

APPROVED
08-10-2016

BOARD OF RECREATION
AND PARK COMMISSIONERS

REPORT

NO. 16-170

DATE August 10, 2016

C.D. 54

BOARD OF RECREATION AND PARK COMMISSIONERS

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SUBJECT: MT. LEE/GRIFFITH PARK EXPANSION (PRJ21021) (LOS ANGELES COUNTY ASSESSOR'S PARCEL NUMBER 5581-010-003) — FINAL AUTHORIZATION TO ACQUIRE PROPERTY FOR PARK PURPOSES; EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE 19, SECTION 15325, CLASS 25(f) OF THE STATE CEQA GUIDELINES

AP Diaz _____
* R. Barajas RB _____
H. Fujita HF _____
V. Israel _____
K. Regan _____
N. Williams _____


General Manager

Approved _____
As Amended _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS

1. Adopt a Resolution, herein included as Attachment 1, authorizing Department of Recreation and Parks (RAP) staff to request the assistance of the General Services Department (GSD) and other City entities, per Charter Section 594(a) and (b), in obtaining fee title to a 11.26-acre or 490,485 square foot parcel, located approximately one-quarter (1/4) mile north of the iconic "Hollywood Sign" in the Santa Monica Mountains, between Griffith Park on the east and Universal City/Universal Studios on the west in Los Angeles, California 90068; Los Angeles County Assessor's Parcel Numbers (APN) 5581-010-003;
2. Approve the use of Recreation and Parks Fund No 205, Department No. 88 Appropriation No. 88MMD2 "Mt. Lee Property" for the acquisition and related costs of the Mt. Lee property as recommended by City Council approved through City Council Motion and referenced in Council File (CF) No. 15-1285;
3. In concurrence with City Council actions taken under CF No. 15-1285, RAP Staff recommends that the Board authorize staff to coordinate acquisition activities with GSD, and any other Department(s) needed to obtain the necessary funding approvals to expedite the purchase of said property as recommend by Council action;
4. Grant final approval to purchase the property upon the completion of the preliminary acquisition activities, and contingent on the following conditions:

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- A. Appropriate California Environmental Quality Act (CEQA) documentation will have been completed; and,
 - B. All environmental assessments, Phase I, and Phase II if needed, will have been completed and satisfied prior to close of escrow; and
 - C. GSD will have negotiated a purchase price that is consistent with their professional opinion of market value; and.
 - D. Clearance/resolution of all and any Title issues prior to closing of escrow.
5. In order to expedite the acquisition of the proposed acquisition project (Project), authorize the Board President and Board Secretary to execute the Purchase and Sale Agreement (PSA) upon receipt of the necessary approvals, and grant authority to GSD and City Attorney's Office to review, negotiate, draft, and finalize and execute forthwith a PSA on behalf of the Board if necessary pending final review and approval by GSD Asset Management Division, subject to the approval of the City Attorney as to form and legality, and upon completion and approval of all conditions indicated in this Board Report;
6. Authorize the RAP's Chief Accounting Employee to make technical corrections as necessary to establish the necessary accounts to acquire the Project site, and to accept and/or authorize transfer of the necessary monies to fund the acquisition to the appropriate City Department accounts or escrow company account in order to expeditiously complete the acquisition of the Mt. Lee Park; and,
7. Authorize the Board Secretary to execute the escrow instructions and to accept the grant deed, as approved by the City Attorney, for the subject property, which shall be set apart and dedicated as park property in perpetuity.

SUMMARY

On January 29, 2016, City Council approved through Council Motion, the transfer of funds for the acquisition of the Mt. Lee Property for open space. On March 2, 2016, through Report No. 16-065, the Board granted preliminary approval to proceed with the acquisition of the Mt. Lee property.

With the support from Councilmember David E. Ryu, Fourth Council District, RAP staff is recommending the acquisition of the parcel identified by APN: 5581-010-003 located in the Community Plan Area of Hollywood. The parcel measures approximately 11.26 acres or 490,485 square feet. It is situated approximately one-quarter mile north of the iconic "Hollywood Sign" in the Santa Monica Mountains region and within the City/RAP park boundaries and adjacent to the Mount Lee Communications Center, which contains City, as well as other public telecommunications facilities and towers. The property is a rugged and steeply-sloped parcel, residentially-zoned (RE40-1-H), between Griffith Park on the east and Universal City/Universal Studios on the west. GSD, Asset Management Division, has provided a Class "A" appraisal or formal appraisal of estimate of

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value for the property. There are funds available for the acquisition of the site. The property consists of one hillside lot. Property is located near Mt. Lee Road.

Council member David Ryu, of the Fourth Council District and RAP are interested in acquiring the property for the open space and/or park development in order to expand the recreational activities in the area. The proposed acquisition will provide more recreational open space for the surrounding community and City of Los Angeles at large. Staff believes that the acquisition would also protect the existing landscape preserving the open space and the historical surrounding area that is Griffith Park and the adjacent Hollywood Sign tourist area destination, which the City of Los Angeles benefits financially from, by tourist income directly related to the public's enjoyment of the unobstructed views that are present and seen around the world. CD 4 would like to see the acquisition proceed so that the area continues to be preserved and protected as open space while expanding the protected Griffith Park area and open space area that will help preserve and protect the unique Hollywood Hills topography.

