

APPROVED
AUG 07 2019

**BOARD OF RECREATION
AND PARK COMMISSIONERS**

BOARD REPORT

NO. 19-158

DATE August 7, 2019

C.D. 13

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: **QUIMBY FEES – REFUND FOR VTT-68501 AND RELATED CASE CPC-2007-515-GPA-ZC-HD-CU-CUB-ZV-ZAA-SPR-SPE-SPP**

AP Diaz	_____	S. Piña-Cortez	_____
H. Fujita	_____	C. Santo Domingo	<u>DF</u>
V. Israel	_____	N. Williams	_____



General Manager

Approved X Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Approve the refund claim from CIM FUND III, L.P. for a refund in the amount of One Million, Two Hundred Fifty Three Thousand, Eight Hundred Fifty-Five Dollars (\$1,253,855.00) in Quimby Fees, in accordance with the detail set forth in this Report, subject to the approval of the Mayor and City Council;
2. Direct the Board of Recreation and Park Commissioners (Board) Secretary to transmit this report to the Mayor in accordance with Executive Directive No. 3;
3. Approve the deallocation of One Million, Two Hundred Fifty Three Thousand, Eight Hundred Fifty Five Dollars (\$1,253,855.00) in Quimby Fees, currently allocated to the Hollywood Recreation Center – Modern Gymnasium (PRJ21112) Project;
4. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to transfer One Million, Two Hundred Fifty Three Thousand, Eight Hundred Fifty-Five Dollars (\$1,253,855.00) in Quimby Fees from the Hollywood Recreation Center Account No. 89460K-HF to the Quimby Account 89460K-00;
5. Direct RAP's Chief Accounting Employee or designee to, upon receipt of the necessary approvals, to issue the refund from Fund 302, Department 89, Account 89460K-00;
6. Authorize RAP's Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.

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SUMMARY

RAP is in receipt of a request for refund of park acquisition and development fees paid to RAP pursuant to Los Angeles Municipal Code (LAMC) Section 17.12. A refund claim (Claim No. 145800) was filed on June 14, 2019 by the representatives of CIM FUND III, L.P. for a refund of Quimby Fees in the amount of One Million, Two Hundred Fifty-Three Thousand, Eight Hundred Fifty-Five Dollars (\$1,253,855.00). The CIM FUND III, L.P. (Claimant) paid RAP One Million, Two Hundred Fifty-Three Thousand, Eight Hundred Fifty-Five Dollars (\$1,253,855.00) in Quimby Fees, on July 16, 2012, for a residential project located at 5929-5945 West Sunset Boulevard and 1512-1540 North Gordon Street.

The provisions of LAMC Section 17.12 which was in effect at the time the Claimant made the Quimby Fee payment at issue required that no final subdivision map be approved or recorded unless land within the subdivision has been dedicated to the City for park or recreational purposes, and that, as an alternative to land dedication, a fee in-lieu (Quimby fee) could be paid within one year after Council approves the final map.

The provisions of LAMC Section 17.07 (N) which was in effect at the time the Claimant made the Quimby Fee payment at issue instructed RAP to process and approve refunds of Quimby fees, upon written request of the project subdivider, if the final subdivision map was not recorded. However, it did not establish any procedures relative to how a Quimby fee refund request was to be reviewed, processed, and approved by RAP, nor did it describe what documentation the refund claimant would need to provide to RAP in order to guarantee that the final subdivision map would not be recorded. Additionally, it did not require that the refund request be filed on any specific form or that it be filed by a certain date.

The City's refund provisions and procedures for certain fees are found in LAMC Sections 22.12 and 22.13. LAMC Sections 22.12(a) and 22.13(a) authorize the head of the Department to approve refunds of tax, license fees, permit fees, or application fees without the prior approval of the City Council, if such refund does not exceed a certain monetary limit. That monetary limit is subject to adjustment at the beginning of each fiscal year and the amount of the adjustment is calculated by the City Controller. The current limit of Department head refund authority is \$50,718. All refunds request over that limit are subject to the prior approval of the City Council.

The Claimant has indicated that the map proceedings on VTT-68051 and the related case CPC-2007-515-GPA-ZC-HD-CU-CUB-ZV-ZAA-SPR-SPE-SPP have been terminated, as detailed in a letter from the Department of City Planning (Attachment 1) confirming such termination. Thus, in accordance with LAMC 17.12 and the previous provisions of LAMC Section 17.07 (N) which was in effect at the time the Claimant made the Quimby Fee payment at issue, RAP staff recommends the approval of the claim for refund of Quimby Fees paid to RAP.

Previously, the Board approved the allocation of Six Million, Nine Hundred Ninety-Seven Thousand, Four Hundred Ninety-Five Dollars and Fifty Cents (\$6,997,495.50) in Quimby Fees to the Hollywood Recreation Center – Modern Gymnasium (PRJ21112) Project (Report 17-054). The allocation of Quimby Fees to the Hollywood Recreation Center – Modern Gymnasium

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(PRJ21112) Project included One Million, Two Hundred Fifty-Three Thousand, Eight Hundred Fifty-Five Dollars (\$1,253,855.00) paid by CIM FUND III, L.P.

