

10

BUDGET AND FINANCE COMMITTEE
Report/Communication for Signature

Council File Number 96-1619-51
Committee Meeting Date 2-3 + 2-10
Council Date 2-11

COMMITTEE MEMBER	YES	NO	ABSENT
COUNCILMEMBER ALATORRE, Chair			/
COUNCILMEMBER WALTERS 2/5	/		
COUNCILMEMBER FEUER	/		

Remarks Potrero Canyon Park Development

Adrienne Bass, Legislative Assistant ♦♦♦♦ Telephone 237-0379

CALLED SPECIAL

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **BUDGET AND FINANCE** Committee

reports as follows:

Public Comments: Yes No
X

BUDGET AND FINANCE COMMITTEE REPORT relative to Potrero Canyon Park Development.

Recommendations for Council action:

A. COUNCIL MEMBERS ALATORRE AND FEUER RECOMMEND, as recommended by the City Administrative Officer:

- 1. APPROVE the supplemental agreement with Potrero Canyon Constructors to expand the scope of the contract and to extend the contract term for completion of the Potrero Canyon Park Development Project.
- 2. INSTRUCT the Department of Recreation and Parks to report back with plans for:
 - a) the marketing of the rehabilitated residential lots acquired by settlement of the landslide lawsuits
 - b) the reestablishment of a concession or other alternative/appropriate use on the Pacific Coast Highway frontage of Potrero Canyon
 - c) the repayment of costs advanced by the General Fund for the Potrero Canyon Project including recovery of eligible costs from FEMA

B. COUNCIL MEMBER RITA WALTERS RECOMMENDS:

- 1. APPROVE the supplemental agreement with Potrero Canyon Constructors to expand the scope of the contract and to extend the contract term for completion of the Potrero Canyon Park Development Project.
- 2. INSTRUCT the Department of Recreation and Parks to report back with plans for:
 - a) the marketing of the rehabilitated residential lots acquired by settlement of the landslide lawsuits
 - b) the repayment of costs advanced by the General Fund for the Potrero Canyon Project including recovery of eligible costs from FEMA

Your

BUDGET AND FINANCE

Committee

reports as follows:

(Arts, Health and Humanities Committee waived consideration of this matter)

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of a supplemental agreement with Potrero Canyon Constructors will allow for the use of \$5 million in Proposition K (Prop K) funding for the completion of stabilization of Potrero Canyon. However, in order to comply with the conditions imposed by the permit issued by the California Coastal Commission, as well as to complete the scope of park improvement work contemplated in Prop K, the final phase of this project which includes park improvements and landscaping must be funded and completed within two years of the final grading work. This will necessitate the General Fund committing an estimated \$3.5 million to the project in fiscal year 1999-2000.

Summary:

In his report dated 11-25-97, the City Administrative Officer (CAO) states that the City originally contracted with Potrero Canyon Constructors in 1991 to provide for the filling of Potrero Canyon. This supplemental agreement is for construction of the second phase of the overall project. Phase one provided for the installation of a storm drain system throughout the Canyon's bottom at a cost of \$5.9 million. The phase two fill agreement was at no cost to the City, the consideration being that the contractor would charge a fee to haulers to dump dirt being exported from other development projects. The project was originally expected to take four years. Several factors precluded that time table from being met and which now dictate the need for this supplemental agreement providing additional funds and time to complete phase two. These factors are discussed in the CAO report dated 11-25-97. All of the factors taken together necessitate additional time for completion of the project.

The Board of Recreation and Park Commissioners originally approved the amendment in 1995. However, only a modified version was approved at that time to reflect that only \$750,000 could then be made available to continue work on the project. The completion date of December 30, 1999 projected in 1995 when this amendment was first drafted cannot be met. The Department is currently negotiating a more realistic date with the contractor. An important consideration in those discussions is the continued stockpiling of fill dirt and the ability to proceed with work during the rainy season. The supplemental agreement now provides the balance of funding to complete the "fill" phase of the

reports as follows:

project. It is composed of three elements: 1) slide remediation, \$1,538,978; 2) buttress fill, \$1,546,260; and, 3) contingencies, \$1,914,762. The work entails removal of the remaining material from the two slides, installation of an engineered buttress fill, extension to the main storm drain into the lateral canyons and on the new slopes, and completion of the fill to a rough grade. The total of this work is \$3.1 million. The contingencies funding is high because of the experience on the project with unforeseen conditions. Nonetheless, it is hoped that a significant balance will remain upon completion of this phase, to apply toward the \$3.5 million needed for revegetation and park improvements.

The CAO report further states that Prop K, approved by the voters in November 1996, includes \$5 million for this project. The scope was described as: stabilization and grading of hillside canyon, outdoor park development including landscaping and irrigation of summit. Given the unforeseen occurrences that now must be addressed, the \$5 million for Prop K will only be sufficient to complete the fill and slope stabilization. As much as \$3.5 million in additional funds will have to be identified in the near future because completion of the total project is essential both to provide the mitigation measures required by the Coastal Commission permit and to finish the park improvements as contemplated by the project funding in Prop K.

Given the inability of Recreation and Parks to allocate any funds from any source to this project, it is most likely that the City will have to rely on the General Fund to complete the work. The CAO states that in doing so, it becomes even more important that the Department of Recreation and Parks undertake to fulfill the long standing commitment to repay the General Fund for the advances made to the Project. The primary sources for such repayment was intended to be from a restaurant concession at the site of the former Sunspot Motel and Restaurant. The Department has recently indicated that it does not intend to pursue the re-establishment of such a concession. The Department needs to take the initiative to formulate a plan for re-establishment of recreational/concession use inasmuch as the Coastal Commission apparently desires that some kind of amenities be constructed on this 3 to 4 acre site.

A proposed exchange of CALTRANS right of way for a portion of the City's Occidental Petroleum parcel should facilitate the rebuilding of new structures at this location on PCH. In conjunction with the exchange with CALTRANS, the Department should present the proposed land swap for Council approval and provide a discussion as to how relinquishment of the parcel will not be harmful to the City's significant investment and potential use of its surrounding ownership.

Your

BUDGET AND FINANCE

Committee

reports as follows:

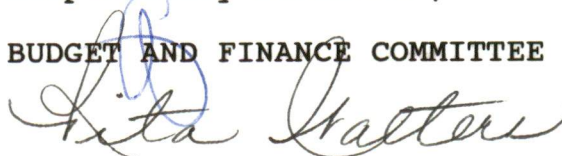
The stabilization project was initiated by the settlement of numerous lawsuits brought by property owners on the west rim of the canyon who contended that the concentration of storm water, both physically and in time, caused accelerated erosion that resulted in loss of support for their lots above. The City ended up with title to 23 lots at a cost of \$13 million. It is expected that these lots will be suitable for rebuilding when the stabilization project is complete. The City has already received numerous inquiries regarding these lots. The CAO recommends that the Department explore a marketing plan. The City Attorney sees merit in offering options on the lots, thus providing the prospective buyers with the opportunity to monitor the stabilization process. The Departments of General Services and Recreation and Parks, in consultation with the City Attorney, should report back on a sale plan that would realize the recovery of significant part of the City's settlement outlay.

The CAO reports that the City applied for FEMA funds for the costs associated with the slide on PCH. Recreation and Parks should work closely with the CAO to assure that the City receives full consideration of this claim. Only \$75,000 has been allocated by FEMA as compared with the potential eligible costs of \$800,000.

At its regular meeting of 2-3-98 the Budget and Finance Committee considered this matter. Council member Feuer concurred in the recommendations of the CAO; Council member Walters concurred with recommendation #1 and #2a and #2c. She was not in agreement with the CAO's recommendation for the Department of Recreation and Parks to reestablish a concession or to use the PCH frontage of Potrero Canyon for any use.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE



AB
2-5-98

ALTERNATIVE "A"

ADOPTED

FEB 11 1998

Los Angeles City Council

ALT "B" - Received and Filed

W. L. ... (1983) ...
...
... 1983

AGENDA NO. 10
ALARCON.....YES
GALANTER.....YES
MISCIKOWSKI..YES
WALTERS.....YES
ALATORRE.....YES
GOLDBERG.....YES
RIDLEY-THOMASYES
FERRARO.....YES
CHICK.....YES
HERNANDEZ....YES
SVORINICH....YES
BERNARD.....ABS
FEUER.....YES
HOLDEN.....NO
WACHS.....YES

TIME:
11 00 02

YES: 13 NO: 1 ABS: 1

02/11/98

BUDGET AND FINANCE COMMITTEE
SUGGESTED NOTIFICATION OF COUNCIL ACTION
Council File No. _____

- | | | |
|-------------------------------------|--------------------------------------|-----------------|
| <input type="checkbox"/> | Petitioner/Communicant _____ | |
| <input type="checkbox"/> | Councilperson(s) _____ | |
| <input checked="" type="checkbox"/> | City Administrative Officer | (Mail Stop 130) |
| <input checked="" type="checkbox"/> | Chief Legislative Analyst | (Mail Stop 136) |
| <input type="checkbox"/> | City Attorney | (Mail Stop 140) |
| <input type="checkbox"/> | Controller | (Mail Stop 183) |
| <input type="checkbox"/> | Treasurer | (Mail Stop 750) |
| <input type="checkbox"/> | Information Services Department | (Mail Stop 232) |
| <input type="checkbox"/> | Building and Safety | (Mail Stop 115) |
| <input type="checkbox"/> | City Clerk Tax and Permit | (Mail Stop 170) |
| <input type="checkbox"/> | Fire Commission / Department | (Mail Stop 250) |
| <input type="checkbox"/> | General Services | (Mail Stop 508) |
| <input type="checkbox"/> | Personnel Department | (Mail Stop 391) |
| <input type="checkbox"/> | Planning | (Mail Stop 395) |
| <input type="checkbox"/> | Police Commission / Department | (Mail Stop 400) |
| <input type="checkbox"/> | Public Works (Board) | (Mail Stop 465) |
| <input type="checkbox"/> | Public Works - Bureau of Engineering | (Mail Stop 490) |
| <input type="checkbox"/> | Transportation | (Mail Stop 725) |
| <input type="checkbox"/> | Water and Power | (Mail Stop 800) |
| <input checked="" type="checkbox"/> | <u>Dept of Recreation + Parks</u> | (Mail Stop ___) |

CITY OF LOS ANGELES SPEAKER CARD

Date

2-11-98

Council File No., Agenda Item, or Case No.

