

Agenda Report

February 1, 2010

TO: Honorable Mayor and City Council

FROM: Planning and Development Department

SUBJECT: Amendment to Jet Propulsion Laboratory Lease at Hahamongna
Watershed Park, City Contract 18,418-1

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the leasing of 11.21 acres to Jet Propulsion Laboratory ("JPL") is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to the State CEQA Guidelines Section 15301 (Existing Facilities); and
2. Authorize the City Manager to execute a lease amendment incorporating the terms and conditions generally described below with JPL for the lease of 11.21 acres located within the Arroyo Seco and the Hahamongna Watershed Park ("HWP") Master Plan boundary, and any other documents necessary to carry out this transaction.

BACKGROUND:

For over 26 years, JPL has leased 11.21 acres of City owned land primarily to accommodate approximately half of the parking for more than 5,000 employees. As shown on Exhibit 1 attached, City Contract 18,418-1 is comprised of three parcels including a 9.5 acre East Arroyo parking lot, a 1.23 acre West Arroyo parking lot, and a 0.40 acre site used for communications equipment. The lease is effective January 1, 2009 through December 31, 2010. The lease to JPL generates \$696,000 revenue per year for the City which is used to support the maintenance, security and planning of water system activities in the HWP by the Public Works and Water and Power Departments. JPL retains one option to extend the lease term for an additional two and one-half years through June 30, 2013 at the same rental rate.

JPL is responsible for all property maintenance. Any expansion of use would require a revision to the HWP Master Plan, which would include a review by the HWP Advisory Committee and would require approval by the City Council.

The HWP Master Plan designates future uses for the East Arroyo parking area. These uses include spreading basins to assist in meeting water supply goals of the Water & Power Department over the majority of the area with the northerly portion to be used as Gabrielino Trail Area parking. Additional spreading basins are anticipated to be constructed in fiscal year 2014.

In order to comply with the HWP Master Plan, it is proposed that the lease to JPL be amended to include the following substantial terms:

1. Elimination of the City's use of the West Arroyo parking lot—No improved access roads to the West Arroyo parking lot currently exist and an improved access road is no longer being considered.
2. The northernmost approximate 200 parking spaces of the East Arroyo parking lot will not be removed by JPL upon termination of the lease. This will allow public use of these parking spaces for access to the Gabrielino Trail;
3. Further clarification that no expansion of the land uses allowed under the Lease shall go into effect unless and until such land uses have been approved by action of the City Council through an amendment to the HWP Master Plan, after review and comment of such amendment by the HWP Advisory Committee; and
4. The above terms will be retroactive to January 1, 2009.

No expansion of the use is proposed. All other substantial terms remain unchanged.

COUNCIL POLICY CONSIDERATION:

Supporting and promoting the quality of life and the local economy is one of the City Council's strategic goals. The proposed lease amendment is consistent with this goal as it will continue to provide additional needed parking for JPL employees and provides a parcel to install communication equipment to operate their business.

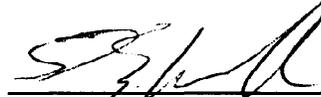
ENVIRONMENTAL ANALYSIS:

It has been determined that the City's continued leasing of the property to JPL is categorically exempt from the California Environmental Quality Act ("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. The continuation of the lease to JPL will not result in any expansion of the existing use.

FISCAL IMPACT:

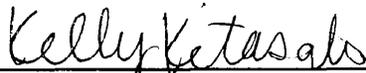
The rent will remain unchanged for the JPL lease at \$696,000 per year. Based on City Charter requirements, funds received for use of Water Fund property are deposited in the Water Fund. These revenues will continue to be used to support the maintenance, security and planning of water system activities in the HWP by the Public Works and Water and Power Departments.

Respectfully submitted,



STEVE MERMELL
Assistant City Manager

Prepared by:



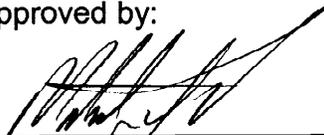
KELLY KITASATO
Real Property Manager

Concurred by:



PHYLLIS E. CURRIE
General Manager, Pasadena Water & Power

Approved by:



MICHAEL J. BECK
City Manager

List of Exhibits

EXHIBIT 1 Aerial map of leased parcels

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

- I. Does the value of this application/project *have the potential* to exceed \$25,000? Yes: No (Applicant *must* mark one)
- II. Is the application being made on behalf of a government entity? Yes No
- III. Is the application being made on behalf of a non-profit 501(c) organization? Yes No
 If yes, please indicate the type of 501(c) organization: 501(c)(3) 501(c)(4) 501(c)(6)

Applicant's name: California Institute of Technology, Jet Propulsion Laboratory Date of Application: 10/6/08

