement concurrently to the Mayor in accordance with Executive Directive No. 16 and to the City Attorney for review as to form and upon obtaining approval, to transmit the Agreement to the Council for approval;

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6. Upon obtaining the necessary approvals, authorize the Board President and Secretary to execute the Agreement; and
7. Direct the Board Secretary to accept the grant deed to the parcel, which is to be set aside and dedicated as park property in perpetuity.

SUMMARY:

On August 11, 2004, the Board approved acquiring the Encino Woman's Club building and site, located at 4924 Paso Robles Avenue (APN 2258-018-009; Report No. 04-251). This action came after the Club members voted to sell the property to the City at their meeting of July 22, 2004, and after the "L. A. for Kids" Steering Committee on July 29th approved the following allocation of funds: \$100,000.00 from the Proposition 12 (1/3) and \$98,000.00 from the (2/3) per capita programs; \$372,089.00 from the Proposition 40 (1/3) and \$373,381.00 from the (1/3) Roberti-Z'Berg-Harris programs. The funds come under the discretionary use of Council District Five. On August 11, 2004, the City Council approved these allocations (Council File No. 04-1528) and directed that any funds remaining after the acquisition be applied to the refurbishment of the site.

With respect to the California Environmental Quality Act, staff filed a Notice of Exemption on August 4, 2004, following an earlier determination that the project is exempt.

Staff now notes that escrow instructions have been signed for the agreed-upon purchase price of \$900,000.00; it is estimated that an additional \$5,100.00 will be needed for escrow and title-insurance costs. The need to identify cash-flow funding is the result of the State's withholding twenty percent of \$943,470.00, which is the total amount awarded, until the purchase is complete and they receive a copy of the grant deed. If the City does not close escrow by the end of October, it appears that a back-up offer on the parcel will take precedence over the City's offer. Staff anticipates that the City Council will be asked to use the Public Works Trust Fund to cash flow the required amount.

Staff and the Club members, with the assistance of legal counsel for both parties, have drafted a License Agreement that will be recorded upon the close of escrow. The Agreement specifies the conditions under which Club members can continue to meet at the site after it becomes an extension of the adjacent Encino Community Center. The Club is to use the site no more than once a week and may hold up to four additional social or cultural programs per year. In addition, the members have the exclusive use of a small store room next to their meeting room. The Agreement will end upon the earlier of 99 years or the date when the Club ceases to operate as defined in Section 4 of the Agreement.

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The Superintendent of Operations West has approved the Agreement, which was also reviewed by the Office of the City Attorney. The Department's willingness to accommodate the members influenced their decision to sell to the City and not to another buyer. They wish to sell the site because it has become too burdensome for them to maintain.

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