96-1619 51

10

I wish to speak before the

CITY COUNCIL

Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

() Against proposal

() General comments

Name:

GORDON MURLEY

Business or Organization Affiliation:

FED HSD CYN ASSOC & SAN FERNANDO VALLEY FED

Address:

4128 Mirro DR

Street

WOODLAND HILLS

City

CA

State

91364

Zip

Business phone:

(818) 346-5842

Representing:

ABOVE

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

Client Name:

Phone #:

Client Address:

Street

City

State

Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

BUDGET AND FINANCE COMMITTEE

TUESDAY, February 3, 1998

ROOM 238, CITY HALL - 2 PM
200 North Spring Street, Los Angeles, CA 90012

Members: Councilmember Richard Alatorre, Chair
Councilmember Rita Walters
Councilmember Michael Feuer

(Adrienne Bass - Legislative Assistant - 213.237.0379)

<u>File No.</u>	<u>Subject</u>
97-0600-S77	(1) General Services Department report relative to custodial services and building maintenance contracts. (Personnel Committee on 1-15-98 approved as revised; IT & GS Committee will hear after Budget and Finance Committee has reviewed) Fiscal Impact Statement submitted: Yes Disposition _____
96-0726	(2) Discussion regarding the Street Damage Restoration Fee, including what entities the revenue will come from, what specifically the fee will be used for, the cost of a potential inspection program, and the impact on City departments. Fiscal Impact Statement submitted: Yes Disposition _____
96-1619-S1	(3) CAO report relative to Portrero Canyon Park Development. (Arts, Health and Humanities Committee waived consideration) Fiscal Impact Statement submitted: Yes Disposition <u>Hear again on 2/10</u>
98-0150	(4) CAO report relative to Debt Capacity Update. Fiscal Impact Statement submitted: Yes Disposition _____

*Council
2/11*

Closed Session

City Attorney requests Closed Session pursuant to Govt. Code Sections 54956.9(a) and/or (b) to allow the Committee to confer with its legal counsel on the following matters:

(5)

97-0138 Communication from Law Offices of Barbosa & Garcia relative to case entitled Henry Cousine v. City of Los Angeles, et al., LASC Case No. BC 119735 regarding a civil rights/excessive force claim by a Los Angeles Police Department officer against the City. (Continued from 1-27-98)

Fiscal Impact Statement submitted: Yes

Disposition _____

(6)

97-1478 City Attorney report for offer of settlement in the case of Ivan E. Shinkle and Barbara Crawford, et al. v. City of Los Angeles, LASC Case No. BC 154805--a Class Action for refund of alleged overpayment of sewer service charges at residential rate in use for the period June 30, 1993 to June 30, 1997.

Fiscal impact statement submitted: Yes

Disposition _____

(7)

98-0209 City Attorney report for offer of settlement in the case of Nancy Gleysteen et al. v. City of Los Angeles, LASC Case No. BC 161596 regarding an allegation of sexual harassment.

Fiscal impact statement submitted: Yes

Disposition _____

(8)

98-0210 City Attorney report for offer of settlement in the case of Belinda Gomez et al. v. City of Los Angeles, LASC Case No. BC 136008 regarding an allegation of sexual harassment.

Fiscal impact statement submitted: Yes

Disposition _____

Comments from the public on items of public interest within the Committee's subject matter jurisdiction

bf0203.agd

J. MICHAEL CAREY
City Clerk

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

Pat Healy
Chief Legislative Assistant

96-1619-S1

CD 11

January 22, 1998

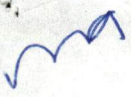
ARTS, HEALTH & HUMANITIES COMMITTEE
BUDGET & FINANCE COMMITTEE

In accordance with Council Rules, communication from the Department of Recreation and Parks relative to Potrero Canyon Park Development, was referred on January 22, 1998, to the ARTS, HEALTH & HUMANITIES COMMITTEE and BUDGET & FINANCE COMMITTEE.

J. Michael Carey

City Clerk
amm





TRANSMITTAL

0150-01099-0004

TO The Council	DATE JAN 15 1998	COUNCIL FILE No. 96-1619-S1
FROM The Mayor		COUNCIL DISTRICT 11

Potrero Canyon Park Development

A proposed supplemental agreement with Potrero Canyon Constructors to complete the stabilization of Potrero Canyon is transmitted for your consideration. See the attached report of the City Administrative Officer.

Kelly Martin
MAYOR

ARTS HEALTH & HUMANITIES
BUDGET AND FINANCE

JAN 22 1998

RECEIVED
CITY CLERK'S OFFICE

98 JAN 20 AM 6:57

CITY CLERK
BY _____
DEPUTY

RECEIVED
CITY CLERK'S OFFICE

98 JAN 20 AM 6:57

CITY CLERK
BY _____ DEPUTY

revegetation of the completed fill. Also, the haul route through the Pacific Palisades community was rejected with the alternative being the use of an extensive conveyor system.

- 2) The down-turn in the economy resulted in a significantly diminished availability of excavation dirt from development projects.
- 3) A landslide at the front of the canyon following the Northridge Earthquake partially buried the former Sunspot Restaurant and threatened the residential street above. The correction of this problem provided the opportunity to create a new access road into the canyon, eliminating the need to utilize a conveyor system for transporting dirt into the canyon. However, the cost is significant and funds have thus far not been available.
- 4) The winter rain storms of 1995 activated one of the slides in the canyon, prompting the City's Building and Safety Department to issue a stop-work order. This required the contractor to stockpile any fill material coming into the canyon. This included landslide material cleaned up by CalTrans along Pacific Coast Highway (PCH) and other cross mountain roads during that winter.
- 5) Caltrans ordered work stopped on the slide remediation work on the front of the canyon because the toe of the recompacted buttress fill would encroach upon the former alignment of old PCH. Further, Building and Safety questioned the suitability of placing fill on top of the old asphalt roadway which was built 60 years earlier upon unknown base material.
- 6) No funding was available to execute the necessary amendments due to budget constraints. Interim funding, that was eventually approved, was tied up pending a determination that Recreation and Parks had a viable plan in place to replace those funds which were being loaned from another long-term capital project. It was decided that the repayment would not be expected in the short term but rather would be made part of the total repayment of all costs advanced to the Potrero Canyon Project by the General Fund.

All of these factors taken together necessitate additional time for completion of the project. The Board of Recreation and Park Commissioners originally approved the subject amendment in 1995. However, only a modified version was approved at that time to reflect that only \$750,000 could then be made available to continue work on the project. The completion date of December 30, 1999 projected in 1995 when this amendment was first drafted cannot be met. The Department is currently negotiating a more realistic date with the contractor. An important consideration in those discussions is the continued stockpiling of fill dirt and the ability to proceed with work during the rainy season.

(Summary continued)

This supplemental agreement now provides the balance of funding to complete the "fill" phase of the project. The agreement is composed of three elements:

slide remediation	\$1,538,978
buttress fill	\$1,546,260
contingencies	\$1,914,762

The work entails removal of the remaining material from the two slides, installation of an engineered buttress fill, extensions to the main storm drain into the lateral canyons and on the new slopes, and completion of the fill to a rough grade. The total for this work is \$3.1 million. The contingencies funding is high because of the experience on the project with unforeseen conditions. Nonetheless, it is hoped that a significant balance will remain upon completion of this phase, to apply toward the \$3.5 million needed for revegetation and park improvements.

Proposition K, approved by the voters in November 1996 includes \$5 million for the Potrero Canyon Project. The scope was described as "stabilization and grading of hillside canyon, outdoor park development including landscaping and irrigation of summit". By this description and given the magnitude of funding provided, a completed, primarily passive recreation opportunity was expected to have been provided. Given the unforeseen occurrences that now must be addressed, the \$5 million from Proposition K will only be sufficient to complete the fill and slope stabilization. As much as \$3.5 million in additional funds will have to be identified in the near future because completion of the total project is essential both to provide the mitigation measures required by the Coastal Commission permit and to finish the park improvements as contemplated by the project funding in Proposition K.

Given the inability of Recreation and Parks to allocate any funds from any source to the Potrero Canyon Project, it is most likely that the City will have to rely on the General Fund to complete the work. In doing so it becomes even more important that the Department of Recreation and Parks undertake to fulfill the long standing commitment to repay the General Fund for the advances made to the Project. The primary source for such repayment was intended to be from a restaurant concession at the site of the former Sunspot Motel and Restaurant. The Department of Recreation and Parks has recently indicated it does not intend to pursue the re-establishment of such a concession. Similarly situated concessions realize \$1 million annually for the County of Los Angeles. A proposed exchange of CalTrans right of way for a portion of the City's Occidental Petroleum parcel should facilitate the rebuilding of new structures at this location on PCH. Recreation and Parks needs to take the initiative to formulate a plan for reestablishment of recreational/concession use inasmuch as the Coastal Commission apparently desires that some kind of amenities be constructed on this 3 to 4 acre site. In conjunction with the exchange with CalTrans, Recreation and Parks should present the proposed land swap for Council approval and provide a discussion as to how relinquishment of the parcel will not be harmful to the City's significant investment and potential use of its surrounding ownership.