Owner's name: Non Profit Private Educational Institution Contact phone number: 818-354-2889 (Margaret Cooper)
(for questions regarding this form)

Project Address: _____

Project Description: Lease of 11.21 Acres in the Arroyo Seco of Pasadena, California

- IV. Applicant and Property Owner must disclose all joint owners, trustees, directors, partners, officers and those with more than a 10% equity, participation or revenue interest in owner and/or project. If any of these are an organization/entity, include the name of the organization/entity **and** the first and last names of all parties of interest of that organization/entity. *(List all parties below and use additional sheets as necessary, or provide all parties on an attachment) Please print legibly.*
 Have any additional sheets or an attachment been provided? Yes: No

Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project	Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project (continued)	Those with more than a 10% equity, participation or revenue interest in Owner and/or project
SEE ATTACHED		

I hereby certify that I am the owner or designated agent and that the statements and answers contained herein, and the information attached, are in all respects true, accurate and complete to the best of my knowledge and belief.

Signature of Owner or Designated Agent: Margaret Cooper Date: 10/6/08

For Office Use Only

Type of Application: Variance (all types) Adjustment Permit Sign Exception Temporary Use Permit Expressive Use Permit
 Conditional Use Permit (excluding Master Plan) Master Plan Amendment Planned Development Other

Assigned Planner: _____ PLN#: _____

Attached Address: _____ No Attached Address

Appealed: Yes No Appeal PLN# _____ Application Withdrawn

Final Decision: Approved Denied Decision Date: _____ Decision Maker: _____
 (Name and Title, or Name of Commission/Committee)

Votes in favor (please print):

CALTECH/JPL TRUSTEES LIST
10/6/08

The Honorable George L. Argyros
Chairman & CEO
Arnel & Affiliates

Mr. John E. Bryson
Chairman and Chief Executive Officer
Edison International

Dr. Jean-Lou Chameau
President
California Institute of Technology

Dr. Milton M. Chang
Managing Director
Incubic Venture Capital

Mr. Robert B. Chess
Chairman
Nektar Therapeutics

Dr. John D. Diekman
Founder & Managing Partner
5AM Ventures

Lounette M. Dyer, Ph.D.
Entrepreneur

Mr. William T. Gross
Chairman and Founder
Idealab

Mr. Frederick J. Hameetman
Chairman
American Group

Mr. Robert T. Jenkins

Dr. Jon Faiz Kayyem
Managing Partner
Efficacy Capital Ltd.

Ms. Louise Kirkbride
Board Member
State of California
Contractors State License Board

Mr. Kent Kresa
Chairman Emeritus
Northrop Grumman Corporation

Mr. Jon B. Kutler
Chairman and Chief Executive Officer
Admiralty Partners, Inc.

Dr. David Li Lee
Managing General Partner
Clarity Partners, L.P.

Dr. York Liao
Managing Director
Winbridge Company Ltd.

Dr. Alexander Lidow

Dr. Ronald K. Linde
Independent Investor and Chairman of
the Board
The Ronald and Maxine Linde
Foundation

Mr. John W. Mack
President
Los Angeles Police Commission

Dr. Shirley M. Malcom
Director, Education and Human
Resources Programs
American Association for the
Advancement of Science

Ms. Deborah D. McWhinney
President, Schwab Institutional (Retired)
Charles Schwab Corporation

Richard Merkin, M.D.
Founder and Chief Executive Officer
Heritage Provider Network

Ms. Clara Spalter Miller
Principal
Regulus International Capital
Corporation

Dr. Philip M. Neches
Chairman
Foundation Ventures LLC

Dr. Patrick H. Nettles, Jr.
Executive Chairman
Ciena Corporation

Mr. Peter Norton
President
Norton Family Office

Mr. Ronald L. Olson
Senior Partner
Munger, Tolles & Olson

Mr. Stephen R. Onderdonk
President & CEO (Retired)
Econolite Control Products, Inc

Mr. Stewart A. Resnick
Chairman
Roll International Corporation

Dr. Sally Kristen Ride
President, Imaginary Lines, Inc., and
Ingrid and Joseph Hibben Professor of
Physics
University of California, San Diego

Mr. Nelson C. Rising
Chairman and Chief Executive Officer
Rising Realty Partners

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Franco Modigliani Professor of Finance
and Economics
Massachusetts Institute of Technology
Chairman
Compensation Valuation, Inc.

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Vice Chairman
Bear Stearns and Company, Inc.

Mr. Charles R. Trimble
Arbor Vita Corporation

Mr. Lewis W. van Amerongen
LvA Enterprises Incorporated

Mrs. Gayle E. Wilson
Non-profit Consultant

Mr. Jay S. Wintrob
President and Chief Executive Officer
AIG Retirement Services, Inc.

Dr. Suzanne H. Woolsey
Corporate Governance Consultant