

Agenda Report

DATE: AUGUST 16, 1999 TO DEREGULATION COMMITTEE ON 8/11/99

TO: CITY COUNCIL
THROUGH THE DEREGULATION COMMITTEE

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: DECLARATION OF CERTAIN CITY-OWNED REAL PROPERTY
LOCATED AT 960 BOSTON COURT AS SURPLUS REAL PROPERTY
AND AUTHORIZATION TO SELL

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution:

- A. Finding and determining that certain City-owned land located at 960 Boston Court, (hereinafter referred to as "the Property") falls under Class 12 of Categorically Exempt Projects, and is exempt from the requirements of the California Environmental Quality Act (CEQA), and direct the City Clerk to file a Notice of Exemption with the Los Angeles County Recorder;
- B. Declaring that the Property is not needed for the purpose for which it was acquired or for any other public purpose and is, therefore, surplus real Property; and
- C. Directing that the Property be sold through a publicly noticed competitive bid process, pursuant to Charter Section 4.02 of the Pasadena Municipal Code.

BACKGROUND:

The Property, having a site address of 960 Boston Court and identified as Los Angeles County Assessor Parcel Number 5738-004-900, is located along the east side of Mentor Avenue, at Boston Court, north of Colorado Boulevard and south of Union Street. The southerly 25 feet of Boston Court was vacated on April 21, 1970 (City of Pasadena Resolution No. 622) and incorporated into the Property.

Based on the Los Angeles County Assessor's plat map, the Property contains 34,240 net square feet. The Property is L-shaped, with a maximum depth of 200 feet from Mentor Avenue, and a maximum width of 195 feet. The site would be rectangular, with the exception of a 70 foot by 68-foot portion at its southwest corner. The topography is level.

The Property is currently zoned CD2/AD2 (Central District Subdistrict 2, with an Alcohol Density Overlay). This zoning allows residential and commercial uses. Residential uses include single-family, multi-family, limited adult day care, small and large family day care homes and limited residential care. Residential development must conform to RM-32 standards. The commercial uses include food sales, offices, banks, and restaurants. Food markets and restaurants that serve alcoholic beverages need conditional use permits. The ground floor of any building is limited to retail or personal service uses for at least 50% of the frontage of the building.

The Property was purchased by the City in 1958 for use as a public parking lot. In April 1993, the Property was transferred for value from the City's General fund to the Light and Power Fund. At that time, the total consideration, based on the Property's appraised value, was \$1,295,000.

The Water and Power Department acquired the Property to construct a power substation. However, plans to construct the substation have been abandoned and the Water and Power Department has no future plans to use the Property. On November 11, 1998, the Deregulation Committee concurred with recommendations relative to selling the Property, as it is surplus to Water and Power Department needs.

In June 1997, the Water and Power Department entered into a Memorandum of Understanding (MOU) with the Department of Public Works and Transportation. Terms of this agreement provide that:

1. The term is for three years commencing on July 1, 1997 and terminating July 1, 2000. The Tenant has the option to extend for two (2) one-(1) year terms, upon mutual agreement. Tenant acknowledges that their interest is not assignable.
2. The rental payment will be the larger of \$600.00 per month or 41% of the net monthly proceeds, whichever is more. Tenant will pay the three-year rental amount of \$21,600.00 in advance, based on \$600.00 per month ($\$600.00 \times 36 \text{ months} = \$21,600.00$). Whenever 41% of net monthly revenues exceed \$600.00 per month additional amounts over and above \$600.00 per month will be paid to the Water and Power Department.
3. The Premises shall be used as a parking lot and electric vehicle charging station Monday through Sunday. On New Year's Eve and New Year's day, the lot shall be used for Rose Parade parking, 40% of the net proceeds generated from Rose Parade parking shall go to the Water and Power Department. The Premises shall be used solely for the purpose of a parking lot and electric vehicle charging station and no other.

The above MOU was entered into in order to facilitate a grant from the Metropolitan Transportation Authority to reconstruct and enhance the parking lot improvements. Currently, the Property is being utilized as a city operated, public pay parking lot consistent with the above provisions. A condition of the sale of the Property will allow the parking lot to remain through its three-year term. This will effectively meet grant requirements. Currently the parking lot generates approximately \$33,000 annually. Payment is via meters at the rate of \$0.25 per hour, 24 hours a day. The electric vehicle charging station is free of charge. At the termination of the agreement the meters and charging station equipment will be removed and retained by the City.

There have been no offers to lease, or bona fide offers to purchase the Property within the preceding three-years. However, several groups and individuals have expressed interest in the Property. A list of interested parties has been maintained for notification of the pending sale.

In compliance with P.M.C. §2.105.110 B, 4 (a), staff presented this matter to the Planning Commission on May 26, 1999. The Planning Commission was asked to consider and make a finding to the City Council regarding the declaration of this property as surplus and to concur relative to its sale. The Planning Commission voted unanimously in favor of staff's recommendations.

The Environmental Administrator has determined that the declaration of this property as surplus property and its sale as surplus property is categorically exempt from CEQA under CEQA Guidelines Section 15312, Surplus Government Property Sales.

Staff believes that the best course of action at this time is for the Property to be declared surplus and sold on an open competitive bid basis subject to the existing agreement. The processing of this sale is to be administered by staff in accordance with the requirements of Chapter 4.02 of the Pasadena Municipal Code relating to the sale of surplus property.

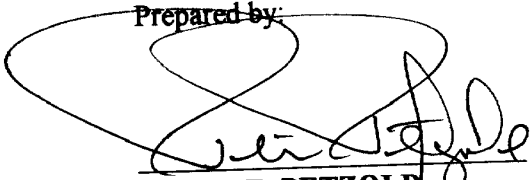
FISCAL IMPACT:

The current fair market value of the Property is \$1,170,000. Revenue received from the sale of the property in the probable amount of \$1,170,000 (less escrow and closing costs) will be deposited into the Power Fund Account Number 1850 (Transmission Land and Land Rights).

Respectfully submitted,



for CYNTHIA J. KURTZ
City Manager

Prepared by:



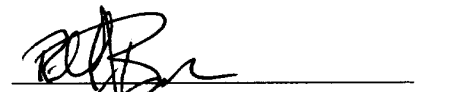
PETER E. PETZOLD
Assistant Property Manager

Concurrence:



MANUEL NEGRETE JR.
Real Property Manager
Surplus/Boston Court//Council

Approved by:



RICHARD J. BRUCKNER
Director, Housing and Development
Department