(Summary continued)



The stabilization project was initiated by the settling of numerous lawsuits brought by property owners on the west rim of the canyon who contended that the concentration of storm water, both physically and in time, caused accelerated erosion that resulted in loss of support for their lots above. The City ended up with title to 23 lots at a cost of \$13 million. It is expected that these lots will be suitable for rebuilding when the stabilization project is complete. This is a desirable neighborhood where major renovation of existing older homes is taking place. The City has received numerous inquiries regarding its lots. A marketing plan should be explored. The City Attorney sees merit in offering options on the lots, thus providing the prospective buyers with the opportunity to monitor the stabilization process. In the past, disclosure by the City and acknowledgment by a buyer has not been considered adequate to finalize a sales transaction. The Departments of General Services and Recreations & Parks, in consultation with the City Attorney, should report back on a sale plan that could realize the recovery of a significant part of the City's settlement outlay.

The City applied for FEMA funds (DSR No. 12306) for the costs associated with the slide on PCH. More aggressive pursuit of that claim should be undertaken. Recreation and Parks should work closely with this Office to assure that the City receives full consideration of the claim. Only \$75,000 has been allocated by FEMA as compared with the potential eligible costs of \$800,000.

RECOMMENDATIONS

That the Council:

1. Approve the supplemental agreement with Potrero Canyon Constructors to expand the scope of the contract and to extend the contract term for completion of the Potrero Canyon Park Development Project;
2. Instruct the Department of Recreation and Parks to report back with plans for:
 - a) the marketing of the rehabilitated residential lots acquired by settlement of the landslide lawsuits;
 - b) the reestablishment of a concession or other alternative/appropriate use on the Pacific Coast Highway frontage of Potrero Canyon, and
 - c) the repayment of costs advanced by the General Fund for the Potrero Canyon Project including recovery of eligible costs from FEMA.

(Fiscal Impact Statement attached)



FISCAL IMPACT STATEMENT

Approval of a supplemental agreement with Potrero Canyon Constructors will allow for the use of \$5 million in Proposition K funding for the completion of stabilization of Potrero Canyon. However, in order to comply with the conditions imposed by the permit issued by the California Coastal Commission, as well as to complete the scope of park improvement work contemplated in Proposition K, the final phase of this project which includes park improvements and landscaping must be funded and completed within two years of the final grading work. This will necessitate the General Fund committing an estimated \$3.5 million to the project in fiscal year 1999/2000.



**BOARD OF RECREATION AND
PARK COMMISSIONERS**

STEVEN L. SOBOROFF
PRESIDENT

LEROY CHASE
VICE PRESIDENT

MIKE ROOS
P. JUAN SANTILLAN
LISA SPECHT

CITY OF LOS ANGELES

CALIFORNIA



RICHARD J. RIORDAN
MAYOR

July 23, 1997

DEPARTMENT OF
RECREATION AND PARKS
200 NO. MAIN ST.
13TH FLOOR
LOS ANGELES, CALIF. 90012

(213) 485-5508
FAX - (213) 628-8954

JACKIE TATUM
GENERAL MANAGER

Hon. Richard J. Riordan, Mayor
City of Los Angeles
City Hall East, 8th Floor
200 North Main Street
Los Angeles, CA 90012

Attention: Ms. June Lagmay

Dear Mayor Riordan:

In accordance with Executive Directive No. 16, there are transmitted herewith two copies of proposed Supplemental Agreement No. 2 to Contract No. 2387 with Potrero Canyon Constructors for the additional work required at Potrero Canyon to complete the slide remediation and buttresses required for the construction of the Potrero Canyon Park Development (#1012B).

The work to be done under Supplemental Agreement Nos. 1 and 2 was approved by the Board of Recreation and Park Commissioners at its meeting held on May 17, 1995 (General Manager's Report 233-95).

Supplemental Agreement No. 1 provided for the first portion of the work for \$344,000, the sum total of the funds available at that time, with that work to be concluded between December 26, 1996 and June 30, 1997. Supplemental Agreement No. 2 provides for the completion of the slide remediation and buttresses required for \$3,085,238, with the work to be completed by December 30, 1999.

Supplemental Agreement No. 2 has been sent simultaneously to the City Attorney for approval. After review and recommendation by you, the proposed Supplemental Agreement will be forwarded to the City Council for approval, prior to final action by the Board.

97 JUL 29 AM 7 52

CITY ADMINISTRATIVE OFFICE



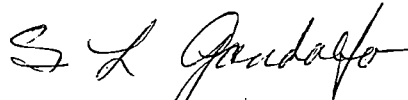
Hon. Richard J. Riordan 2

July 23, 1997

If there are any questions in connection with this matter, please contact Ms. Kathleen Chan, at 847-8284.

Very truly yours,

BOARD OF RECREATION AND
PARK COMMISSIONERS



SAUNDRA L. GANDOLFO
Acting Secretary

transmittals

cc: Mr. Zamrzla

**SUPPLEMENTAL AGREEMENT NO. 2 TO CONTACT NO. 2387
BETWEEN
THE CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS
AND
POTRERO CANYON CONSTRUCTORS
FOR CONSTRUCTION OF
POTRERO CANYON PARK DEVELOPMENT (#1012B)**

THIS SUPPLEMENTAL AGREEMENT TO CONTRACT NO. 2387 is made and entered into this _____ day of _____ 1997, by and between the City of Los Angeles, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners (hereinafter referred to as "City") and Potrero Canyon Constructors, a corporation (hereinafter referred to as "Contractor").

WITNESSETH

WHEREAS, the Contractor was awarded Contract No. 2387 in February, 1991 for the construction of the Potrero Canyon Park Development Phase II project located at 15145 Pacific Coast Highway, Los Angeles, which contract was subsequently executed in April 1991; and,

WHEREAS, in December 1994, a landslide occurred in the active landslide known as Via de Las Olas. The slide is north of the mouth of the canyon and covered a significant portion of the old motel known as the Sunspot. The Department of Building and Safety issued two orders to comply; one to demolish the Sunspot Motel and one to remediate the landslide. As outlined in General Manager's Report No. 233-95 which is attached hereto as Exhibit "A" and incorporated by reference as though fully set forth herein, the slide remediation allows the alignment of the entrance to Potrero Canyon providing construction access in a safe manner; and,

WHEREAS, the Department has determined that installation of buttresses to existing slides, additional slope drain installation and related improvements will expedite completion of the project reducing the overall project costs and potential for liability to the City; and

WHEREAS, the change of scope of work is necessary to complete the project in light of the problems outlined; and

WHEREAS, Supplemental Agreement No. 1 was entered into on 14th day of July 1997 to provide for the first portion of the work in the amount of \$344,000, the sum total of the funds available at that time, attached as Exhibit No. 1; and

WHEREAS, the Contractor has submitted a bid for the construction of the required changes, which bid is attached hereto as Exhibit "B" and incorporated by reference as though fully set forth herein.

NOW THEREFORE, in consideration of the covenants and conditions herein contained, to be kept and performed by the respective parties, it is agreed as follows:

1. The aforementioned bid shall constitute a part of Supplemental Agreement No. 1 and this Supplemental Agreement No. 2 to City Contract No. 2387; and

2. The Contractor shall perform the work required under said supplemental contract in accordance with the terms of the contract drawings on file with the Department and incorporated herein by reference; and

3. The City Shall pay the Contractor to perform said supplemental contract the sum of \$3,085,238, which represents the difference between the approved Exhibit No. "B" and funds available to Supplemental Agreement No. 1, \$344,000 for the demolition of the Sunspot Hotel, slide remediation and installation of access road, related engineering improvements and Phase III buttress work; and

4. The Contractor shall perform the remainder of the work set forth above in the extended contract time of two years or up to December 30, 1999.

IN WITNESS WHEREOF, parties, hereto have caused this Agreement to be executed by their duly authorized representatives.

Executed this _____ day of
_____, 1997

THE CITY OF LOS ANGELES, acting by and
through its Board of Recreation and Park
Commissioners

By _____
PRESIDENT

Executed this _____ day of
_____, 1997

By _____
SECRETARY

Approved as to Form:
JAMES K. HAHN, City Attorney

POTRERO CANYON CONSTRUCTORS

By _____
ASSISTANT CITY ATTORNEY

By _____
PRESIDENT

By _____
SECRETARY

EXHIBIT A

REPORT OF GENERAL MANAGER

NO. 233-95

DATE May 17, 1995

CD 11

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: POTRERO CANYON PARK DEVELOPMENT - PHASE II DEVELOPMENT (#1012B) - REQUEST FOR FUNDS AND APPROVAL OF AMENDMENT TO CONSTRUCTION CONTRACT NO. 2387

J. Andervich _____
D. Gonzalez _____
R. Sessinghaus _____
M. Mollinedo _____
A. Kerman _____

P. Bryant _____
*D. Zamrda DRZ
S. Kippel _____
E. Porter _____

Dallas R. Zamrda
Acting General Manager

Approved DRZ Disapproved _____ Withdrawn _____

RECOMMENDATION:

It is recommended that the Board:

1. Request the Mayor and City Council to appropriate \$4.5 million from the General Fund or Reserve Fund to the Potrero Canyon Park Development project to provide for the completion of remedial grading in the slide in the front of the Canyon, demolition of the Sunspot Motel damaged in December of 1994 during a landslide, construction of a new entry road to Potrero Canyon to facilitate completion of the project, installation of buttresses to existing slides within the Canyon, additional slope drains, geotechnical reports and inspection, and related permit and administration costs as described in the body of this report;
2. Approve an amendment to the construction contract, subject to approval of funding, to include the demolition of the Sunspot Motel, the slide remediation to the slide known as "Via de Las Olas", and the engineering construction required to install the buttresses that are currently not a part of Phase II approved plans as described in the body of this report;
3. Direct the Board Secretary to submit the Amendment to the City Attorney and Mayor for review and recommendation in accordance with Executive Directive No. 16, prior to execution of the Amendment by the Board.

