

APPROVED

BOARD OF RECREATION
AND PARK COMMISSIONERS

BOARD REPORT

NO. 16-116

DATE May 4, 2016

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 1st AND BROADWAY CIVIC CENTER PARK – NEW PARK DEVELOPMENT
(PRJ20781) PROJECT – ALLOCATION OF QUIMBY FEES

for

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|-------------|------------|-------------|-------|
| AP Diaz | _____ | V. Israel | _____ |
| *R. Barajas | <u>CSD</u> | K. Regan | _____ |
| H. Fujita | _____ | N. Williams | _____ |

Ramon Barajas for
General Manager

Approved ✓

Disapproved _____

Withdrawn _____

RECOMMENDATIONS

1. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to transfer Seven Million Eight Hundred Twenty Two Thousand Six Hundred Ninety-Three Dollars and Fifty Cents (\$7,822,693.50) in Quimby Fees from the Quimby Fees Account No. 89460K-00 to the 1st and Broadway Account No. 89460K-RX;
2. Approve the allocation of Seven Million Eight Hundred Twenty Two Thousand Six Hundred Ninety Three Dollars and Fifty Cents (\$7,822,693.50) in Quimby Fees from 1st and Broadway Account No. 89460K-RX to the 1st and Broadway Civic Center Park – New Park Development (PRJ20781) project (Project) , as described in the Summary of this Report; and,
3. Authorize the RAP's Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.

SUMMARY

Program History

Former State legislator, John P. Quimby, recognized that recreation and park facilities and programs reduce crime, enhance property values and improve the quality of life in our neighborhood and communities. They provide positive alternatives for youth, families and senior citizens that are needed in a large, urban metropolis. Mr. Quimby initiated State legislation, 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 (subdivisions). The City of Los Angeles implemented the Subdivision (Quimby) Fees Trust in 1971 (Ordinance 141,422). The City Planning Department calculates fees for affected subdivisions and zone changes.

BOARD REPORT

PG. 2 NO. 16-116

The Zone Change Fee was originated by City Councilmember Howard Finn. The Zone Change Ordinance was approved in 1985. This law applies only to the finalization of Zone Changes for multiple residential projects. The fee schedule for Zone Change is the same as for Quimby.

Some residential developments do not pay either Quimby or Zone Change Fees, paying only a small fee called the Dwelling Unit Construction Tax (\$200 per unit) which goes into the City's Sites and Facilities Fund.

The Department may only use Quimby and Zone Change Fees for park capital improvements; including, the acquisition of land, design and construction of park and recreational improvements, and park rehabilitation projects. Quimby and Zone Change fees may not fund expenses for park operations, materials and supplies, or equipment.

Allocations are made within one mile of a park facility for neighborhood parks and two miles for community parks from the point of collection to ensure that residents of the new residential projects benefit from the facilities their funds helped to acquire, create, or improve. This distance represents a recommended service radius for neighborhood and community facilities outlined in the Public Recreation Plan of the City's General Plan. In addition, funds have historically been used in the Council District in which they were collected and must be allocated to a project within five (5) years of the collection date.

The 1st and Broadway Civic Center Park is located at 217 West 1st Street, in the Civic Center area of the Downtown Los Angeles area, on an approximately 1.96 acre or 85,377 square feet parcel. Approximately 7,620 City residents live within a one half mile walking distance of 1st and Broadway Civic Center Park. The 1st and Broadway Civic Center Park site formerly was the site of a thirteen (13) story State office building that was constructed in 1931 as part of the Public Works Programs. The State building was occupied until the mid-1970's, and was demolished in 1976 due to seismic damage suffered in the 1971 San Fernando Sylmar earthquake. RAP acquired the 1st and Broadway Civic Center Park site in June 2013.

Previous Board Actions

The Board of Recreation and Park Commissioners (Board) has approved the allocation of a total of Fourteen Million, Two Hundred Seventy-one Thousand, Three Hundred Sixty-Three Dollars and Sixty-Two Cents (\$14,271,363.62) in Quimby and Zone Change Fees, Quimby and Zone Change Fee Interest, and RAP Capital Park Development B Special Funds for pre-acquisition, acquisition, site preparation, site demolition, and pre-development expenses related to the project. (Report No. 12-264, No. 13-072, and No. 14-085).

