

MARGARET DONNELLAN TODD
COUNTY LIBRARIAN

July 11, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE GRANT APPLICATION TO OBTAIN FEDERAL FUNDS AND APPROVE
ACQUISITION OF TENANT IMPROVEMENTS PERTAINING TO THE REALTY AND
COMPENSATION FOR LOSS OF GOODWILL FOR
LA CRESCENTA LIBRARY PROJECT (5)
(4 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT YOUR
BOARD:**

1. Approve the submission of the attached application for a U.S. Department of Housing and Urban Development (HUD) Economic Development Initiative (EDI)-Special Project Grant, and instruct the Mayor to sign.
2. Approve the attached Appropriation Adjustment to increase the project budget by \$990,000, offset by the HUD EDI-Special Project Grant.
3. Approve the revised project budget of \$13,413,426.
4. Approve acceptance by the County of the grant funds, and authorize the Chief Administrative Officer (CAO), County Librarian, and Director of Public Works to act on the County's behalf regarding completion of all documents as may be required to receive the grant funds, after approval as to form by County Counsel.
5. Authorize the CAO to obtain appraisal reports for the tenant improvements pertaining to the realty and goodwill of Viacom Outdoor for a total contract amount not to exceed \$20,000.
6. Authorize the CAO to certify eligible relocation costs and benefits for a total amount not to exceed \$100,000 resulting from the relocation of Newtiques, Inc., an existing tenant impacted by the development of the library expansion project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

HUD EDI-Special Project Grant

Approval of this recommendation will allow the County to submit a grant application to the U.S. Department of Housing and Urban Development to obtain additional construction funds for the proposed La Crescenta Library project (C.P. 77450). The Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Act of 2006 (PL 109-115), signed by President Bush on November 30, 2005, provided HUD funds for this project through the Economic Development Initiative-Special Projects Program. The funds will be used for project construction, specifically for exterior work associated with the site, including site earthwork, paving, site utilities, and the construction of retaining walls.

Land Acquisition Activities

On August 16, 2005, your Board adopted a joint recommendation approving several actions, including authorization to purchase the three tenant-occupied real property at 2801-2813 Foothill Boulevard for the expansion of the existing La Crescenta Library. We advised your Board that expenses under the relocation assistance program to relocate the tenants had not yet been determined.

The County, with the assistance of its relocation consultant, has successfully relocated one of the three tenants (Bruce's Automotive) to a new location at a cost of \$20,000. The Director of Public Works, under authority granted by County Code, certified that the relocation eligibility requirements had been met and the prescribed compensation amount was paid to the former tenant.

The County's relocation consultant has estimated relocation and re-establishment expenses should not exceed \$100,000, to move Newtiques, Inc. (the second tenant) to a new location. Granting the CAO with the authority to negotiate a settlement with Viacom Outdoor (the third tenant) and to certify relocation eligibility claims for Newtiques, Inc. will expedite the process of gaining full possession of the real property, which is required before the expansion project can commence. If the final cost of relocation exceeds the estimate we will return to the Board for approval.

Viacom Outdoor, an outdoor advertising business, has made a written settlement offer of \$397,952, which includes compensation for its tenant improvements (a 14' x 48' illuminated signboard and a large supporting steel structure) and its estimated loss of goodwill. A "fixture and equipment" appraisal and a "goodwill" appraisal for an amount not to exceed \$20,000 are necessary to evaluate this offer and determine the amount of just compensation to which Viacom Outdoor is entitled to receive as a result of being displaced from the property.

Implementation of Strategic Plan Goals

Approval of these recommendations is consistent with the County's Strategic Plan Goal of Fiscal Responsibility since the completion of the project represents an investment in public infrastructure. It is also consistent with the goal of Service Excellence since the proposed new facility will provide enhanced library services to area residents.

FISCAL IMPACT/FINANCING

The total project cost, including land acquisition, programming, plans and specifications, plan check, construction, furniture and equipment, civic art, telecommunications, consultant services, miscellaneous expenditures, and County services, is currently estimated at \$12,423,126. Funding for the appraisal reports and tenant relocation is included in the project budget.

The project is funded from Fifth District Capital Project funds, a previously approved Department of Housing and Urban Development Economic Development Initiative-Special Project grant, and the proceeds from the sale of surplus library property.

The attached appropriation adjustment will supplement the existing project budget by \$990,000, offset by the HUD EDI-Special Project grant, resulting in a revised project budget of \$13,413,126.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The U.S. Department of Housing and Urban Development notified the County on May 9, 2006, that funds in the amount of \$990,000 were appropriated for this project as Grant Number B-06-SP-CA-0066 for the construction of a new library in the community of La Crescenta. In order to obtain these funds, the County needs to submit the attached Application for Federal Assistance by December 31, 2006. The grant application needs to be approved by the Board and signed by the Mayor.

This is the second HUD EDI-Special Project grant secured for the La Crescenta Library project. On December 7, 2004, the Board approved a HUD EDI-Special Project grant in the amount of \$447,000 for the construction of the La Crescenta Library. The County submitted this application to HUD on December 27, 2004, and is still waiting for final approval by HUD in order to receive the funds.

Construction is scheduled to begin in September 2007 and the new library is anticipated to open to the public in June 2009.

ENVIRONMENTAL DOCUMENTATION

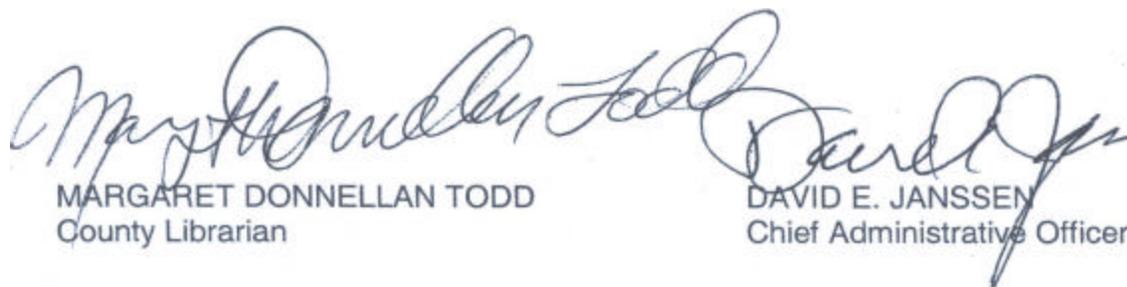
On August 16, 2005, the Board adopted a finding that the La Crescenta Library project would not have a significant effect on the environment, approved the Environmental Assessment/Mitigated Negative Declaration for the project, and adopted a Mitigation Monitoring and Reporting Program for the project to ensure compliance with the environmental mitigation measures included as part of the final Environmental Assessment/Mitigated Negative Declaration relative to air quality, hazards and hazardous materials, noise, and traffic. Prior to the Board's approval, the U.S. Department of Housing and Urban Development approved a Finding of No Significant Impact for this project based on the conclusions and findings of the Environmental Assessment on July 2, 2005.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will enable the County to obtain additional Federal funds to assist with financing some of the construction cost of the La Crescenta Library project.

Please return an adopted copy of this letter to the Public Library, Department of Public Works, and Chief Administrative Office-Capital Projects Division and Real Estate Division. In addition, please return to the Public Library a fully conformed original of the grant application and related documents with original signatures.

Respectfully submitted,



MARGARET DONNELLAN TODD
County Librarian

DAVID E. JANSSEN
Chief Administrative Officer

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Attachments

c: Executive Office, Board of Supervisors
Department of Public Works
Auditor-Controller