

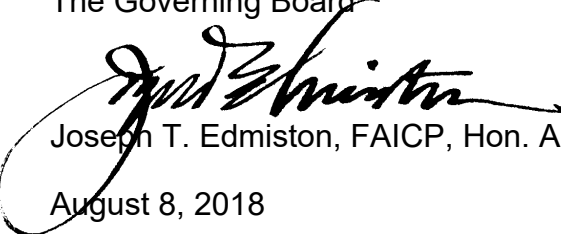
# MOUNTAINS RECREATION & CONSERVATION AUTHORITY

Los Angeles River Center & Gardens  
570 West Avenue Twenty-six, Suite 100  
Los Angeles, California 90065  
Phone (323) 221-9944

MRCA  
Agenda Item IX  
1/6/21

## MEMORANDUM

TO: The Governing Board

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

DATE: August 8, 2018

SUBJECT: **Agenda Item XII: Consideration of resolution authorizing (a) entering into an agreement with Snowball West Investments LP to acquire all or portions of APNs 2572-025-006, 2572-021-020 and 2572-021-016; (b) authorizing the acceptance of an open space dedication from Vesting Tentative Tract Map No. 69976 on the former Verdugo Hills Golf Course property; and (c) authorizing entering into a Project Agreement for said acquisition with the Los Angeles County Regional Park and Open Space District, City of Los Angeles.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing (a) entering into an agreement with Snowball West Investments LP to acquire all or portions of APNs 2572-025-006, 2572-021-020 and 2572-021-016; (b) authorizing the acceptance of an open space dedication from Vesting Tentative Tract Map No. 69976 on the former Verdugo Hills Golf Course property; and (c) authorizing entering into a Project Agreement for said acquisition with the Los Angeles County Regional Park and Open Space District.

Background: A conflict over the development of the Verdugo Hills golf course has brewed for approximately a decade. A Final Environmental Impact Report and Tract Map approval for approximately 230 homes will soon begin hearings in the City of Los Angeles. The opportunity to secure an agreement with the current ownership prior to a sale to a merchant builder is fast closing. Such an agreement could forestall litigation by opponents and secure great public open space benefits.

A portion of the property was actually an internment camp during World War II – the Tuna Canyon Detention Station operated by the Department of Justice. In the interim, the Tuna Canyon Detention Station Coalition was able to achieve City of Los Angeles Historic Cultural Monument (HCM) (#1039) status for an approximately 1.5-acre portion of the property. Attached figures show the current HCM boundary. The Coalition working with the local group VOICE attempted to acquire the whole property teamed with the Trust for Public Land (TPL), but the price tag exceeds available funding. Throughout the process, the Santa Monica Mountains Conservancy has pushed to reduce the project footprint and to provide public

access to the open space. The Mountains Recreation and Conservation Authority (MRCA) owns ten abutting acres. If a tract map was ever approved on the now shuttered golf course, most parties assumed that the MRCA would accept the back slope open space dedication. Finally the 5<sup>th</sup> District Supervisorial office has upheld a longstanding commitment to the golf course preservation supporters to sequester \$1.7 million of Proposition A Excess Funds to acquire all or part of the property.

Since earlier this year, staff has worked with VOICE, TPL, and a third party representative for the landowner on a plan to allow the conservation buy down of some of the proposed tract map lots both for general open space purposes and to enhance the HCM. Just as of last week, an agreement for a multi-phase buy down process was achieved with the property ownership. Staff deferred to the other preservation parties on which lands were most important to protect in each subsequent phase depending on available funding. The preservation parties involved primarily want to expand the size and accessibility of the HCM. Some of the options include a whole trailhead with parking off Tujunga Canyon Boulevard with a bridge over the Verdugo Wash. The Coalition also desires a museum site for an exhibit that currently has no permanent home.

Staff was clear to all parties that the MRCA would not be interested in owning and managing parkland with elements or a design that required substantial ongoing annual funding. In addition the third party representative made it clear that the acquired land would be accompanied by a minimum \$200,000 payment for maintenance and coordination to the MRCA. The landowner or future development buyer would provide such funding along with funding for the Coalition primarily to begin the process of establishing a museum site. The landowner most likely would also supply utilities to the museum site. Under the current plan, the MRCA would have fee simple ownership of the HCM, all acquired lots, any museum site, and all of the dedicated open space from the tract map as shown on an attached figure. At some point the MRCA and the Coalition would have to enter into an MOU to address management and responsibilities. No museum related expenses would be borne by the MRCA.