*It was moved by Commissioner Specht, seconded by Commissioner Chase, that Report 233-95 be approved, but that the action not be transmitted to the Mayor or the City Council until after any related issues are considered by the Board at its meeting of June 7, 1995. There being no objections, the Motion was approved.

REPORT OF GENERAL MANAGER

PG. 2.

NO. 233-95

SUMMARY:

Potrero Canyon Park has a long history beginning in 1964, when the property was purchased by the Department to provide coastal access from Palisades Park. Historically, the Canyon carried rainwater runoff from the Palisades by way of four storm drains that emptied into the Canyon. That situation and ground water migration along the bedrock into the Canyon's natural water course caused major landslides in the west wall of the Canyon in 1978 and 1980. The landslides and the erosion caused a number of slippages which led the City to eventually acquire 22 private properties along the rim of the Canyon.

Since 1985, this Department and the Bureau of Engineering have been working on a solution to the problem through the development of a subdrain system, storm drain and buttress land fill to support the walls of the Canyon and park development.

The first phase of the project involved the installation of approximately a mile of subdrain and storm drain system, which cost \$5.8 million, in the bottom of the Canyon. The first phase was constructed between February, 1988 and December, 1991. At the time Phase I was bid, the Department requested allocation of sufficient funds from the General Fund to finance construction of all phases of the project. The Council allocated sufficient funds for the construction of Phase I.

Subsequently, the Department, in June, 1991, requested \$1.4 million to provide for Phase II direct costs and design costs for Phase III. These funds were allocated in 1991 and have been utilized for the construction of Phase II and design of Phase III, which is currently under way. The construction of Phase II is approximately 60% complete and the plans for Phase III are currently under final review by the Coastal Commission and Corps of Engineers for final permits.

Potrero Canyon Constructors began construction of Phase II in April, 1991. Their contract provides for the filling of the Canyon to a flat plateau suitable for the installation of buttress fills against the historic landslides in accordance with an approved Phase II plan. Their contract requires the installation of related engineering improvements, i.e. storm drain access structures, bench drains etc., along with the fill, at no cost to the Department. These improvements are offset by the contractor charging for the clean fill material deposited in the structural fill by other contractors.

REPORT OF GENERAL MANAGER

PG. 3

NO. 233-95

Over the course of construction of Phase II there have been three change orders required to buttress three of the historic landslides which became active during the course of construction, causing emergency conditions requiring immediate action on the part of the Department in order to prevent further damage to private property.

Permits for the project require full time geotechnical inspection of the site while the contractor is working. This is a cost of approximately \$10,000 per month. The Department must provide and pay for the temporary traffic signal on Pacific Coast Highway, a cost of \$9,000 per year. Also, the Department must pay for water service from the County since the project cannot be served from the Department of Water and Power, at a cost of approximately \$6,000 per year.

Design costs on the project have exceeded \$125,000 for Phase II emergency design work connected with the buttresses to secure work areas, and for Phase III final plans. The Coastal Commission, in 1992, required the Department provide for new community input into the design for Phase III, due to the amount of time that had transpired since the original Coastal Development permit was issued in 1986. The results of the community outreach provided for an entirely different final design of the park, altering the interface with the approved plans for Phase II construction. The outreach provided a plan that has the support of the community, the council office and a majority of the agencies involved in the project, but escalated design costs due to a required redesign of the interface with Phase II and the redesign of Phase III almost entirely. The interface of Phase II and Phase III is a significantly steeper, narrower area within the Canyon, on which the buttresses sit along with plateaus for future riparian habitat development.

The community outreach also determined that the community will not allow a change in the haul route to the site to provide for access from the Pacific Palisades to complete the final portion of the fill installation for Phase II and the installation of the buttress fills originally to be constructed under Phase III. This is a significant change to the construction contract for Phase II. The material to be placed in the Canyon to complete Phase II would be required to be placed on the site by conveyor due to the steep slope of the front of the park site being created for Phase III. The estimate for completion of the project using conveyors is an estimated \$5 million change order to the construction contract. Alternates to conveyor were being explored over the past year.

REPORT OF GENERAL MANAGER

PG. 4

NO. 233-95

In December, 1994 a landslide occurred in the historic slide directly to the north of the mouth of Potrero Canyon, a slide known as "Via de la Ollas", on Department property. The slide covered a portion of another Department facility known as the Sunspot, an inoperative motel/restaurant. On December 13, 1994 the Department of Building and Safety issued two orders to comply. One for demolition of the Sunspot, and one requiring the remediation of the landslide. Since that time, Department staff has reviewed design and construction options in order to comply with the directives of the Department of Building and Safety.

The slide has presented an opportunity in the required remediation to create a new entrance to Potrero Canyon which will resolve the access issue for completion of the project. In the buttress for the slide required for the remediation a new road may be built which will be an easy construction access to the site for the duration of the project and will provide a longer more gentle pedestrian/emergency access to the site on a permanent basis. Plans have been prepared and are being submitted concurrently with this report for review and approval by all required agencies and the community. An encroachment permit will be required with Caltrans to allow for permanent access across the historic Pacific Coast Highway alignment. However, the slide remediation directly benefits the State by increasing the safety of Pacific Coast Highway by removing the threat of further slides in this area. Staff does not anticipate a problem in securing the permit.

While reviewing design options for slide remediation, staff reviewed the options for the Sunspot as well. Remaining known asbestos has been removed from the building in anticipation of either restoration work or demolition, (cost approximately \$5,000 to date). In order to remediate the slide and leave any portion of the building, the slope will be required to be shored behind the building. Estimates for shoring, due to location and the danger involved, exceed \$1.5 million for the shoring alone. The estimate for demolishing the building, the slope remediation, and the construction of the new access road, retaining walls and related engineering improvement on the slope is a total of \$1,882,978. Upon completion of the remediation there will be an area at the entrance of the Canyon that is suitable for a new building, meeting all current building and grading codes. Leaving any portion of the building below the area that would be shored to save it does not immediately guarantee the slide restoration would provide for meeting current grading code requirements for set back from the

REPORT OF GENERAL MANAGER

PG. 5

NO. 233-95

slope. Saving any portion of the building would increase the cost of the slide remediation by a minimum of \$1 million to an estimated cost of \$2.9 million. It does not appear to be in the best interest of the Department to save any portion of the building when a new location that meets all current codes may be constructed at the same time for the same costs to provide for a concession at a later date. The remediation in this manner also provides a manner to avoid the estimated change order of \$5 million to conveyor the remaining fill material into the Canyon to complete the project. Therefore, staff recommends the Board approve, subject to identification of additional funds and permit approval, an amendment to the construction contract in the amount of \$1,882,978 for the slope remediation, road, engineering improvements, and demolition of the Sunspot.

The construction of Phase II was originally anticipated to be completed this year, four years from the start in 1991. However, clean fill material has been severely limited during the building and general economic recession of the past several years. This year the advent of the heavy rains has caused several slides, along Pacific Coast Highway on CalTrans property, generating large quantities of suitable clean fill material available to this site. Our construction contractor has access to a minimum of 300,000 cubic yards of this material, with the potential for an additional 200-500,000 yards, providing the new access to the site is provided. The material availability has caused staff to review the potential for use of the material in the Canyon with the geotechnical consultants and has determined that the best manner for expediting completion of the construction of the project is to complete slide repairs fully in slide 2 and slide 3 creating a larger safer, due to the buttresses, work area. Along those lines, the construction contractor was requested to provide a change order proposal for amendment to his contract, for the installation of all remaining buttresses in the project. Since some of the material to complete the work will come from the slide remediation in the Via de las Olas slide and the availability of material from Caltrans, the cost would be very favorable to the Department. The contractor has provided a quote of \$1,546,260 for the completion of all Phase III buttress work. This would effectively complete the project for all known existing safety conditions. The remaining work would be the installation of the riparian habitat and park development, (currently estimated at an additional \$3.5 million under current permit conditions and unfunded). An additional allowance for contingencies should be made for the necessity of hydraugers and/or slope drains required by the geotechnical

REPORT OF GENERAL MANAGER

PG. 6

NO. 233-95

consultant and the Department of Building and Safety, approximately \$300,000, and other unknown construction contingencies for both amendments, \$400,000 for a net contingency amount of \$700,000 for the completion of the construction of both portions of the amendment work. The other benefit of this portion of the amendment will be that there is every possibility that the construction of the major portion of the remaining project may be complete by the end of the year providing the permits can be expedited. At worst, the fill portion of the project will be complete up to two (2) years sooner than originally anticipated which could save the Department a minimum of \$300,000 in construction related costs, (geotechnical fees, rental of traffic signal and water meter, etc).