Since acquiring the site, the City has spent approximately Ten Million, Nine Hundred Thousand Dollars (\$10,900,000.00) to acquire the site, secure the site and provide on-site security, conduct preliminary investigations, complete remediation and removal of the contaminated soil and standing water in the underground parking structure, demolish and excavate the remnants of the former building, and backfill, grade, and level the site. Currently, there are approximately Three Million Three Hundred Eighty-Eight Thousand Four Hundred Eighty-Eight Dollars

BOARD REPORT

PG. 3 NO. 16-116

(\$3,388,488.00) in unexpended funding remaining from the site acquisition and site development phase of the project.

As previously discussed in Report No 14-085, any allocated project funding remaining after completion of the demolition of the site, backfill, and grading would be set aside for the future development of the 1st and Broadway Civic Center Park. Once the site acquisition and site development phase of the project is complete and all expenses closed out, staff will prepare, for a future Board meeting, a Report to the Board recommending the reallocation of the excess funding from the site acquisition and site development phase of the project for the park design and development phase of the project.

On November 4, 2015, the Board approved the allocation of Three Million Five Hundred Sixty Eight Thousand Four Hundred Fifty Nine Dollars and Sixty Eight Cents (\$3,568,459.68) to the Broadway Civic Center Park – New Park Development (PRJ20781) project (Report No. 15-227).

Interim Site Uses

The 1st and Broadway Civic Center Park is currently vacant and fenced off and all remnants of the former building have been removed from the site. At this time the site has been made available for temporarily permit or lease for activities and events, such as filming, which generate revenue for RAP.

Park Design and Development Phase

Four proposed designs from various consultants for 1st and Broadway have been submitted as park of a design competition for the site. A series of community meetings have been held and a design consultant team will soon be selected. While sufficient funds are not currently available to fully fund the design and construction of the future park and park improvements, there is, upon approval of this report, sufficient funding available to continue the park design and development phase of the project.

Upon approval of this report, \$7,822,693.50 (Seven Million Eight Hundred Twenty Two Thousand Six Hundred Ninety Three Dollars and Fifty Cents) in Quimby Fees can be transferred from the Quimby Fees Account No. 89460K-00 to the 1st and Broadway Account No. 89460K-RX and allocated to the 1st and Broadway Civic Center Park – New Park Development (PRJ20781) Project. These Quimby Fees were collected within two miles of 1st and Broadway Civic Center Park, which is the standard distance for the allocation of the Quimby Fees for community parks and recreational facilities. The total funding allocation including previous Quimby allocations for the 1st and Broadway Civic Center Park – New Park Development (PRJ20781) Project would be \$11,391,153.18 (Eleven Million Three Hundred Ninety One Thousand One Hundred Fifty Three Dollars and Eighteen Cents).

As discussed previously in this report, this allocation of funds does not meet all estimated costs for the park design and development phase of the project. Staff estimates that future development of the park could cost approximately \$12,000,000 (Twelve Million Dollars) and this allocation of funds represents only a portion of the overall funding required. The development of

BOARD REPORT

PG. 4 NO. 16-116

the 1st and Broadway Civic Center Park will be a large and complex project. It is anticipated that multiple funding sources, including Quimby Fees, will ultimately be needed in order to implement a project at this site.

ENVIRONMENTAL IMPACT STATEMENT

Staff has determined that California Environmental Quality Act (CEQA) will be addressed when the complete Project scope has been determined.

FISCAL IMPACT STATEMENT

The approval of this allocation of Quimby Fees will have no fiscal impact on RAP.

The estimated costs for the design, development, and construction of the proposed park improvements are anticipated to be funded by Quimby Fees or funding sources other than the RAP's General fund. The maintenance of the proposed park improvements can be performed by current staff with no overall impact to existing maintenance service at this facility.

This Report was prepared by Meghan Luera, Management Assistant, Planning, Construction, and Maintenance Branch.