From: Paul Edelman
Sent: Tuesday, February 10, 2009 6:43 PM
To: 'Englander, Adam N.'
Cc: 'andy@angelesnational.com'; walt young; boardsec@smmc.ca.gov
Subject: RE: Angeles National Golf Club MRCA funding agreement

Hello to both of you and my apologies in taking so long to get you something in writing and for making the assumption that the Council Office was an adequate go between. I have cc:ed our Chief Ranger Walt Young. I see this as a fluid process between both parties where all ideas and positions should be on the table sooner rather than later. We understand that ANGC wants to move forward. This is represents a proposal to get something on the table for the MRCA Governing Board and ANGC to respond to. The additional authority we seek from the Board is basically to negotiate an adequate deal as agendized. There is no intention of coming up with final deal points and dollar amounts at the meeting tomorrow. This proposal is not intended to be all encompassing because it is likely that components have been omitted because of the timeframe that it was put together.

It is late so please excuse the brevity and choppiness of this outline proposal. Other than normal property maintenance factors two additional factors drive the numbers proposed below. The first is that CDFG rightly wants frequent property patrols to act as a deterrent to potential damaging actions. I believe that twice a day patrol is necessary to provide that level of deterrent, but CDFG should weigh in. One patrol could potentially be less thorough than the other. Second the bulk of the heavy lifting on the homeless relocation issue would be done in the first year of MRCA ownership. In addition, the first year would require some one time initial infrastructure requirements such as gates and signs.

We look forward to working with you and appreciate your cooperative spirit to date.

The general proposal that staff intends to take to the MRCA Governing Board tomorrow is as follows:

MRCA assumes fee simple ownership of approximately 270-acre open space parcel.

ANGC agrees to fund permanent operational funding mechanism with annual or biannual payment to MRCA. CFD or LMD to be set up prior to land transfer or adequately guaranteed with significant penalty to ANGC if unsuccessful. MRCA to be recipient of CFD or LMD funding. MRCA has legal opinion that it can form a CFD. ANGC to fund and coordinate set up of District. CFD preferred by MRCA because it is more permanent.

Funding mechanism provides $65,000 annually to MRCA for ranger patrol and associated costs of trash can emptying, signage replacement, gate repairs, etc ... This was the bottom line that our field staff expressed was necessary to adequately protect the wash without other public subsidy so to speak. The cost of one ranger hour with truck, equipment, and per hour overhead rate is approximately $65 an hour for a medium-priced ranger. If every penny of the $65,000 went to pay for ranger time it would cover 1000 hours of ranger time or 2.7 hours a day 365 days a year. However some funding would undoubtedly go to sign replacement, extra staff (Park Facilities Specialist) to pick up trash or paint our graffiti for example. $65,000 annual payment includes additional CPI inflator.

First year cost to include an additional $85,000 upfront to address homeless issues.

First year cost to include $15,000 up front for gates and signs and their installation.

Trail easements go to MRCA or to City of Los Angeles, or some combo thereof (we prefer no trails with railing or required DG surfaces). If to MRCA, trails be constructed to high sustainability standard prior to transfer of fee simple. Direct up front payment to MRCA to achieve such standards possible if ANGC prefers to go that direction.

<u>Second Phase of proposed staff recommendation to assume ANGC mitigation responsibilities</u>:

Analyze requirements of City conditions and requirements per CDFG arbitration

We cannot see how the cost of these requirements could be less than $50,000 annually initially but see those costs decreasing over time

MRCA open to share responsibility--such as ANGC continue to fund Sapphos Enviromental to do Spineflower mitigation assuming MRCA has some staff funding to monitor Sapphos's work.

Basically to be negotiated with mutually agreement between MRCA staff and ANGC with CPI inflator.

Default Option

If these costs are out of reach to ANGC, the MRCA proposes immediate acceptance of a highly restrictive conservation easement over the entire open space parcel (with or without City fee simple ownership). Endowment to monitor to easement should be provided up front.

Without City fee simple ownership, ANGC also record an irrevocable offer to dedicate the whole open space area to a public agency. Offer to be valid for 20 years.

MRCA open to discussions to assume mitigation responsibilities if amply compensated.