



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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MEMORANDUM

TO: The Governing Board

FROM:  Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Officer

DATE: October 7, 2009

SUBJECT: **Agenda Item V(g): Consideration of resolution amending Resolution No. 07-155 to refine the list of potential City-owned surplus properties authorized to be acquired in Beverly Glen and authorizing entering into an agreement with the City of Los Angeles assuring that a portion of the City's proceeds shall be used for the acquisition of all or portions of APNs 5565-003-036, 037, 038, 039, 040 and 041 in Laurel Canyon.**

Staff Recommendation: That the Governing Board adopt the attached resolution amending Resolution No. 07-155 to refine the list of potential City-owned surplus properties authorized to be acquired in Beverly Glen Canyon and authorizing entering into an agreement with the City of Los Angeles assuring that a portion of the City's proceeds shall be used for the acquisition of all or portions of APNs 5565-003-036, 037, 038, 039, 040 and 041 in Laurel Canyon.

Background: At its November 7, 2007 meeting, the Governing Board adopted resolution number 07-155. This resolution authorized the use of up to \$1.5 million of Santa Monica Mountains Open Space Preservation Assessment District No. 1 funds to acquire up to 125 properties owned by the City of Los Angeles in Beverly Glen Canyon. It also authorized adding those properties to the Engineer's Report. The 2007 staff report and resolution are attached for background purposes.

The 2007 staff report makes reference to a potential subsequent action to refine the list of parcels to be acquired by the City. By the time the Governing Board adopted resolution number 07-155, staff and the Mayor's office had negotiated the number of parcels closer to 86. Since that time in 2007 the City negotiated the number of parcels even lower to better reflect the MRCA's offer of \$1.5 million for parcels the City values at over \$9 million and because the Department of Water Power wanted to retain some parcels close to Stone Canyon Reservoir.

The attached map shows 61 MRCA acquisition parcels totaling 41.2 acres that are staff's highest priority. It also shows many additional City properties including the remainder of the 125 properties approved by Governing Board in 2007. The proposed action would amend resolution 07-155 to authorize staff to complete a deal with the City that includes a minimum of 61 parcels and a maximum of 80 parcels for the \$1.5 million of Area B funding. The attached table shows the most probable 61 parcels. Flexibility is needed at this juncture because the negotiation

is not finalized and will require slight parcel adjustments until the last minute. Fortunately the City owns many parcels in Beverly Glen and the City Department of General Services has done all the necessary title and background work on over 80 eligible open space parcels.

At the 2007 Governing Board meeting, the members directed staff to assure that the deal with the City was negotiated to ensure that half of the City's proceeds stayed with Council District 5 for an open space acquisition in Assessment District No. 1. The standing protocol for City surplus land sales at the time of the 2007 MRCA action was that fifty percent of the money would stay within the subject Council District in a segregated Real Property Trust Fund account. Subsequent to that time, the City Council adopted an interim ordinance that required all such sale proceeds to go into the General Fund or the Santa Monica Mountains Conservancy Trust Fund. The later fund has a large deficit so it was not an option. To ensure that money stayed in the District staff put the deal on hold. Two things have happened since then. In July 2009 the interim ordinance expired and a new Councilmember, Paul Koretz, was elected.

Staff has revived the original deal with Councilmember Koretz's office. Both parties agree that the \$750,000 should go towards the MRCA's longstanding option on the six acres located at the southwest corner of Laurel Canyon and Mulholland Drive. The MRCA has had the property under contract since 2007 and has invested over \$565,000 of public and private funds and has secured three guaranteed conservation easements. The City via Council District 5 has contributed over \$106,000 to date.

However, the MRCA's written contract expired on October 1st. Fortunately the owner has agreed to extend the option if the City Council approves a deal that will bring \$750,000 into the transaction. For the \$750,000 the MRCA would obtain outright fee title to APN 5565-003-038 subject to a driveway easement and require no additional option payments until July 18, 2010 on the remaining five lots.

The proposed action would authorize entering into an agreement with the City of Los Angeles that assures that a portion of the City's proceeds from the subject Area B sale shall be used for the acquisition of all or portions of APNs 5565-003-036, 037, 038, 039, 040 and 041 in Laurel Canyon. The exact mechanism for that City contribution must be worked out. In one scenario the funds would go into the 5th District Real Property Trust Fund. There is a standing contract with the City to move funds from the Trust Account into the Laurel Canyon and Mulholland acquisition. Time is of the essence to take all steps that can bring a City Council vote on the matter.