The proposed plan is for the MRCA to enter into an agreement with the landowner that secures the option to acquire lots under four different options. Diagrams of those four different options are attached. The option figures were prepared by the property owner and represent potential park/open space areas that could be achieved in concert with the development's drainage, grading, circulation, and utility requirements. The boards of both VOICE and TCDS Coalition voted to move forward with this plan. It may be that TPL would also hold all of the initial option agreements. Because time is of the essence, staff seeks authority to enter into necessary agreements with the owner to achieve the acquisition objectives. VOICE and the Coalition will seek the maximum amount of funding to maximize the retirement tract lots. The cost of the lots will depend on appraised value after the City tract map and EIR approval are beyond the period of judicial challenge. There are many procedural issues left to hammer out.

The third part of this proposed action is for the Governing Board to authorize a grant application and entering into a Project Agreement with the Los Angeles County Regional Park and Open Space District to make use the sequestered \$1.7 million for a first phase acquisition or a portion of the property to be determined.

## MEMORANDUM OF AGREEMENT

The Memorandum of Agreement ("Agreement") is entered into as of February 6, 2019 by and between the Mountains Recreation and Conservation Authority, a local public agency ("MRCA") and Snowball West Investments, LP, a California limited partnership ("Snowball"). MRCA and Snowball may hereinafter each be referred to as a "Party," and collectively referred to as the "Parties."

### RECITALS

1. Snowball seeks to create a housing development, hereinafter referred to as the "Project," Tentative Tract Map No. 69976, Alternative 6A (215 units), ("VTTM") and associated entitlements, on a 57.45 acre property encompassing Assessor's Parcel Numbers, 2572-021-016,- 2572-021-017, 2572-021-020, 2572-021-021, 2572-028-030, 2572-028-031, 2572-028-032 and 2572-025-006, located at La Tuna Canyon and Tujunga Boulevard in the City of Los Angeles ("City"), California (the "Property"), while complying with all applicable laws regarding the protection of historic and cultural resources.
2. MRCA desires to preserve and protect those resources that have a significant cultural and societal value, and which preserve open space.
3. The Property includes the site of the former La Tuna Canyon Detention Station and the City has designated a portion of the Property a Historic-Cultural Monument ("HCM").
4. VOICE and the TCDS Coalition (collectively, the "Neighborhood Groups") support this Agreement and have agreed in principal to work with MRCA in implementing the provisions and transactions contemplated herein provided that the City approves the Project.
5. The Parties to provide an up to 6.3 acre park dedicated to the commemoration of the former Tuna Canyon Detention Station, public access to all of the park including the HCM, and 27.27 acres of open space.
6. Snowball and MRCA wish to cooperate to attain their respective goals and objectives. Therefore, in consideration of the foregoing premises, the parties agree to abide by the terms of this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of recitals set forth above, which are hereby incorporated into this Agreement, the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt of sufficiency of which is hereby acknowledged, the Parties hereto on behalf of themselves and their respective successors and assigns covenant and agree as follows:

### **A. Option to Purchase Property.**

1. Conditioned on the approval of its Project, Snowball agrees to grant to MRCA the option ("Option") to purchase up to forty-six (46) lots shown on Exhibit A attached hereto ("Option Property"). The Option to acquire the Option Property is contemplated to be exercised in three (3) closings, with each closing of a portion of the Option Property referred to as a "Section" shown on Exhibit A. Pursuant to the terms of Section A.2 below, MRCA's right to exercise the Option shall expire eighteen (18) months following the Parties' receipt of the Appraisal ("Option Term"); provided, however, that at any time prior to the expiration of the Option Term, the Parties may, by mutual written agreement, extend the Option Term under the terms of this Agreement for such additional periods as they may agree.