Property Value and Acquisition Details

To determine the fair market value of the aforementioned property identified by APN: 5581-010-003, GSD used a Formal Appraisal prepared by an independent appraiser. This appraisal was prepared on November 20, 2015. The estimated value of the appraisal was determined to be One Hundred Forty-Six Thousand Dollars (\$146,000.00) as of November 18, 2015. GSD concurs with the appraiser's valuation methodology used to arrive at the value for the subject property. GSD has agreed to a purchase price of One Hundred Forty-Six Thousand Dollars (\$146,000.00) that is consistent with their professional opinion of market value for the property.

An offer letter of One Hundred Forty-Six Thousand Dollars (\$146,000.00) was first presented to the perspective seller on December 16, 2015. The owners of the aforementioned property and the GSD Asset Management Division have agreed to a final purchase price of One Hundred Forty-Six Thousand Dollars (\$146,000.00). It is estimated that an additional Six Thousand Dollars (\$6,000.00) is required for payment of closing fees, bringing the total property acquisition cost to One Hundred Fifty-Two Thousand Dollars (\$152,000.00). Escrow costs and related pre-acquisition costs will be funded by Council District 4 Trust Funds. Funds for the acquisition of the subject property are to be made available from, Recreation and Parks Fund No. 205 Department No. 88 Appropriation 88MMD2 "Mt. Lee Property". At this time, a development plan for the community is not available. It is not expected at this time that the parcel will be developed but instead will be left as open space to preserve its aesthetic qualities and beauty. There is no additional information on any future development plans or costs. This Report only addresses the acquisition of the new parcel acquisition identified by APN: 5581-010-003.

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Funding Sources

Sufficient funding is available for the acquisition of parcel identified by APN: 5581-010-003. The estimated acquisition cost is One Hundred Fifty-Two Thousand Dollars (\$152,000.00). RAP staff is unable to determine an accurate complete total cost, which would include closing costs, as this information has not been made available as of the writing of this Report. RAP staff does however estimate that up to an additional Six Thousand Dollars (\$6,000.00) in closing costs fees will be needed to complete the acquisition. GSD and RAP will verify correct costs prior to closing of escrow. Recreation and Parks Fund No. 205 Department No. 88 Appropriation 88MMD2 "Mt. Lee Property" is expected to be used to pay for all acquisition related costs such as appraisals, environmental site assessments costs, escrow closing costs, and site preparation.

NEEDS ASSESSMENT

The proposed Mt. Lee acquisition will add and expand the area served for this regional area of 2,557,970 residents. An estimated 4,123 residents live within one half-mile walking distance of the proposed Mt. Lee Park. An unestimated number of tourist and others will also be served by the addition/expansion of the regional park.

RAP staff determined that the subject project consists of the acquisition of property with the intent to preserve open space for park purposes. Therefore, the acquisition of the project site is categorically exempt from the provisions of California Environmental Quality Act (CEQA), pursuant to Article 19, Section 15325, Class 25 (f) of the State CEQA Guidelines.

ENVIRONMENTAL IMPACT STATEMENT

Environmental due diligence in the form of a Phase I Environmental Site Assessment (ESA) was performed for the subject property on May 9, 2016 in accordance with the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessments (Standard Designation E 1527-05) approved in November 2005 and the United States Environmental Protection Agency (US EPA) 40 CFR Part 312 Standards and Practices for All Appropriate Inquiries (AAI) – Final Rule adopted November 1, 2006. No evidence of Recognized Environmental Conditions (RECs) was found on the property, and no further site investigation is required.

TREE AND SHADE

Mt. Lee is an open space, hilly, canyon and slope area full of wild landscape and chaparral featuring native vegetation/plants typical of Griffith Park and the larger Santa Monica Mountains region with some rare species like Bigberry Manzanita found in the foothills of Mt Lee and Mt Hollywood. It is expected that area will remain natural and preserved as open space.

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In addition to the Council District 4 Office, the Assistant General Manager of the Planning, Construction and Maintenance Branch and Superintendent for the Metro Region have been consulted and concur with staff's recommendations.

FISCAL IMPACT STATEMENT:

The proposed park acquisition will require an increase in maintenance cost demands and will require a budget increase that will be requested through the RAP's standard budget process. As indicated in the Summary of this Report, the proposed park is not expected to be developed at this time and therefore there is no fiscal impact to the Department of Recreation and Parks for development of the site at this time. Maintenance for the area is also expected to be minimal as the site will remain natural open space. Once this acquisition is completed, operational maintenance costs will be determined. Upon Project completion, a request for funding will be submitted in future annual Department budget requests.

This Report was prepared by John Barraza, Management Analyst II in Real Estate and Asset Management, Planning and Construction Branch.

