

APPROVED

SEP 06 2006

REPORT OF GENERAL MANAGER

NO. 06-258

DATE September 6, 2006

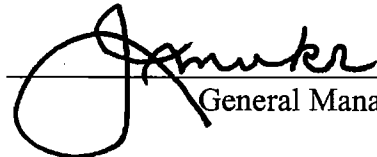
BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. 8

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: COMMUNITY BUILD, INC. - TRANSFER OF OWNERSHIP AND LEASE OF
PROPERTY AT 8742 AND 8750 SOUTH VERMONT AVENUE

J. Combs _____	J. Kolb _____
H. Fujita _____	F. Mok _____
S. Huntley _____	K. Regan _____
B. Jensen _____	*M. Shull <u>MS</u>



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Authorize staff to assist the Office of the City Attorney and the Department of General Services with the transfer of ownership to the Department of Recreation and Parks of property at 8742 and 8750 South Vermont Avenue (APNs 6038-010-028 and -029), two parcels that Community Build, Inc., recently bought with a grant requiring the City to hold title for the first twenty years of public use;
2. Approve the proposed Lease Agreement for 8742 and 8750 South Vermont Avenue, substantially in the form on file in the Board Office, between the City and Community Build, Inc., subject to approval by the Mayor and Council and by the City Attorney as to form;
3. Direct the Board Secretary to transmit forthwith the draft Lease Agreement concurrently to the City Attorney for review as to form and, in accordance with Executive Directive No. 3, to the Mayor's Office for expedited review and approval;
4. Authorize staff to seek any approvals from the "L. A. for Kids" Steering Committee that may be required in order to complete the property transfer and execute the proposed Lease Agreement;
5. Authorize the Board Secretary, upon obtaining the needed approvals, to accept the Grant Deeds to 8742 and 8750 South Vermont Avenue;

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6. Authorize the Board President and Secretary, upon obtaining the needed approvals, to execute the Lease Agreement and authorize the Board Secretary to request that the Department of General Services record a Memorandum of Lease;
7. Acknowledge that in accepting the property at 8742 and 8750 South Vermont Avenue for the Department, it is not to be set apart and dedicated as park property in perpetuity since it may be transferred at some future date back to Community Build per provisions in the Lease Agreement; and,
8. Authorize staff to assist the Bureau of Engineering with site development in order to expand Community Build's Youth Center, which is located next to the two newly-acquired parcels.

SUMMARY:

Community Build, Inc., a California nonprofit corporation, was founded in July 1992, two months after civil unrest had devastated parts of the City. The goal was to improve the physical, economic, educational and other life-enhancing opportunities and skills of youths and young adults in the City's African-American community. The organization has approximately thirty full-time staff plus volunteers who together, each year, assist a thousand youths, ranging in age from 10 to 30 years old. Their annual budget totals more than two million dollars and is funded by local firms, individuals, civic groups, State grants and grants from both the City and County of Los Angeles. For example, the Center participates in the "L. A. Bridges" and "Workforce Investment Act" programs administered by the City's Community Development Department.

Community Build is headquartered at 4305 Degnan Boulevard in the Leimert Park area. The Youth Center is located at 8730 South Vermont Avenue, a block south of Manchester Avenue. The Center was founded in 1994 and totals 5,000 square feet on three lots. It offers workshops, classes and paid internships focusing on the following needs: mentoring for high school and college students, career mentoring, youth-at-risk and gang-violence intervention, peer counseling, life-skills management and self-sufficiency counseling and "stopgap" mental health assessment. The Center also has programs for youths on probation and for those scheduled for release from juvenile detention who are expected to return to the Center's service area, which encompasses a three-mile radius of South Los Angeles. The Center's two computer labs provide on-line academic tutoring for the youths plus offer computer literacy courses and Internet access for the youths, their parents and for others in the community. The Center partners with local clinics to offer local residents free health services from specially equipped vans.

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In 2003 a specified grant of \$1,892,000 was awarded under the Proposition 12 Murray-Hayden program. The goal of the award was to expand the Youth Center by acquiring two parcels to the south, extending the Center to 88th Street. One parcel is adjacent to the Youth Center and is located at 8742 South Vermont Avenue (APN 6038-010-028); the second parcel is the adjoining corner lot at 8750 South Vermont Avenue (APN 6038-010-029).

At the time of executing the Grant Agreement with the City in January 2004, it was anticipated that Community Build, Inc., would own the two parcels acquired with grant funds. The City was to have a "pass-through", administrative role (Contract No. C-106150). When it was later determined that the City was the actual grantee, staff attempted to obtain approval from the State to have Community Build, Inc., become the award's recipient. These efforts recently proved unsuccessful, but in the meantime Community Build, Inc., acquired the two parcels. The City remains the grantee and must hold title to both parcels for the length of time mandated by the grant for site control, that is, for a minimum of twenty years after the parcels have been developed for public use.

Approving the recommendation to transfer title to the City will create a corresponding need to specify the conditions of the transfer and of the subsequent use of the property, hence the proposed Lease. The term is twenty-two years in order to have the required length of public use of the site, which has not yet been developed. If during the twenty-years of required operation, Community Build, Inc., becomes unable to provide programs at the expanded site, the Department will arrange for their continuation, either by an agreement with another provider or by assigning staff. Should this intervention become necessary, the City will retain ownership of the two parcels acquired with the Murray-Hayden funds. Otherwise, title to the transferred property will revert to Community Build, Inc., at the end of the period of use mandated by the State. Both the State grant administrator and the legal counsel for Community Build, Inc., have approved the proposed Lease.

Community Build, Inc., expects to install on the newly acquired property a modular structure that will add at least 2,000 square feet of space for programming and offices; the Center can then serve an additional 500 youths a year. Proposed programs include expanded tutoring (pre-algebra and the high school exit exam), a yoga/dance studio and a music room. The latter programs will enhance the recreational component of the Center's curriculum. As more funds become available, the site may be further developed to include an outdoor basketball court or other amenities. The Bureau of Engineering has already appointed a project manager for the site's development.

The proposed Lease has the customary sections requiring Community Build, Inc., to submit plans for site development to the Department for approval, to pay all related fees and to obtain the required permits at their sole expense. Community Build, Inc., will pay all utilities and maintenance/repair costs associated with the expanded operations.

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A Phase I site assessment was performed on both parcels. There were no recommendations for further study, so there is no environmental impediment to the City's assuming ownership of the property.

Staff determined that the project will involve the acquisition of property for recreation use involving the construction of a foundation for the installation of a small modular building; therefore, the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 3 (17) and Class 16 of the City CEQA Guidelines.

The Assistant General Manager of Operations East, the Superintendent of Pacific Region and the Office of Council District Eight concur with staff's recommendations.

FISCAL IMPACT STATEMENT:

There is no anticipated impact on the Department's General Fund other than staff time associated with administering the Murray-Hayden specified grant. If Community Build, Inc., ceases to offer public programs on the two parcels acquired with Murray-Hayden funds during the initial twenty-year period of operation, the Department will need to find another provider or assume the responsibility and budget the resulting expense accordingly.

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