a. Section 1. Section 1 is comprised of eighteen (18) lots totaling approximately 1.7 acres of land immediately east of the HCM extending to the Verdugo Wash on the east and La Tuna Canyon Road to the south. It is shown on Exhibit A as the hash marked area in red. MRCA intends this land to be included in a new passive park ("Park") and which Park shall be dedicated to the commemoration of the former Tuna Canyon Detention Center.

b. Section 2. Section 2 is comprised of fourteen (14) lots totaling approximately 0.8 acres of land west of the HCM. It is shown on Exhibit A as the hash marked area in blue. MRCA intends this land to be included in the Park to be dedicated to the commemoration of the former Tuna Canyon Detention Center.

c. Section 3. Section 3 is comprised of fourteen (14) lots totaling approximately 2.6 acres of land at the northern end of the project running along Tujunga Canyon Boulevard in an area the community calls "Bandido Park." MRCA intends to use this land to provide a parking area and trailhead for the MRCA that will lead into the hillside open space that will be dedicated to the MRCA.

2. The purchase price for Section 1, Section 2 and Section 3 shall be ninety percent (90%) of the appraised value of each approved lots acquired by MRCA, ("Purchase Price").

Following the City's approval of the VTTM, MRCA shall authorize an appraisal ("Appraisal") of the Section 1, Section 2 and Section 3 lots, which appraisal shall be conducted by an independent appraiser mutually selected by MRCA and Snowball and completed within six (6) months of the approval of the VTTM.

a. When MRCA has received the commitment of funds necessary for the purchase of Section 1, but no later than nine (9) months following the completion of the Appraisal, MRCA shall notify Snowball in writing and the Parties shall complete the sales transaction pursuant to a written purchase and sale agreement executed by both Parties ("First Option Notice"). MRCA's First Option Notice shall include the number of lots MRCA intends to purchase, as provided below in Section A.2.a.i.

i. In the event that, at the time MRCA provides its First Option Notice, MRCA has not obtained sufficient funds to purchase all eighteen (18) lots in Section 1, MRCA may elect to purchase a minimum of ten (10) lots, which lots border La Tuna Canyon (lot numbers 132, 133, 134, 135, 136, 137, 138, 139, 140, 141) plus additional Section 1 lots as funding allows. If MRCA elects to purchase fewer than eighteen (18) lots in the Section 1 purchase prior to the expiration of the nine-month period referenced in Section A.2.a above, MRCA's option to acquire the remaining lots in Section 1 shall be a precondition to MRCA's right to purchase any of the lots in Section 2.

b. When MRCA has received the commitment of the funds necessary for the purchase of Section 2, but no longer than twelve (12) months following the completion of the Appraisal MRCA shall notify Snowball in writing and the Parties shall complete the sales transaction pursuant to a written purchase and sale agreement executed by both Parties.

c. When MRCA has received the commitment of the funds necessary for the purchase of Section 3, but no longer than eighteen (18) months following the completion of the Appraisal MRCA shall notify Snowball in writing and the Parties shall complete the sales transaction pursuant to a written purchase and sale agreement executed by both Parties.

## **B. Dedication of Open Space Property to MRCA.**

1. Property to be Dedicated. Snowball shall transfer to MRCA the property marked as "Open Space" on Exhibit A, which MRCA shall accept as open space land.

2. Consideration for Transfer, Purchase and Dedication of Open Space. Following the City's approval of the VTTM, Snowball shall convey the Open Space to MRCA. Additionally, Snowball agrees to the establishment of (i) a homeowner's association ("HOA") and (ii) Declaration of Covenants, Conditions and Restrictions ("CC&Rs") that will provide funding for the maintenance and monitoring of both the Open Space property and the public park established on Section 1, Section 2 and Section 3 property ("Maintenance Obligations"). The CC&Rs shall provide that annual fees, with cost of living adjustments tied to the applicable Consumer Price Index over time, from the HOA shall be allocated to the MRCA for the Maintenance Obligations, which MRCA agrees to perform.

a. The annual fees for the Open Space property shall total \$20,000. In addition, MRCA shall receive annual fees in the amount of \$326.10 for each lot acquired by MRCA (by way of example, if eighteen lots are acquired, MRCA would receive an additional

\$5869.80 in annual fees). The maximum amount of annual fees available to MRCA is \$35,000 initially (assuming all 46 lots are transferred to MRCA).