LIST OF ATTACHMENTS

- 1) Proposed Resolution

RESOLUTION NO. _____

WHEREAS, On October 28, 2015, City Council through City Council Motion recommended the acquisition of a Parcel that is known as the Mt. Lee Property; and

WHEREAS, On January 29, 2016, City Council approved through Council Motion, the transfer of funds for the acquisition of the Mt. Lee Property for open space; and

WHEREAS, On March 2, 2016, through Board Report No. 16-065, the Board granted preliminary approval to proceed with the acquisition of the Mt. Lee property and

WHEREAS, The Mt. Lee property is an 11.26-acre or 490,485 square foot parcel, located approximately one-quarter mile north of the iconic "Hollywood Sign" in the Santa Monica Mountains, between Griffith Park on the east and Universal City / Universal Studios on the west in Los Angeles, California 90068; with an Assessor's Parcel Number (APN) 5581-010-003; and

WHEREAS, The acquisition of the Mt. Lee Property will protect the Griffith Park area and surrounding open space area that will help preserve and protect the unique Hollywood Hills topography; and

WHEREAS, The property is a rugged and steeply-sloped parcel, residentially-zoned (RE40-1-H); and

WHEREAS, General Services Department (GSD) used a Formal Appraisal prepared on November 20, 2015 to assess value and GSD concurs with appraiser's valuation methodology used to arrive at the value for the subject property; and

WHEREAS, The estimated value of the appraisal was determined to be One Hundred Forty-Six Thousand Dollars (\$146,000.00) as of November 18, 2015, and GSD and owner have agreed to a purchase price of One Hundred Forty-Six Thousand Dollars (\$146,000.00) that is consistent with GSD's professional opinion of market value for the property identified by APN: 5581-010-003; and

WHEREAS, It is estimated that an additional Six Thousand Dollars (\$6,000.00) is required for payment of escrow fees, bringing the total property acquisition cost to One Hundred Fifty-Two Thousand Dollars (\$152,000.00); and

WHEREAS, Escrow costs and related pre-acquisition costs will be funded from Recreation and Parks Fund No. 205 Department No. 88 Appropriation 88MMD2 "Mt. Lee Property"; and

WHEREAS, this acquisition will add and protect open space in the area and bring more recreational opportunities to the entire City through expanded availability of recreational activities and facilities. The proposed acquisition site is shown on the attached Assessor Map APN 5581-010-003; and

WHEREAS, the Phase I Environmental Site Assessment report indicates that no evidence of Recognized Environmental Conditions (RECs) was found on the property, and no further site investigation is required' therefore there is no environmental impediment to the Department of Recreation and Parks (RAP) acquiring the site for public use; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Recreation and park Commissioners that approval is granted to proceed with the purchase of the property upon the completion of the preliminary acquisition activities, and contingent on the following conditions:

- A. Appropriate California Environmental Quality Act (CEQA) documentation will have been completed;
- B. All environmental assessments, Phase I, and Phase II if needed, will have been completed and satisfied prior to close of escrow; and
- C. The Department of General Services will negotiate a purchase price that is consistent with their professional opinion of market value.
- D. Clearance/Resolution of all and any Title issues prior to closing of escrow; and,

BE IT FURTHER RESOLVED that GSD be requested to finalize the acquisition of the 11.26-acre or 490,485 square foot vacant parcel, located, approximately one-quarter mile north of the iconic "Hollywood Sign" in the Santa Monica Mountains, between Griffith Park on the east and Universal City / Universal Studios on the west in Los Angeles, California 90068; with Los Angeles County Assessor's Parcel Number (APN) 5581-010-003; (Mt. Lee/Griffith Park expansion), in accordance with the provisions of Charter Section 594 (a) and (b); and

BE IT FURTHER RESOLVED the Board requests and grants authority to GSD and City Attorney's Office (CA) to negotiate, draft, finalize and execute a Purchase and Sale (PSA) Agreement pending final review and approval by GSD and, subject to the approval of the City Attorney as to form, and

BE IT FURTHER RESOLVED that the Board President and Board Secretary be authorized to approve and execute the PSA upon receipt of the necessary approvals from the City Attorney's Office; and

BE IT FURTHER RESOLVED that the use Recreation and Parks Fund No. 205 Department No. 88 Appropriation 88MMD2 "Mt. Lee Property" is approved for the acquisition and related costs of the vacant parcel identified with Assessor's Parcel Numbers (APN) 5581-010-003 (Mt. Lee/Griffith Park Expansion); and

BE IT FURTHER RESOLVED that the GSD Asset Management Division, RAP's Chief Accounting Employee be authorized to make technical corrections, as necessary, to establish the necessary accounts to acquire the project site, and to accept and transfer the necessary monies to fund the acquisition to the appropriate City Department accounts or escrow company account in order to expeditiously complete the acquisition of the parcel APN 5581-010-003; and

BE IT FURTHER RESOLVED that the Board Secretary is directed to execute the escrow instructions and accept the grant deed for the subject property for the acquisition and expansion of the property to be known as the "Mt. Lee/Griffith Park Expansion," as approved by the City Attorney, which shall be set apart and dedicated as park property in perpetuity.

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 _____, 20__ (Report No _____).

Armando X. Bencomo, Secretary

Resolution No. _____