This project has previously drawn its funding from the General Fund, due to the fact that the liability for the damages caused by the slides was determined to lie with the City. A significant number of the private properties purchased due the slides are being restored with the potential for returning them to private ownership. Funds generated from the resale of the properties will be returned to the General Fund to offset project costs.

Therefore, staff recommends the Board approve the request for additional funding, as outlined in the body of the report, required completion of construction of the safety portion of the project, and request the funding be expedited, and that the Board approve the two amendments to the contract to provide for the slope rehabilitation and completion of the buttress work to facilitate completion of the project.

SUPPLEMENTAL AGREEMENT TO CONTRACT NO. 2387
BETWEEN
THE CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS
AND
POTRERO CANYON CONSTRUCTORS
FOR CONSTRUCTION OF
POTRERO CANYON PARK DEVELOPMENT (#1012B)

THIS SUPPLEMENTAL AGREEMENT TO CONTRACT NO. 2387 is made and entered into this 14th day of JULY 1997, by and between the City of Los Angeles, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners (hereinafter referred to as "City") and Potrero Canyon Constructors, a corporation (hereinafter referred to as "Contractor").

WITNESSETH

WHEREAS, the Contractor was awarded Contract No. 2387 in February, 1991 for the construction of the Potrero Canyon Park Development Phase II project located at 15145 Pacific Coast Highway, Los Angeles, which contract was subsequently executed in April, 1991; and,

WHEREAS, in December, 1994 a landslide occurred in the active ^{slip} landslide ^{area} known as Via de las Olas. The slide is North of the mouth of the canyon and covered a significant portion of the old motel known as the Sunspot. The Department of Building and Safety issued two orders to comply. One to demolish the Sunspot Motel and one to remediate the landslide. As outlined in General Manager's Report No. 233-95 which is attached hereto as Exhibit "A" and incorporated by reference as though fully set forth herein, the slide remediation allows the realignment of the entrance to Potrero

EXHIBIT 1

~~entrance to Potrero~~ Canyon providing construction access in a safe manner; and,

WHEREAS, the change in the scope of the work is necessary to complete the project in light of the problems outlined; and,

WHEREAS, the Contractor has submitted a bid for the construction of the required changes, which bid is attached hereto as Exhibit "B" and incorporated by reference as though fully set forth herein.

NOW, THEREFORE, in consideration of the covenants and conditions herein contained, to be kept and performed by the respective parties, it is agreed as follows:

1. The aforementioned bid shall constitute a Supplemental Agreement to City Contract No. 2387; and,

2. The Contractor shall perform the work required under said supplemental contract in accordance with the terms of the contract drawings on file with the Department and incorporated herein by reference; and,

3. The City shall pay the Contractor to perform said supplemental contract the sum of \$344,000; and,

4. The Contractor shall perform the portion of the work set forth above in the extended contract time of two years, ^{i.e. by} ~~or~~ by June 30, 1997.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Executed this 14th day of
July 1997

THE CITY OF LOS ANGELES,
Acting by and through its
Board of Recreation and Park
Commissioners

By *Steve Jones*
PRESIDENT

By *S. L. Gonzalez*
Acting SECRETARY

Executed this 3rd day of
June 1997

POTRERO CANYON CONSTRUCTORS
By *Gerald E. King*
PRESIDENT

By *Kenneth Saitz*
SECRETARY

Approved as to Form:
JAMES K. HAHN, City Attorney

By *Richard B. Johnson*
ASSISTANT CITY ATTORNEY

EXHIBIT A

REPORT OF GENERAL MANAGER

NO. 233-95

DATE May 17, 1995

CD 11

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: POTRERO CANYON PARK DEVELOPMENT - PHASE II DEVELOPMENT
(#1012B) - REQUEST FOR FUNDS AND APPROVAL OF AMENDMENT TO
CONSTRUCTION CONTRACT NO. 2387

J. Andervich _____
D. Gonzalez _____
R. Sessinghaus _____
M. Mollinedo _____
A. Kerman _____

P. Bryant _____
*D. Zamrza DRZ
S. Klippel _____
E. Porter _____

Dellon R. Zamrza
Acting General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

It is recommended that the Board:

1. Request the Mayor and City Council to appropriate \$4.5 million from the General Fund or Reserve Fund to the Potrero Canyon Park Development project to provide for the completion of remedial grading in the slide in the front of the Canyon, demolition of the Sunspot Motel damaged in December of 1994 during a landslide, construction of a new entry road to Potrero Canyon to facilitate completion of the project, installation of buttresses to existing slides within the Canyon, additional slope drains, geotechnical reports and inspection, and related permit and administration costs as described in the body of this report;
2. Approve an amendment to the construction contract, subject to approval of funding, to include the demolition of the Sunspot Motel, the slide remediation to the slide known as "Via de Las Olas", and the engineering construction required to install the buttresses that are currently not a part of Phase II approved plans as described in the body of this report;
3. Direct the Board Secretary to submit the Amendment to the City Attorney and Mayor for review and recommendation in accordance with Executive Directive No. 16, prior to execution of the Amendment by the Board.

*It was moved by Commissioner Specht, seconded by Commissioner Chase, that Report 233-95 be approved, but that the action not be transmitted to the Mayor or the City Council until after any related issues are considered by the Board at its meeting of June 7, 1995. There being no objections, the Motion was approved.

REPORT OF GENERAL MANAGER

PG. 2

NO. 233-95

SUMMARY:

Potrero Canyon Park has a long history beginning in 1964, when the property was purchased by the Department to provide coastal access from Palisades Park. Historically, the Canyon carried rainwater runoff from the Palisades by way of four storm drains that emptied into the Canyon. That situation and ground water migration along the bedrock into the Canyon's natural water course caused major landslides in the west wall of the Canyon in 1978 and 1980. The landslides and the erosion caused a number of slippages which led the City to eventually acquire 22 private properties along the rim of the Canyon.

Since 1985, this Department and the Bureau of Engineering have been working on a solution to the problem through the development of a subdrain system, storm drain and buttress land fill to support the walls of the Canyon and park development.

The first phase of the project involved the installation of approximately a mile of subdrain and storm drain system, which cost \$5.8 million, in the bottom of the Canyon. The first phase was constructed between February, 1988 and December, 1991. At the time Phase I was bid, the Department requested allocation of sufficient funds from the General Fund to finance construction of all phases of the project. The Council allocated sufficient funds for the construction of Phase I.

Subsequently, the Department, in June, 1991, requested \$1.4 million to provide for Phase II direct costs and design costs for Phase III. These funds were allocated in 1991 and have been utilized for the construction of Phase II and design of Phase III, which is currently under way. The construction of Phase II is approximately 60% complete and the plans for Phase III are currently under final review by the Coastal Commission and Corps of Engineers for final permits.

Potrero Canyon Constructors began construction of Phase II in April, 1991. Their contract provides for the filling of the Canyon to a flat plateau suitable for the installation of buttress fills against the historic landslides in accordance with an approved Phase II plan. Their contract requires the installation of related engineering improvements, i.e. storm drain access structures, bench drains etc., along with the fill, at no cost to the Department. These improvements are offset by the contractor charging for the clean fill material deposited in the structural fill by other contractors.

REPORT OF GENERAL MANAGER

PG. 3

NO. 233-95

Over the course of construction of Phase II there have been three change orders required to buttress three of the historic landslides which became active during the course of construction, causing emergency conditions requiring immediate action on the part of the Department in order to prevent further damage to private property.

Permits for the project require full time geotechnical inspection of the site while the contractor is working. This is a cost of approximately \$10,000 per month. The Department must provide and pay for the temporary traffic signal on Pacific Coast Highway, a cost of \$9,000 per year. Also, the Department must pay for water service from the County since the project cannot be served from the Department of Water and Power, at a cost of approximately \$6,000 per year.

Design costs on the project have exceeded \$125,000 for Phase II emergency design work connected with the buttresses to secure work areas, and for Phase III final plans. The Coastal Commission, in 1992, required the Department provide for new community input into the design for Phase III, due to the amount of time that had transpired since the original Coastal Development permit was issued in 1986. The results of the community outreach provided for an entirely different final design of the park, altering the interface with the approved plans for Phase II construction. The outreach provided a plan that has the support of the community, the council office and a majority of the agencies involved in the project, but escalated design costs due to a required redesign of the interface with Phase II and the redesign of Phase III almost entirely. The interface of Phase II and Phase III is a significantly steeper, narrower area within the Canyon, on which the buttresses sit along with plateaus for future riparian habitat development.

The community outreach also determined that the community will not allow a change in the haul route to the site to provide for access from the Pacific Palisades to complete the final portion of the fill installation for Phase II and the installation of the buttress fills originally to be constructed under Phase III. This is a significant change to the construction contract for Phase II. The material to be placed in the Canyon to complete Phase II would be required to be placed on the site by conveyor due to the steep slope of the front of the park site being created for Phase III. The estimate for completion of the project using conveyors is an estimated \$5 million change order to the construction contract. Alternates to conveyor were being explored over the past year.

REPORT OF GENERAL MANAGER

PG. 4

NO. 233-95

In December, 1994 a landslide occurred in the historic slide directly to the north of the mouth of Potrero Canyon, a slide known as "Via de la Olas", on Department property. The slide covered a portion of another Department facility known as the Sunspot, an inoperative motel/restaurant. On December 13, 1994 the Department of Building and Safety issued two orders to comply. One for demolition of the Sunspot, and one requiring the remediation of the landslide. Since that time, Department staff has reviewed design and construction options in order to comply with the directives of the Department of Building and Safety.