**C. Entry Road.**

MRCA agrees to cooperate with a proposed modification of the Project to relocate the Project's entry road off of La Tuna Canyon Road, to run along the eastern edge of the HCM, or as may be mutually agreed upon, as shown on Exhibit A. The entry road is anticipated to be no more than 30 feet wide unless required by the Los Angeles Department of Transportation, Los Angeles Fire Department, or any other government entity with jurisdiction over the project. Snowball shall not remove any trees within the HCM in the construction of the entry road, and any required increase in the width of the road shall not encroach into the HCM.

**D. Contribution to MRCA.**

Following the MRCA's purchase of some or all of the lots in Section 1, as set forth in Section A.2.a above, Snowball shall make a one-time contribution of \$250,000 to the MRCA for the construction, initial operation and maintenance of the park to be located on Section 1 and Section 2 property. The MRCA, in turn, has agreed that \$200,000 of this contribution will be transferred to the TCDS Coalition for the development of a Tuna Canyon Detention Station Memorial that may include a museum on the park property near the HCM.

**E. Miscellaneous.**

1. This Agreement may be amended or modified only in writing and signed by all parties, which shall be recorded as provided below.

2. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same instrument.

3. Should the Project not receive all required entitlements and approvals, or otherwise be terminated and no final map record by December 31, 2020, this Agreement shall also expire and be of no further force and effect unless Snowball, in its sole discretion, elects to extend the term of this Agreement.

4. This Agreement shall become effective on the date of the last signature inscribed hereunder.

5. By signing this Agreement, all signatories: (1) certify that they are authorized to sign this Agreement of behalf of their respective party; and (2) agree to the terms of this Agreement on behalf of their respective party.

6. The transfer of the Section 1, Section 2, Section 3 and Open Space parcels shall be subject to reservations of easements for access, utilities, storm drains, water and fire safety systems

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("Utility Easements"). MRCA acknowledges that the Utility Easements may attach to the area of the HCM in addition to the parcels referenced above.

7. Each of the Parties hereby agrees for itself and its successors and assigns that it will cooperate with the other to fulfill the intent of this Agreement, specifically including, but not limited to, finalizing the Tentative Tract Map No. 69976, as modified pursuant to the proposed changes memorialized in attached Exhibit A. MRCA agrees to (i) refrain from making any statements in opposition to the Project, and (ii) not file any lawsuit against the City or the other party challenging the validity of the Project or of any governmental approval of any component of the Project.

8. Each Party agrees to perform any further act, and to execute and deliver (with acknowledgment, verification, and/or affidavit, if required) any further documents and instruments, as may be reasonably necessary or desirable to implement and/or accomplish the provisions of this Agreement.

9. MRCA agrees and covenants not to commence or maintain any public opposition, lawsuit or other legal or administrative proceeding of any kind, challenging or opposing the development contemplated in the Project.

10. Each Party shall be entitled to bring legal action for damages against any Party who shall default in the performance of any of the provisions of this Agreement. Further, said persons shall be entitled to enjoin any violation of said documents and shall further be entitled to prosecute any other legal or equitable action that may be necessary to protect their rights under this Agreement. In the event that any legal or equitable action as provided herein is initiated against a Party, then the prevailing party in such an action shall be entitled to reasonable attorneys' fees and costs of said action from the other Party for expenses incurred in bringing the action, or defending the action, as the case may be and any judgment rendered against a Party shall include costs of said action, together with reasonable attorneys' fees in an amount to be fixed by the court.


11. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

[SIGNATURES FOLLOW ON THE NEXT PAGE]


IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

SNOWBALL WEST INVESTMENTS, L.P., a  
California limited partnership

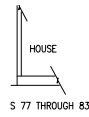
By: HMS WEST INVESTMENTS, LLC, a  
California limited liability company, its General  
Partner

