



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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MEMORANDUM

TO: The Governing Board

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

DATE: January 7, 2009

SUBJECT: **Agenda Item X: Consideration of resolution authorizing the use of Santa Monica Mountains Open Space Preservation Assessment District No. 1 funds for additional option payments on APNs 5565-003-036, 037, 038, 039, 040, and 041, Laurel Canyon, Los Angeles.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing the use of up to \$55,000 Santa Monica Mountains Open Space Preservation Assessment District No. 1 funds for additional option payments on APNs 5565-003-036, 037, 038, 039, 040, and 041 in Laurel Canyon.

Background: In December of 2007, the Mountains Recreation and Conservation Authority (MRCA) entered into an option agreement with Laurel Canyon Partners, LLC to acquire six legal lots at the southwest corner of Mulholland Drive and Laurel Canyon Boulevard. Many maps and aerial photographs of the approximately six-acre holding are attached. The property provides important viewshed, habitat linkage, and recreational potential in the inner corridor of the Mulholland Scenic Parkway. The property is the gateway to historic Laurel Canyon and creates an important aesthetic at the heart and cross-roads of the eastern Santa Monica Mountains. Development of the property would greatly jeopardize the intra-mountain range wildlife corridor that connects Griffith Park to the main body of the Santa Monica Mountains.

The original option payment of \$200,000 came entirely from Assessment District No. 1. That first payment guarantees the MRCA a narrow conservation easement between lots 040 and 041 (actually on lot 41) for wildlife movement between the Mulholland Drive right-of-way and Laurel Canyon Boulevard.

In June of 2008 the community (142 donors) came up with \$85,000 and the 5th District Council office with \$15,000 to extend the option until December 10, 2008. The community again (30 donors) came up with \$25,000 in December to extend the option until January 15, 2008. Groups that contributed included the Hillside

Federation, Studio City Residents Association, Bel Air Beverly Crest Neighborhood Council, Concerned Off Road Bicycle Association, and the Santa Susana Mountain Park Association. Approximately \$18,000 is in hand or pledged for the January 2009 payment. Details of the fund raising are available via a link on the MRCA's home page.

The Committee to Save Laurel Canyon and Mulholland is working with staff to identify a large donor (corporate, family, individual) that desires park naming and signage rights to this well-known corner. Two professionals in the naming rights business are working collaboratively in this effort. Examples of where signs could go entirely on MRCA property, or in combination with City of Los Angeles property, are attached.

The MRCA's option agreement provides for the opportunity to make five more (including January 15th payment) \$25,000 payments to retain control of the property through early May 2009. At that point in early May, the total purchase price must be paid or the agreement be renegotiated. The default position is that the MRCA would receive a second, parallel, additive wildlife corridor conservation easement on lot 040 and the deal would fall apart with \$450,000 invested. Clearly, that is not the preferred result. Nonetheless, the second conservation easement and the ability to keep the property in play in time for a large donor to come into the picture (or a new assessment district) make investment of the final \$125,000 worthwhile. All option payments count towards the purchase price.

The total purchase price in May (excluding the \$450,000 that would be invested to that point) is \$4,050,000 for five lots and \$4,550,000 for all six lots.

The seller is quite cooperative on all issues but price. Staff has had recent discussions about how to restructure the deal to extend the payment period. That option has been requested by the professional naming rights people looking for large donors.

The proposed action would authorize the use of up to \$5,000 of the Area D Assessment District funding for the January payment, if necessary, and up to \$50,000 of the funding for the remaining \$100,000 in option payments. If the approved Bel Air Beverly Crest Neighborhood Council \$5,000 check does not arrive by January 13th up to \$10,000 of the \$50,000 would be used for the January payment. The community will have to match the MRCA funding dollar for dollar. A small amount would remain for staff time and closing costs.

In May of 2007, the Governing Board adopted Resolution No. 07-45 authorizing the remaining Area D funding to contribute to the acquisition of two parcels adjacent to Runyon Canyon Park. That acquisition is mired in bankruptcy court and is currently underfunded. The proposed action does not rescind that authorization, it just authorizes the MRCA to use the money on either project just in case the money is suddenly desperately needed for Runyon Canyon and alternatives are found for the subject Laurel Canyon and Mulholland properties.