

Agenda Report

DATE: JANUARY 14, 2002

TO: PASADENA CITY COUNCIL

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: TRANSFER OF JURISDICTION OF PROPERTIES BETWEEN PASADENA WATER AND POWER AND CITY OF PASADENA FOR PROPERTY AT 1415 N. RAYMOND AVENUE AND 172 E. VILLA STREET AND APPROVE A 50-YEAR LEASE AMENDMENT FOR PASADENA AREA YOUTH COUNCIL DBA OMOWALE UJAMAA SCHOOL AKA NORTHWEST COMMUNITY EDUCATIONAL CENTER AT 1415 N. RAYMOND AVENUE

RECOMMENDATION:

It is recommended that the Pasadena City Council:

- 1) Adopt a resolution that transfers jurisdiction of the City owned property at 172 E. Villa Street to Pasadena Water and Power (PWP) to become part of the Villa Substation and that transfers to the City the former La Pintoresca Substation at 1415 N. Raymond Avenue currently occupied by Omowale Ujamaa School/Northwest Community Educational Center (OUS) and under PWP jurisdiction.
- 2) Adopt a resolution:
 - a. Affirming that the real property at 1415 North Raymond Avenue is serving a public purpose through its lease to the OUS, which provides human, social, and educational services to the community.
 - b. Finding and determining that the property at 1415 N. Raymond Avenue with regard to the lease extension and improvements proposed by the OUS is Categorically Exempt (Class1) from environmental review pursuant to the guidelines of the California Environmental Quality Act, CEQA guidelines, (Section 15301 Existing Facilities).

- c. Finding and determining that the lease amendment, conditionally extending the term to 50 years without competitive bidding will achieve an extraordinary and overriding public benefit.
- d. Approving the terms and provisions of the lease amendment, which includes conditions that the new 50-year term is subject to OUS obtaining all necessary entitlements for the proposed construction, and that OUS: 1) continue significant public benefits to the Pasadena community; 2) provide proper maintenance of the property for the term of the lease and, 3) provide proof that the remaining CDBG grant funds totaling \$211,000 are sufficient to cover the cost of the proposed improvements prior to commencement of construction, and that if additional funds are required, sufficient funds shall be raised within two years from the date of Council authorization, or the lease will revert to the current terms.
- e. Authorizing the City Manager to execute the Lease Amendment and all other documents pertaining thereto and to perform such other and further acts as required under the Lease Amendment.

OTHER COMMITTEE ACTIONS:

At its meeting of January 8, 2002, the Northwest Commission unanimously approved Staff's recommendation with the condition that the Villa Street Water and Power property is landscaped and kept up and otherwise maintained appropriately for residential neighborhoods.

EXECUTIVE SUMMARY:

The Omowale Ujamaa School (OUS), who are the current tenant at 1415 N. Raymond Avenue, propose to renovate the building, adding a second floor to increase their utilization of the space. Community Development Block Grant Funds in the amount of \$250,000 have been authorized through prior Council actions for the needed capital improvements. After paying for permit fees and architectural fees, \$211,088 remains for the completion of the construction and estimates indicate that this amount will suffice. OUS has been providing service to the residents of Pasadena since 1978 and their current lease expires in March 2004. With the addition to the building and lease extension, they will continue to provide quality educational opportunities to an even greater number of low to moderate income Pasadena residents for years to come. Student enrollment is anticipated to go from 59 to 135 students.

The former PWP substation at 1415 N. Raymond Avenue is being utilized for a non-profit use. Water and Power is in the business of providing water and electrical service to the residents of Pasadena and would use the City owned property adjacent to their existing Villa Substation at 172 E. Villa Avenue to expand that facility. In turn, the PWP property at 1415 N. Raymond Avenue would transfer to the City who may then extend a long-term lease to OUS.

The PWP property is located at 1415 N. Raymond Avenue and consists of an 8,448 square foot site improved with a 3,104 square foot old substation building. The City lot at 172 E. Villa Street, adjacent to the Villa substation consists of a 10,018 square foot site improved with a 1,232 square foot vacant single-family residence in poor condition. City Real Property staff, after investigation and analysis has estimated the values of these properties to be essentially equal at about \$225,000 each.

