

APPROVED
SEP 04 2019

BOARD OF RECREATION
AND PARK COMMISSIONERS

BOARD REPORT

NO. 19-172

DATE September 4, 2019

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: HOSTETTER PARK – COSTELLO POOL AND BATHHOUSE REPLACEMENT (PRJ1502P) (W.O. #E1906493) PROJECT – RESCISSION OF PROPOSITION K GRANT AWARD FOR THE CONSTRUCTION OF THE SPLASH PAD

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



General Manager

Approved X Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Authorize the Department of Recreation and Parks (RAP) General Manager to request that the L.A. for Kids Steering Committee and City Council rescind the splash pad project from the Proposition K 6th Cycle competitive grant in the amount of \$500,000 awarded to RAP for the Hostetter Park – Costello Pool and Bathhouse Replacement Project (PRJ1502P) (W.O. #E1906493) (Proposition K Project ID #C183-6) (Council File No. 07-4171, May 14, 2008 and Council File No. 08-2139, June 3, 2009) (Project); and
2. Direct RAP's General Manager to transmit the request for rescission to the L.A. for Kids Steering Committee for transmittal to the City Council.

SUMMARY

On June 20, 2007, the Board of Recreation and Park Commissioners (Board) authorized RAP's General Manager to submit grant applications for projects to be funded by the Proposition K – L.A. for Kids 6th Cycle Request for Proposals process, which included the grant application for the construction of a new splash pad at the Costello Pool, located at 3121 E. Olympic Blvd., Los Angeles, CA 90023 (Report No. 07-142).

City Council awarded \$500,000 in Proposition K funds (Prop K), through Council File Nos. 07-4171 and 08-2139, to be used for the splash pad component as part of the Project. An initial allocation of \$200,000 was made available in Program Year 13 (2009-10) with the remaining \$300,000 to be made available in a future Prop K Program Year (Council File No. 09-2738).

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Other funds committed to the Project include \$900,000 in Municipal Improvement Corporation of Los Angeles (MICLA) funding included in the 2006-07 Budget, of which \$656,430.60 was expended for design services. The remaining balance of \$243,569.40 was unappropriated in August 2019, per a request from the Office of the City Administrative Officer (CAO) that existing and new MICLA funds that are authorized and remain unspent for a period longer than three years and unencumbered after 18 months from the date of availability are to be unauthorized. An additional allocation of \$376,354 in Quimby Fees was approved to supplement the existing Project funding (Report No. 10-307, dated November 3, 2010).

On March 5, 2010, City Council adopted the recommendation of the Office of the City Administrative Officer (CAO) to immediately defer MICLA funding for capital projects not yet in construction. \$5,100,000 in MICLA authority initially included in the 2009-10 Budget for the Project was deferred (Council File No. 09-0600-S160). During this period, the City was facing severe budget restraints due in part to the Great Recession, which began in December 2007 and ended in June 2009, and which impacted city services and funding for many years beyond. The effects of this global economic crisis greatly impacted available funding for capital improvement projects and core city business. The construction of the Project was put on hold until adequate funding could be obtained, and which never materialized.

No additional funding for the Project has been identified since the deferral in 2009. The Project has insufficient funding to move forward and is preventing an accurate accounting of remaining Prop K funds. RAP staff, in consultation with the CAO, recommends that the Board authorize RAP's General Manager to request that the L.A. for Kids Steering Committee and City Council rescind the Prop K grant in the amount of \$500,000 awarded to RAP for the splash pad construction component of the Project. There are no plans to move this project forward at this time.

TREES AND SHADE

The recommendations under this Report will essentially terminate the Prop K funding for a new splash pad. It will have no effect on existing trees and shade at the project site.

ENVIRONMENTAL IMPACT

The Board previously reviewed and considered the Final Environmental Impact Report (FEIR) for this Project. RAP staff was directed to file a Notice of Determination once the FEIR was certified to be in compliance with the California Environmental Quality Act (CEQA) (Report No. 09-186, dated July 8, 2009). No new CEQA documentation is required at this time.

FISCAL IMPACT

There is no fiscal impact to the RAP General Fund in connection with the actions taken pursuant to this Report.

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STRATEGIC PLAN INITIATIVES AND GOALS

Action taken by the Board under this Report will not have any impact on RAP's Strategic Plan 2018-2022.

This Report was prepared by Nicole Panza, Management Assistant, Grants Administration, Finance Division and reviewed by Kai Wong, Senior Project Coordinator, Grants Administration, Finance Division, and Bill Jones, Chief Management Analyst, Grants Administration, Finance Division.