The slide has presented an opportunity in the required remediation to create a new entrance to Potrero Canyon which will resolve the access issue for completion of the project. In the buttress for the slide required for the remediation a new road may be built which will be an easy construction access to the site for the duration of the project and will provide a longer more gentle pedestrian/emergency access to the site on a permanent basis. Plans have been prepared and are being submitted concurrently with this report for review and approval by all required agencies and the community. An encroachment permit will be required with Caltrans to allow for permanent access across the historic Pacific Coast Highway alignment. However, the slide remediation directly benefits the State by increasing the safety of Pacific Coast Highway by removing the threat of further slides in this area. Staff does not anticipate a problem in securing the permit.

While reviewing design options for slide remediation staff reviewed the options for the Sunspot as well. Remaining known asbestos has been removed from the building in anticipation of either restoration work or demolition, (cost approximately \$5,000 to date). In order to remediate the slide and leave any portion of the building, the slope will be required to be shored behind the building. Estimates for shoring, due to location and the danger involved, exceed \$1.5 million for the shoring alone. The estimate for demolishing the building, the slope remediation, and the construction of the new access road, retaining walls and related engineering improvement on the slope is a total of \$1,882,978. Upon completion of the remediation there will be an area at the entrance of the Canyon that is suitable for a new building, meeting all current building and grading codes. Leaving any portion of the building below the area that would be shored to save it does not immediately guarantee the slide restoration would provide for meeting current grading code requirements for set back from the

REPORT OF GENERAL MANAGER

PG. 5

NO. 233-95

slope. Saving any portion of the building would increase the cost of the slide remediation by a minimum of \$1 million to an estimated cost of \$2.9 million. It does not appear to be in the best interest of the Department to save any portion of the building when a new location that meets all current codes may be constructed at the same time for the same costs to provide for a concession at a later date. The remediation in this manner also provides a manner to avoid the estimated change order of \$5 million to conveyor the remaining fill material into the Canyon to complete the project. Therefore, staff recommends the Board approve, subject to identification of additional funds and permit approval, an amendment to the construction contract in the amount of \$1,882,978 for the slope remediation, road, engineering improvements, and demolition of the Sunspot.

The construction of Phase II was originally anticipated to be completed this year, four years from the start in 1991. However, clean fill material has been severely limited during the building and general economic recession of the past several years. This year the advent of the heavy rains has caused several slides, along Pacific Coast Highway on CalTrans property, generating large quantities of suitable clean fill material available to this site. Our construction contractor has access to a minimum of 300,000 cubic yards of this material, with the potential for an additional 200-500,000 yards, providing the new access to the site is provided. The material availability has caused staff to review the potential for use of the material in the Canyon with the geotechnical consultants and has determined that the best manner for expediting completion of the construction of the project is to complete slide repairs fully in slide 2 and slide 3 creating a larger safer, due to the buttresses, work area. Along those lines, the construction contractor was requested to provide a change order proposal for amendment to his contract, for the installation of all remaining buttresses in the project. Since some of the material to complete the work will come from the slide remediation in the Via de las Olas slide and the availability of material from Caltrans, the cost would be very favorable to the Department. The contractor has provided a quote of \$1,546,260 for the completion of all Phase III buttress work. This would effectively complete the project for all known existing safety conditions. The remaining work would be the installation of the riparian habitat and park development, (currently estimated at an additional \$3.5 million under current permit conditions and unfunded). An additional allowance for contingencies should be made for the necessity of hydraugers and/or slope drains required by the geotechnical

REPORT OF GENERAL MANAGER

PG. 6

NO. 233-95

consultant and the Department of Building and Safety, approximately \$300,000, and other unknown construction contingencies for both amendments, \$400,000 for a net contingency amount of \$700,000 for the completion of the construction of both portions of the amendment work. The other benefit of this portion of the amendment will be that there is every possibility that the construction of the major portion of the remaining project may be complete by the end of the year providing the permits can be expedited. At worst, the fill portion of the project will be complete up to two (2) years sooner than originally anticipated which could save the Department a minimum of \$300,000 in construction related costs, (geotechnical fees, rental of traffic signal and water meter, etc).

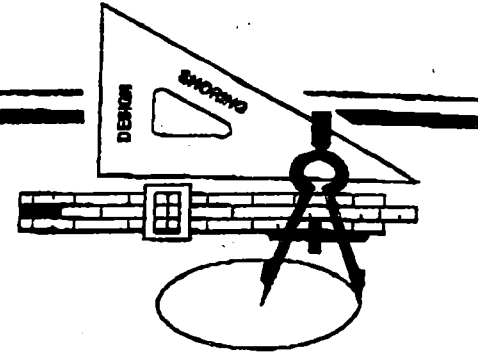
This project has previously drawn its funding from the General Fund, due to the fact that the liability for the damages caused by the slides was determined to lie with the City. A significant number of the private properties purchased due the slides are being restored with the potential for returning them to private ownership. Funds generated from the resale of the properties will be returned to the General Fund to offset project costs.

Therefore, staff recommends the Board approve the request for additional funding, as outlined in the body of the report, required completion of construction of the safety portion of the project, and request the funding be expedited, and that the Board approve the two amendments to the contract to provide for the slope rehabilitation and completion of the buttress work to facilitate completion of the project.

EXHIBIT B

CALEX ENGINEERING CO.

A GENERAL ENGINEERING CONTRACTOR



June 19, 1997

City of Los Angeles
Department of Recreation and Parks
200 N. Main Street, 709
Los Angeles, Ca. 90012

Att: Kathleen Chan
RE: Potrero Canyon Development

Dear Ms. Chan,

With regards to the Access Road and Phase 3 Improvements to Potrero Canyon Park Development.

As estimated 3/27/95:

Item B:	\$1,882,9709 (Access Road)
Item B1	\$1,546,260 (Phase 3 Improvements)
Total	\$3,429,230

Amendment to item B (see attached), totaling \$344,000 as billed in Monthly Estimate #10, is broken down as follows:

Total amount billed **\$344,000**

Which consists of partial work performed on item B:

<u>Item #6</u>	<u>% complete</u>	<u>Value</u>
Demo of Existing Sunspot	100%	\$75,000
Item #8		
Slide Removal	82.1%	\$200,000
Item #10		
Excavate	11%	\$69,000
Total		\$344,000

Amendment Exhibit B:	
Original estimate (3/27/95)	\$1,882,978
This work performed	344,000

"EXHIBIT B"

March 27, 1995

City of Los Angeles
 Department of Recreation and Parks
 200 N. Main Street, Room 1290
 City Hall East
 Los Angeles, CA 90012

Attn: Kathleen Chan, Project Manager

RE: SUN SPOT HOTEL DEMOLITION / ACCESS ROAD

Dear Kathleen:

The following is our estimate of cost to demo the existing Sun Spot Hotel and construct by cut and fill method a new secondary access road per the J.E. Vigil plan dated March 23, 1995.

A) SUNSPOT/ACCESS ROAD (Plans Dated Received 3/23/95):

1. V-Ditch (Detail - (1))	540 LF	@ 17.00/LF		\$ 9,180.00
2. Sidehill Drain (Detail - (2))	5,420 LF	@ 50.00/LF		271,000.00
J. Diversion Terrace (D-(3))	-0-	@ 22.00/LF		-0-
4. 20'W - Roadway x 2,200 LF (6" Thk AC Pvmnt)	44,000 SF	@ 3.50/SF		154,000.00
5. Retaining Wall				
a) 8" Thk x 10'Hx450LF (Cast-in-place (140CY))	4,500 SF	12.50/SF 400/CY	56,000	
b) Drilled Piles (8.0'O.C) 42 pcs-24" diamx20'long	840 LF	30.00	25,200.00	
30 pcs - 24"diam x 30'long	<u>900 LF</u>	<u>35.00</u>		<u>31,500.00</u>
			250./LF	\$112,700.00

B
B

6. Demolition of Existing Sunspot	LS	LS	- 75,000.00
7. Cut & Stockpile to expose slide side to demo ret. walls.	23,000/CY	2.34/CY	53,820.00
8. Slide removal	53,400/CY	4.58/CY	- 243,504.00
9. Replace 60" RCP @ existing debris basin	165 LF	LS	17,430.00
10. Excavate imported borrow w/in canyon area & place as compacted fill	221,800/CY	2.89/CY	641,002.00
11. Hydroseeding	331,900 SF	0.18/SF	59,742.00
		SUB TOTAL:	\$1,637,378.00
		+ 15% O/H & P	<u>245,600.00</u>

Previous Budget (12/19/94

\$1,245,608.00

TOTAL:

\$1,882,978.00

Looking forward to your reply,

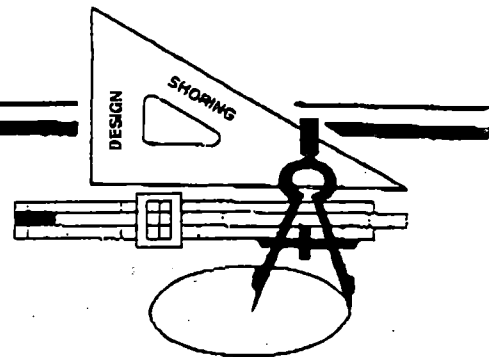
Gerald E. Gibbs
General Manager

Dictated but not read by Mr. Gibbs

"EXHIBIT B1"

CALEX ENGINEERING CO.