BACKGROUND:

On March 15, 1989 the City of Pasadena entered into a 15-year Lease Agreement with the Pasadena Area Youth Council to rehabilitate and operate the Omowale Ujamaa Shule aka Northwest Community School. In addition OUS was required to provide six full time or full time equivalent annual scholarships to children of Community Development Block Grant eligible Pasadena families in lieu of rental payments. This lease will expire March 14, 2004. Rehabilitation of the building for their use had a cost of approximately \$87,000. When they first moved into the building, it had been unoccupied for years and had become blight on the community.

OUS has been providing services to the City of Pasadena since 1978 and from this location since 1989. They provide an excellent academic program from kindergarten to eighth grade and tutorial after school as well. Today OUS provides quality education based on a sound academic program, which continues to teach strong moral values, community ethics and how to be a good citizen and give back to the community. OUS reports that approximately 95% of the Omowale Ujamaa Alumni have completed 4 years of college and many go even further. Since the opening of the OUS, the level of public participation has increased steadily.

OUS now plans to renovate the building to increase their utilization of space, by adding an approximately 2,700 square foot second floor. The estimated cost of renovation is \$250,000 and includes permit and architectural fees and construction costs.

OUS is seeking a conditional extension of their occupancy through a 50-year lease amendment. A long-term lease will attract donors to their fund raising efforts and help them furnish the added classrooms and provide fixtures, student desks and tables.

City staff recommends extending the lease based on the City's policy of providing other long-term leases for \$1.00 per year and or services provided to non-profit organizations such as the Norton Simon and the Armory Center for the Arts. These leases to non-profits ranged from 30 to 99 years and each organization has invested \$200,000 to \$2,000,000 in the properties.

Typically, improvements similar to those proposed by the OUS have an estimated economic life of 40 to 50 years. For this reason, it is reasonable that the lease to OUS should be extended to 50 years. The Lease will contain a contingency clause that requires proof that the remaining CDBG grant funds totaling \$211,000 are sufficient to cover the cost of the proposed improvements prior to commencement of construction,

and that if additional funds are required, sufficient funds shall be raised within two years from the date of Council authorization, or the lease will revert to the current terms.

The extension will also be subject to OUS receiving all entitlements necessary for the proposed improvements as well as continuing with the same non-profit organization in place for the benefit of Pasadena residents for the duration of the Lease.

The former PWP substation at 1415 N. Raymond Avenue is being utilized for a non-profit use. PWP's existing Villa Substation is adjacent to this City owned property and would be used to expand that facility. In turn, the PWP property at 1415 N. Raymond Avenue would transfer to the City who may then extend a long-term lease to OUS.

The PWP property consists of an 8,448 square foot site zoned open space but is adjacent to multi-residential zoned land. The site is improved with a 3,104 square foot old substation building. The City lot at 172 E. Villa Street, adjacent to the Villa substation consists of a 10,018 square foot multi-residential zoned site improved with a 1,232 square foot vacant single-family residence in poor condition. City Real Property staff, after investigation and analysis considering their similarities and differences has estimated the values of these properties to be essentially equal.

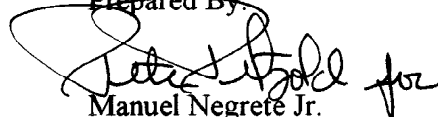
FISCAL IMPACT

The property at 1415 N. Raymond Avenue will continue to be leased to the Omowale Ujamaa School for one dollar per year and they will continue to be responsible for the maintenance of the property and to provide human, social and educational services to the community. The transfer of jurisdiction and exchange of the two equally valued properties will have no fiscal impact.

Respectfully Submitted,


CYNTHIA V. KURTZ
City Manager

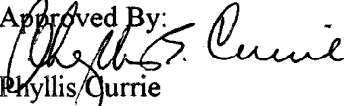
Prepared By:


Manuel Negrete Jr.
Real Property Manager

Approved By:


Richard Bruckner
Director of Planning & Development

Approved By:


Phyllis Currie
General Manager, Water & Power