

Agenda Report

February 8, 2010

TO: Honorable Mayor and City Council

FROM: Planning and Development Department

SUBJECT: Extension of Pasadena Job Center Lease at 500 N. Lake,
Contract No.17,188

RECOMMENDATION:

It is recommended that the City Council:

- 1.) Find that the leasing of the Pasadena Job Center located at 500 N. Lake Avenue from TOVA, LLC ("TOVA") is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Existing Facilities); and
- 2.) Authorize the City Manager to execute a five year lease incorporating the terms and conditions generally described below with TOVA for the City to continue leasing the building located at 500 N. Lake Avenue for a day labor operations facility ("Job Center"), and any other documents necessary to carry out the lease.

BACKGROUND:

Since 2000, the City has operated a Job Center at 500 N. Lake Avenue. Having a place where day laborers congregate is advantageous because it provides an organized location in which they may safely solicit employment, while reducing impacts on neighborhoods. The Job Center also provides useful training for participants. Under direction of the Northwest Program Division, the facility is currently operated by Instituto de Educacion Popular del Sur de California ("IDEPSCA") under a separate management contract.

It is recognized that the current location may not be optimal, however, locating a better site has proved difficult. Staff has examined other possible locations but an adequate and available replacement site has not been identified. As the current lease expires on March 31, 2010, a lease at the current site is recommended to avoid loss of the Center. Staff had sought a shorter term, however, the Landlord was not agreeable to anything less than five years.

The City currently pays rent in the amount of \$6,044 per month or \$72,528 per year. With the exception of the electricity paid for by the City and telephone and janitorial services provided by IDEPSCA, TOVA pays for all operating and maintenance expenses, and property taxes.

Here are the basic terms proposed to extend the Job Center lease:

- a) Term: Five years commencing April 1, 2010 and terminating on March 30, 2015;
- b) Rent: 4% increase effective April 1, 2010 through March 30, 2011 of \$6,200 per month, or \$1.80 per square foot, then 5% annual increases for the remaining four years.
- c) Options to Extend: The City shall have seven 12-month options to extend the lease term, each with a 3% annual increase;
- d) Operating Expenses: TOVA to pay for all maintenance and property taxes, and the majority of operating expenses. City to pay for electricity and IDEPSCA to provide telephone and janitorial services;
- e) Tenant Improvements: TOVA to restripe the parking lot and repair or replace the etched windows within six months from the April 1, 2010 commencement date; and
- f) TOVA's Termination: TOVA may terminate the lease after the initial five year term (March 30, 2015) for the purpose of demolition or renovation of the Premises by providing the City 12 months notice.

Agreement with the proposed terms above will allow the Job Center to continue to allow day laborers to solicit employment in an organized manner and provide training when work is not available. The rental rates proposed are within range of fair market rental rates for the North Lake District.

COUNCIL POLICY CONSIDERATION:

Provision of the day laborer site is consistent with the City Council's Strategic Plan goal of supporting and promoting the quality of life, by reducing the number of persons seeking casual employment on neighborhood streets, and local economy, by providing a location that facilitates hiring of those seeking work.

ENVIRONMENTAL ANALYSIS:

The City's continued leasing of 500 N. Lake Avenue is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Existing Facilities). This exemption applies to the continued operation of existing facilities involving negligible or no expansion of use. Neither the tenant improvements nor the continuation of the lease for a Job Center will result in any expansion of the existing use.

FISCAL IMPACT:


The rental expense for the five year term will be approximately \$411,100. The seven annual options to extend the lease are exercised by the City; the rent for the 12-year period will cost a total of \$1,124,800. Funds for this lease for the current fiscal year have been included in the current operating budget, in the General Fund Account 8114-101-952145 and will be requested in subsequent operating budgets.

Respectfully submitted,



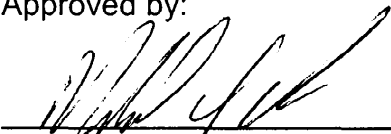
STEVE MERMELL
Assistant City Manager

Prepared by:



KELLY KITASATO
Real Property Manager

Approved by:



MICHAEL J. BECK
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

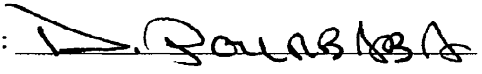
1. Contractor/Organization Name: TOVA LLC

2. Type of Entity: non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

<u>DAVID</u>	<u>POURABBA</u>	<u>scf</u>
<u>DAVID</u>	<u>ILLIAN</u>	<u>scf.</u>

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

Prepared by: 
Title: Manager
Phone: 322 951-0242
Date: 12/8/09