A GENERAL ENGINEERING CONTRACTOR



March 27, 1995

City of Los Angeles
 Department of Recreation and Parks
 200 N. Main Street, Room 1290
 City Hall East
 Los Angeles, CA 90012

Attn: Kathleen Chan, Project Manager
 (213) 485-5671 FAX (213) 617-0439

RE: **PHASE - 3 IMPROVEMENTS**

Dear Kathleen:

The following is our estimate of costs to complete the Phase 3 Improvements per the J.E. Vigil plan dated March 23, 1995.

A) PHASE - 3 (Per Plans Dated 3/23/95):

I.	Gunite Ditches	EST QTY	U/P	AMOUNT
1)	Interceptor (Detail - 1) (4,060 LF) + 2%	4,140 LF	22.00	\$91,080.00
2)	Diverter Terrace (D-2) (1,220 LF) + 2%	1,245 LF	18.00	22,410.00
3)	Berm (D-3)	2,720 LF	3.00	8,160.00
4)	V-Ditch (D-4) (5,120 LF) + 5%	5,220 LF	12.00	62,640.00
5)	Lot Line Berm (D-5)	2,960 LF	3.00	8,880.00
6)	V-Ditch Behind Wall	2,50 LF	15.00	3,750.00
7)	3"Thk Dam Shotcrete	8,410 SF	2.00	16,820.00

II. Retaining Wall

1)	Property Line Wall 10'H	1,120 LF	200.00	224,000.00
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Kathleen Chan
March 27, 1995
Page 3

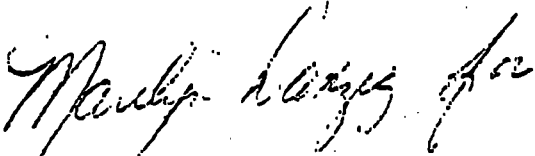
V. Reinforced Concrete Pipe

1) 18" RCP including pipes & structure	226 LB0 LF	20,340.00
	SUB-TOTAL	\$1,344,575.00
	15% O/H & P	<u>201,685.00</u>
	TOTALS	\$1,546,260.00

Exclusions: Riparian habitat; hydroauger & related work; contaminated soil and soil testing.

Sincerely,

CALEX ENGINEERING CO.



Gerald E. Gibbs
General Manager

Kathleen Chan
 March 27, 1995
 Page 2

III. Earthwork

A. Slide #1:

1) Site Demo & Clearing	LS	LS	75,000.00
2) Trim Slide Face 15'	68,700 CY	1.85	27,095.00
3) Stockpile & Bring Fill to the Top	176,250 CY	2.20	387,750.00
4) Import	295,000 CY	--	-0-

B. Slide #2:

1) Clearing	LS	LS	25,000.00
2) Trim Slide Face 5'	23,700 CY	1.85	43,845.00
3) Stockpile & Bring Fill to the Top	26,250 CY	2.20	57,750.00
4) Import	35,000 CY	--	-0-

C. Slide #3:

1) Demo/Site Clearing	(Done)	--	-0-
2) Trim Slide	(Done)	--	-0-
3) Stockpile & Bring Fill To the Top	19,125 CY	2.20	42,075.00
4) Import	25,500 CY	--	-0-

IV. Fire Lane/Access Road

1) 5.5" Thk. Conc. Pvmnt (- 12'Wx3, 160LF)	37,920 SF	2.50	94,800.00
2) Concrete Curb & 2- gutter (Type C)	3,160 LF	10.00	31,600.00
3) 2"x4" Header	3,160 LF	0.50	1,580.00

PLEASE SCHEDULE THE FOLLOWING ITEM FOR TUESDAY, JANUARY 27, 1998,
per request from Chair, Arts, Health and Humanities Committee.
Thank you, C. Williams

ITEM NO. ()

96-1619-S1 ARTS, HEALTH AND HUMANITIES COMMITTEE REPORT
CD 11 relative to a supplemental agreement with Potrero
 Canyon Constructors to complete the stabilization
 of Potrero Canyon.

Recommendations for Council action:

1. APPROVE the supplemental agreement with Potrero Canyon Constructors to expand the scope of the contract and to extend the contract term for the completion of the Potrero Canyon Park Development Project.
2. INSTRUCT the Department of Recreation and Parks to report back with plans for:
 - a) the marketing of the rehabilitated residential lots acquired by settlement of the landslide lawsuits.
 - b) the re-establishment of a concession or other alternative/appropriate use on the Pacific Coast Highway frontage of Potrero Canyon.
 - c) the repayment of costs advanced by the General Fund for the Potrero Canyon Project, including recovery of eligible costs from FEMA.

Fiscal Impact Statement: The City Administrative Officer reports the approval of a supplemental agreement with Potrero Canyon Constructors will allow for the use of \$5 million in Proposition K funding for the completion of stabilization of Potrero Canyon. However, in order to comply with the conditions imposed by the permit issued by the California Coastal Commission, as well as to complete the scope of park improvement work contemplated in Proposition K, the final phase of this project which includes park improvements and landscaping must be funded and completed within two years of the final grading work. This will necessitate the General Fund committing an estimated \$3.5 million to the project in fiscal year 1999-2000.

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THG

11-26-96

TRANSMITTAL		0150-01099-0004
TO The Council	DATE	COUNCIL FILE No. 96-1619-S1
FROM The Mayor	COUNCIL DISTRICT 11	
Potrero Canyon Park Development		
<p>A proposed supplemental agreement with Potrero Canyon Constructors to complete the stabilization of Potrero Canyon is transmitted for your consideration. See the attached report of the City Administrative Officer.</p>		
MAYOR		

revegetation of the completed fill. Also, the haul route through the Pacific Palisades community was rejected with the alternative being the use of an extensive conveyor system.

- 2) The down-turn in the economy resulted in a significantly diminished availability of excavation dirt from development projects.
- 3) A landslide at the front of the canyon following the Northridge Earthquake partially buried the former Sunspot Restaurant and threatened the residential street above. The correction of this problem provided the opportunity to create a new access road into the canyon, eliminating the need to utilize a conveyor system for transporting dirt into the canyon. However, the cost is significant and funds have thus far not been available.
- 4) The winter rain storms of 1995 activated one of the slides in the canyon, prompting the City's Building and Safety Department to issue a stop-work order. This required the contractor to stockpile any fill material coming into the canyon. This included landslide material cleaned up by CalTrans along Pacific Coast Highway (PCH) and other cross mountain roads during that winter.
- 5) Caltrans ordered work stopped on the slide remediation work on the front of the canyon because the toe of the recompacted buttress fill would encroach upon the former alignment of old PCH. Further, Building and Safety questioned the suitability of placing fill on top of the old asphalt roadway which was built 60 years earlier upon unknown base material.
- 6) No funding was available to execute the necessary amendments due to budget constraints. Interim funding, that was eventually approved, was tied up pending a determination that Recreation and Parks had a viable plan in place to replace those funds which were being loaned from another long-term capital project. It was decided that the repayment would not be expected in the short term but rather would be made part of the total repayment of all costs advanced to the Potrero Canyon Project by the General Fund.

All of these factors taken together necessitate additional time for completion of the project. The Board of Recreation and Park Commissioners originally approved the subject amendment in 1995. However, only a modified version was approved at that time to reflect that only \$750,000 could then be made available to continue work on the project. The completion date of December 30, 1999 projected in 1995 when this amendment was first drafted cannot be met. The Department is currently negotiating a more realistic date with the contractor. An important consideration in those discussions is the continued stockpiling of fill dirt and the ability to proceed with work during the rainy season.

(Summary continued)

This supplemental agreement now provides the balance of funding to complete the "fill" phase of the project. The agreement is composed of three elements:

slide remediation	\$1,538,978
buttress fill	\$1,546,260
contingencies	\$1,914,762

The work entails removal of the remaining material from the two slides, installation of an engineered buttress fill, extensions to the main storm drain into the lateral canyons and on the new slopes, and completion of the fill to a rough grade. The total for this work is \$3.1 million. The contingencies funding is high because of the experience on the project with unforeseen conditions. Nonetheless, it is hoped that a significant balance will remain upon completion of this phase, to apply toward the \$3.5 million needed for revegetation and park improvements.

Proposition K, approved by the voters in November 1996 includes \$5 million for the Potrero Canyon Project. The scope was described as "stabilization and grading of hillside canyon, outdoor park development including landscaping and irrigation of summit". By this description and given the magnitude of funding provided, a completed, primarily passive recreation opportunity was expected to have been provided. Given the unforeseen occurrences that now must be addressed, the \$5 million from Proposition K will only be sufficient to complete the fill and slope stabilization. As much as \$3.5 million in additional funds will have to be identified in the near future because completion of the total project is essential both to provide the mitigation measures required by the Coastal Commission permit and to finish the park improvements as contemplated by the project funding in Proposition K.

Given the inability of Recreation and Parks to allocate any funds from any source to the Potrero Canyon Project, it is most likely that the City will have to rely on the General Fund to complete the work. In doing so it becomes even more important that the Department of Recreation and Parks undertake to fulfill the long standing commitment to repay the General Fund for the advances made to the Project. The primary source for such repayment was intended to be from a restaurant concession at the site of the former Sunspot Motel and Restaurant. The Department of Recreation and Parks has recently indicated it does not intend to pursue the re-establishment of such a concession. Similarly situated concessions realize \$1 million annually for the County of Los Angeles. A proposed exchange of CalTrans right of way for a portion of the City's Occidental Petroleum parcel should facilitate the rebuilding of new structures at this location on PCH. Recreation and Parks needs to take the initiative to formulate a plan for reestablishment of recreational/concession use inasmuch as the Coastal Commission apparently desires that some kind of amenities be constructed on this 3 to 4 acre site. In conjunction with the exchange with CalTrans, Recreation and Parks should present the proposed land swap for Council approval and provide a discussion as to how relinquishment of the parcel will not be harmful to the City's significant investment and potential use of its surrounding ownership.