By:   
Name: Howard Einberg  
Title: Manager

MOUNTAINS RECREATION &  
CONSERVATION AUTHORITY, a local public  
agency

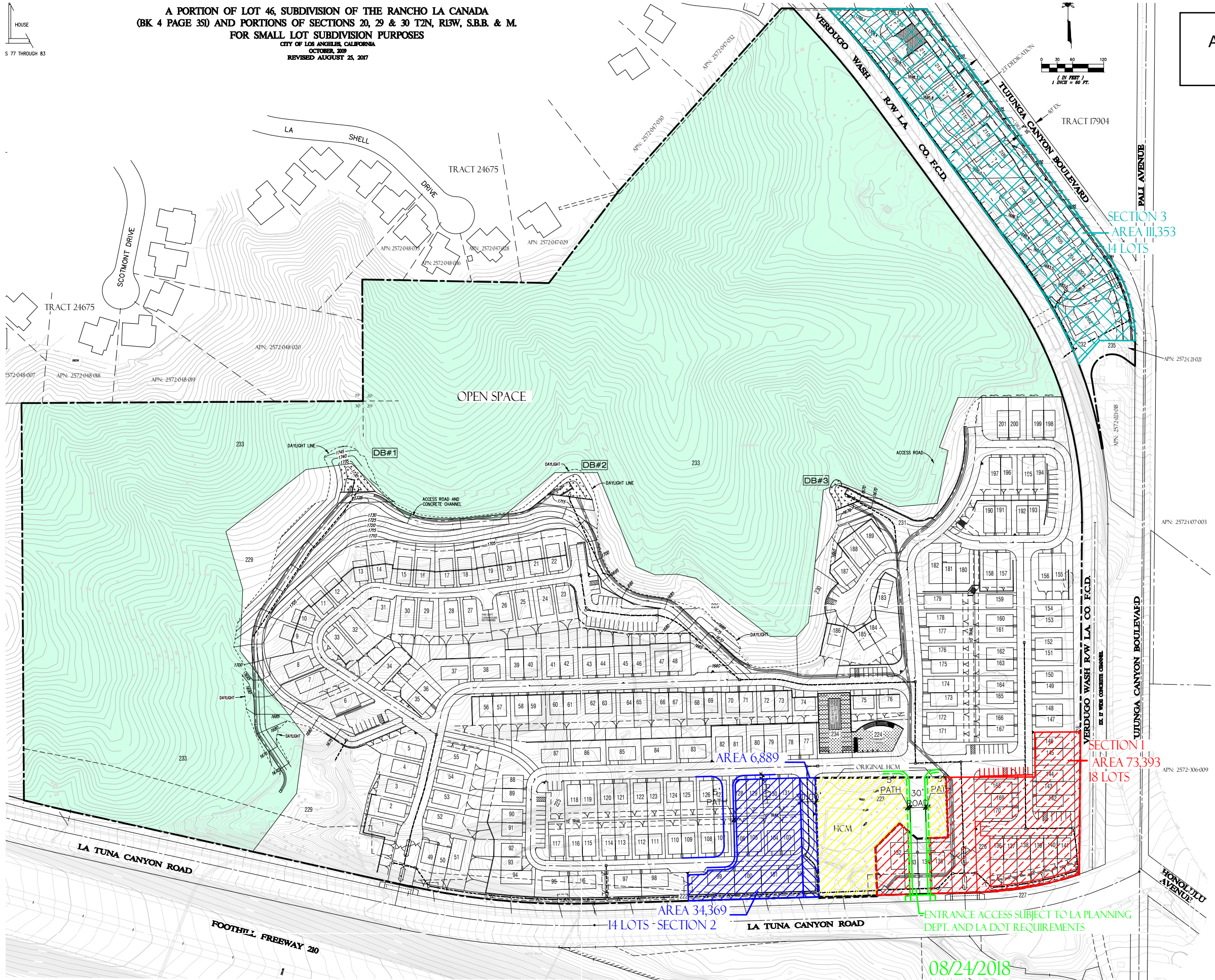
By:   
Name: RONIE SKEI  
Its: Chief Deputy Executive Office





A PORTION OF LOT 46, SUBDIVISION OF THE RANCHO LA CANADA  
(BK 4 PAGE 35) AND PORTIONS OF SECTIONS 20, 29 & 30 T2N, R13W, S.B.B. & M.  
FOR SMALL LOT SUBDIVISION PURPOSES  
CITY OF LOS ANGELES, CALIFORNIA  
OCTOBER, 2009  
REVISED AUGUST 25, 2017

MRCA  
Agenda Item IX  
1/6/21



08/24/2018