

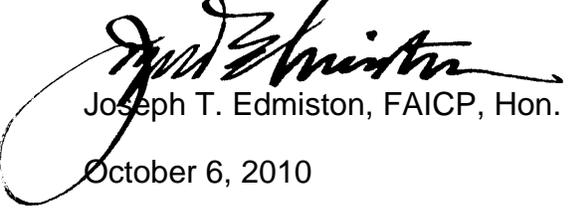


MOUNTAINS RECREATION & CONSERVATION AUTHORITY

Los Angeles River Center and Gardens
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MEMORANDUM

TO: The Governing Board

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

DATE: October 6, 2010

SUBJECT: **Agenda Item V(q): Consideration of resolution authorizing conditional acceptance and repayment of private loans, for an option payment for APNs 5565-003-036, 037, 038, 039, 040 and 041, City of Los Angeles.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing conditional acceptance and repayment of private loans in an amount not to exceed \$15,000 for an option payment for APNs 5565-003-036, 037, 038, 039, 040 and 041, City of Los Angeles.

Background: The Mountains Recreation and Conservation Authority (MRCA) has had the six acres located at the corner of Muholland Drive and Laurel Canyon Boulevard under option (with a few brief lapses) since December 2007. Payments to date have irrevocably yielded conservation easements on three parcels totaling at least 0.5 acres. The option was recently extended to October 8, 2010.

It is expected that the Los Angeles City Council will take final action on a land sale between the MRCA and the City in Beverly Glen and Benedict Canyons no later than October 8, 2010. The City's motion explicitly addresses transferring \$750,000 of the proceeds to the MRCA's project to incrementally acquire APNs 5565-003-036, 037, 038, 039, 040 and 041. The agreement with the Seller requires the fee simple transfer of parcel 038 to the MRCA upon payment of the \$750,000. The funding also covers past interest and extends the option several months into 2011.

With that pending City approval to provide a level assurance, the MRCA is set to make an additional \$30,000 option payment of private funds to extend the option until October 29, 2010. The plan is to then transfer the \$750,000 into escrow by October 29, 2010. The \$30,000 payment counts towards the principle.

In order to make the tight time frame of the October 8th option payment a private party has agreed to loan the MRCA up to \$15,000. The loan amount would be repaid out of the \$750,000 provided from the City transaction. Repayment of the loan would be conditional on the MRCA receiving the \$750,000 from that transaction with the City. Repayment would occur within 30 days of the MRCA's

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receipt of the funding. The lender is willing to take this risk if the City Council has taken final action on the land sale with the MRCA.