(Summary continued)

The stabilization project was initiated by the settling of numerous lawsuits brought by property owners on the west rim of the canyon who contended that the concentration of storm water, both physically and in time, caused accelerated erosion that resulted in loss of support for their lots above. The City ended up with title to 23 lots at a cost of \$13 million. It is expected that these lots will be suitable for rebuilding when the stabilization project is complete. This is a desirable neighborhood where major renovation of existing older homes is taking place. The City has received numerous inquiries regarding its lots. A marketing plan should be explored. The City Attorney sees merit in offering options on the lots, thus providing the prospective buyers with the opportunity to monitor the stabilization process. In the past, disclosure by the City and acknowledgment by a buyer has not been considered adequate to finalize a sales transaction. The Departments of General Services and Recreations & Parks, in consultation with the City Attorney, should report back on a sale plan that could realize the recovery of a significant part of the City's settlement outlay.

The City applied for FEMA funds (DSR No. 12306) for the costs associated with the slide on PCH. More aggressive pursuit of that claim should be undertaken. Recreation and Parks should work closely with this Office to assure that the City receives full consideration of the claim. Only \$75,000 has been allocated by FEMA as compared with the potential eligible costs of \$800,000.

RECOMMENDATIONS

That the Council:

1. Approve the supplemental agreement with Potrero Canyon Constructors to expand the scope of the contract and to extend the contract term for completion of the Potrero Canyon Park Development Project;
2. Instruct the Department of Recreation and Parks to report back with plans for:
 - a) the marketing of the rehabilitated residential lots acquired by settlement of the landslide lawsuits;
 - b) the reestablishment of a concession or other alternative/appropriate use on the Pacific Coast Highway frontage of Potrero Canyon, and
 - c) the repayment of costs advanced by the General Fund for the Potrero Canyon Project including recovery of eligible costs from FEMA.

(Fiscal Impact Statement attached)

FISCAL IMPACT STATEMENT

Approval of a supplemental agreement with Potrero Canyon Constructors will allow for the use of \$5 million in Proposition K funding for the completion of stabilization of Potrero Canyon. However, in order to comply with the conditions imposed by the permit issued by the California Coastal Commission, as well as to complete the scope of park improvement work contemplated in Proposition K, the final phase of this project which includes park improvements and landscaping must be funded and completed within two years of the final grading work. This will necessitate the General Fund committing an estimated \$3.5 million to the project in fiscal year 1999/2000.

CITY COUNCIL
SUGGESTED NOTIFICATION OF COUNCIL ACTION

Council File No. 96-1619-51

- Petitioner/Communicant _____
- Councilperson(s) 9, 8, 11

City Administrative Officer

Chief Legislative Analyst

City Attorney (~~with~~/without file)

Building and Safety

Fire Commission

General Services

Police Commission

Public Works (Board)

Planning Department

Water and Power Department

Bd. of Rec. & Park Comrs.

* President

Secretary

Treasurer

Controller

Information Services Dept.

City Clerk Tax and Permit

Fire Department

Personnel Department

Police Department

Public Works - Engineering

Transportation

Mayor (~~with~~/without file)

J. MICHAEL CAREY
CITY CLERK

CITY OF LOS ANGELES
CALIFORNIA



OFFICE OF THE
CITY CLERK
ROOM 395, CITY HALL
LOS ANGELES, CA 90012
(213) 485-5708
FAX (213) 237-0636

96-1619-S1

RICHARD J. RIORDAN
MAYOR

PLACE IN FILES

MAY 01 1997

DEPUTY

April 29, 1997

Board of Recreation and Park Commissioners

Attn: President and Secretary	City Attorney
Council Member Walters	Controller, Room 220
Council Member Ridley-Thomas	Accounting Division, F & A
City Administrative Officer	Disbursement Division
Chief Legislative Analyst	Honorable Richard Riordan, Mayor

RE: CONTRACT AMENDMENT FOR THE POTRERO CANYON/PALISADES RECREATION CENTER PROJECT

At the meeting of the Council held April 25, 1997, the following action was taken:

Attached report adopted..... _____

Attached motion (Walters - Ridley-Thomas) adopted..... X

Attached resolution adopted..... _____

Ordinance adopted..... _____

Motion adopted to approve attached report..... _____

Motion adopted to approve attached communication..... _____

To the Mayor for concurrence..... _____

To the Mayor FORTHWITH..... _____

Mayor concurred..... _____

Appointment confirmed..... _____

Findings adopted..... _____

Negative Declaration adopted..... _____

Categorically exempt..... _____

Generally exempt..... _____

EIR certified..... _____

J. Michael Carey

City Clerk
bs

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TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED #63

MOTION

APR 18 1997
APR 18 1997

21

Potrero Canyon was acquired by the Department of Recreation and Parks in 1964 to provide a connection between the Palisades Recreation Center located on the bluff overlooking the ocean and the coastline. In 1978 and 1980 significant storms resulted in severe runoff in the canyon and landslides occurred which resulted in significant damage to private property. The City eventually purchased 23 lots overlooking the canyon for \$10.8 million as part of settlement agreements relative to lawsuits filed after the landslides.

Additionally, to settle other lawsuits which were filed, the City agreed to stabilize the canyon in three phases. Phase I, which was the installation of a storm drain system, was completed in 1990. Phase II, which is currently in progress, requires the stabilization of the hillside area in front of the canyon, demolition of the Sunspot Motel and construction of a new entry road to facilitate completion of the project.

The contract with the Potrero Canyon Constructors, the contractor for Phase II of the project, has expired and the expeditious approval of an amendment is required for the stabilization work to continue in accordance with the settlement agreement. Sufficient funds in the amount of \$344,000 are available in the 1996-97 Capital Improvement Expenditure Program, Fund No. 100/54, Account No. Y002, entitled Potrero Canyon Storm Drain (MIMIS No. 7703), to fund work to be completed through June 30, 1997.

I THEREFORE MOVE that the City Council _____ approve the amendment to Contract No. 2387, as attached to the file, between the City and Potrero Canyon Constructors, in the amount of \$344,000 for the period December 4, 1996 through June 30, 1997, subject to the approval of the City Attorney as to form and legality, and authorize the President and the Secretary of the Board of Recreation and Park Commissioners to execute the contract.

(Handwritten mark)

PRESENTED BY *Lita Gattau*

SECONDED BY *Mark Selley -tc*

Mo.
ADOPTED

APR 25 1997

LOS ANGELES CITY COUNCIL

**SUPPLEMENTAL AGREEMENT TO CONTRACT NO. 2387
BETWEEN
THE CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS
AND
POTRERO CANYON CONSTRUCTORS
FOR CONSTRUCTION OF
POTRERO CANYON PARK DEVELOPMENT (#1012B)**

THIS SUPPLEMENTAL AGREEMENT TO CONTRACT NO. 2387 is made and entered into this _____ day of _____ 1997, by and between the City of Lo Angeles, a municipal corporation, acting by and through its Board of Recreation and Parks Commissioners (hereinafter referred to as "City") and Potrero Canyon Constructors, a corporation (hereinafter referred as "Contractor").

WITNESSETH

WHEREAS, the Contractor was awarded Contract No. 2387 in February, 1991 for the construction of the Potrero Canyon Park Development Phase II project located at 15145 Pacific Coast Highway, Los Angeles, which contract was subsequently executed in April 1991; and,

WHEREAS, in December, 1994 a landslide occurred in the active landslide known as Via de las Olas. The slide is North of the mouth of the canyon and covered a significant portion of the old motel known as the Sunspot. The Department of Building and Safety issued two orders to comply. One to demolish the Sunspot Motel and one to remediate the landslide. As outlined in General Manager's Report No. 233-95 which is attached hereto as Exhibit "A" and incorporated by reference as though fully set forth herein, the slide remediation allows the realignment of the entrance to Potrero Canyon providing construction access in a safe manner; and,

97 APR -3 11 2 49

WHEREAS, the change in the scope of the work is necessary to complete the project in light of the problems outlined; and,

WHEREAS, the Contractor has submitted a bid for the construction of the required changes, which bid is attached hereto as Exhibit "B" and incorporated by reference as though fully set forth herein.

NOW THEREFORE, in consideration of the covenants and conditions herein contained, to be kept and performed by the respective parties, it is agreed s follows:

1. The aforementioned bid shall constitute a Supplemental Agreement to City Contract No. 2387; and,

2. The Contractor shall perform the work required under said supplemental contract in accordance with the terms of the contract drawings on file with the Department and incorporated herein by reference; and

3. The City shall pay the Contractor to perform said supplemental contract the sum of \$344,000, which represents a portion of the total cost of \$3,429,238, for the demolition of the Sunspot Motel, slide remediation, and installation of access road, related engineering improvements and Phase III buttress work.

4. The Contractor shall perform the portion of the set forth above in the extended contract time of two years or up to June 30, 1997.

IN WITNESS WHEREOF, parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Executed this _____ day of _____, 1997

PRESIDENT

By _____
SECRETARY

POTRERO CANYON CONSTRUCTORS

By _____
PRESIDENT

Executed this _____ day of _____, 1997

By _____
SECRETARY

Approved as to Form:
JAMES K. HAHN, City Attorney

By _____
ASSISTANT CITY ATTORNEY

THE CITY OF LOS ANGELES, acting by and through its Board of Recreation and Park Commissioners

By _____