Upon approval of this Report, One Million, Two Hundred Fifty-Three Thousand, Eight Hundred Fifty-Five Dollars (\$1,253,855.00) in Quimby Fees will be deallocated from the Hollywood Recreation Center – Modern Gymnasium (PRJ21112) Project and transferred from the Hollywood Recreation Center Account No. 89460K-HF to the Quimby Account 89460K-00.

The total amount of funding available for the Hollywood Recreation Center – Modern Gymnasium (PRJ21112) Project will be Five Million, Seven Hundred Forty-Three Thousand, Six Hundred Forty Dollars and Fifty Cents (\$5,743,640.50).

ENVIRONMENTAL IMPACT

The proposed action consists of a financial transaction that has no effect on the environment. Section 21065 of the California Environmental Quality Act (CEQA), as well as Section 15378, Chapter 19 of California CEQA Guidelines define “Project” as an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, no CEQA clearance is required for this action.

FISCAL IMPACT

The approval of this Report will not have an impact on RAP General Fund.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP’s Strategic Plan by supporting:

Goal No. 7: Maintain a Diverse and Dynamic Workforce

Outcome No. 3: Excellent customer service provided to all park users

Result: RAP’s commitment to excellent customer service extends beyond the park user experience to RAP’s interactions with the development community. Being responsive and expeditious regarding all Park Fee and Quimby requests is paramount to excellent customer service.

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

LIST OF ATTACHMENTS

- 1) Attachment 1 – Termination Letter from Department of City Planning regarding VTT-68051 and the related case CPC-2007-515-GPA-ZC-HD-CU-CUB-ZV-ZAA-SPR-SPE-SPP

**DEPARTMENT OF
CITY PLANNING**COMMISSION OFFICE
(213) 978-1300

CITY PLANNING COMMISSION

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June 4, 2019

Previous Owner/ApplicantSunset & Gordon Investors
c/o Mark Elden
1120 Northwest Couch Street
Portland, OR 97209**Previous Representative**Craig Lawson & Co., LLC
c/o Peggy Trenton
3221 Hutchinson Avenue, Ste D
Los Angeles, CA 90034**Current Owner/Applicant**5929 Sunset Hollywood, LLC
c/o Shaul Kuba, Vice President
4700 Wilshire Boulevard
Los Angeles, CA 90010**Current Representative**Craig Lawson & Co., LLC
c/o Katherine Casey
3221 Hutchinson Avenue, Ste D
Los Angeles, CA 90034**Case Nos:** CPC-2007-515-GPA-ZC-HD-CU-
CUB-ZV-ZAA-SPR-SPE-SPP, VTT-68501**Address:** 5929 – 5945 W. Sunset Boulevard
and 1512 – 1540 N. Gordon Street**Plan Area:** Hollywood**C.D.:** 13 – O'Farrell**CEQA No.:** SCH-2006111135**Legal Description:** Lots 12-19 of Bagnoli
Tract No. 2; Lot FR6 of the Paul and Angel
Reyes Subdivision**TERMINATED**

The current Owner/Applicant of the properties located at 5929 – 5945 West Sunset Boulevard and 1512 – 1540 North Gordon Street has requested that Case Nos. CPC-2007-515-GPA-ZC-HD-CU-CUB-ZV-ZAA-SPR-SPE-SPP and VTT-68501 for be terminated. Case Nos. CPC-2007-515-GPA-ZC-HD-CU-CUB-ZV-ZAA-SPR-SPE-SPP (CF 08-1509) and VTT-68501 (CF 08-1509-S1) were previously approved by the City Council on July 25, 2008 and September 12, 2008, respectively. Following the City Council actions, litigation challenging the approvals resulted in the current Owner/Applicant seeking to re-entitle the project.

On December 12, 2018, the City Council approved Case Nos. CPC-2015-1922-GPA-VZC-HD-CUB-DB-SPR (CF 08-1509-S2) and VTT-74172 (CF 08-1509-S3), which established new zoning and land use designations for the subject property and supersedes the prior 2008 approvals. As such, the current Owner/Applicant has requested that the prior, superseded cases be terminated.

Accordingly, the Director of Planning hereby terminates all proceedings relative to Case Nos. CPC-2007-515-GPA-ZC-HD-CU-CUB-ZV-ZAA-SPR-SPE-SPP and VTT-68501, and directs that the cases be Terminated and the matter filed. If you have any questions regarding this matter, please contact Mindy Nguyen at (213) 847-3674 or mindy.nguyen@lacity.org.

Vincent P. Bertoni, AICP
Director of Planning



Mindy Nguyen
City Planner

Cc: Latham & Watkins LLP, c/o DJ Moore, 355 South Grand Avenue, Suite 100, Los Angeles, CA 90071-1560