



# Agenda Report

**DATE: DECEMBER 13, 1999**

**TO: CITY COUNCIL**

**FROM: CITY MANAGER**

**SUBJECT: AUTHORIZATION TO PURCHASE THE Y.M.C.A. PROPERTY AT 2750 AND 2770 EAST NEW YORK DRIVE, PASADENA**

**RECOMMENDATION OF THE CITY MANAGER:**

- (1) Authorize the purchase of the Y.M.C.A. property located at 2750 and 2770 E. New York Drive, Pasadena, for the purchase price of \$500,000, plus applicable closing, title, recording and related costs, not to exceed \$30,000, for a total of \$530,000, and authorize the City Manager to enter into a purchase and sell agreement and execute all other documents necessary to acquire this site, subject to the negotiation of a Memorandum of Understanding with the Y.M.C.A. that provides an office space for the Y.M.C.A. for up to five years at no cost, evening and Saturday gym use to accommodate the current Y.M.C.A. Youth Basketball Program through March 31, 2000, and use of other facility space (gym, meeting rooms) on a scheduled basis in coordination with other facility users;
- (2) Acknowledge that the acquisition of the Y.M.C.A. property is Categorically Exempt from the California Environmental Quality Act (CEQA), pursuant to California Code of Regulations Section 15061.b.3 (General Rule) and direct the City Clerk to file a Notice of Exemption and a Certificate of Fee Exemption for the California Department of Fish and Game with the Los Angeles County Registrar-Recorder;
- (3) Approve the reprogramming of \$150,000 of Fiscal Year 1999-2000 Community Development Block Grant (CDBG) funds for the acquisition of the Y.M.C.A. property from funds allocated to the Outward Bound Adventurers, Inc./Youth Center Collaborative Project; and
- (4) Appropriate up to \$39,900 from the Unappropriated General Fund fund balance for operating costs, January 1 through June 30, 2000, and approve a journal voucher authorizing the Director of Finance to transfer \$39,900 from the Unappropriated General Fund to Account No. 101-641000.

## **BACKGROUND**

On November 22, 1999, staff presented to City Council as an urgency item the opportunity for the City to purchase the Y.M.C.A. property at 2750 E. New York Drive, at a net purchase price of \$500,000. On the afternoon of November 22, the Y.M.C.A. had faxed a memorandum to the City requiring that if the City were to submit an offer, ". . . it must be in writing and received by . . . November 23" and that "financial considerations prompt the urgency of an end of year closure on this matter". At the meeting of November 22, 1999, City Council voted to hear the matter as an urgency item. After review and consideration of the item, the City Council authorized the City Manager to enter into negotiations with the Y.M.C.A. for possible purchase of the property, with the requirement that staff return to City Council at the meeting of December 13, 1999, with a recommended funding package, specific terms and conditions, estimated operating budget, and related information. Since that date staff has entered negotiations with the Y.M.C.A., and developed the facility plans and funding strategy recommended in this report. On December 6, 1999, the Human Services Commission considered the matter and voted in favor of both the City's acquisition of the New York Drive site for multi-agency youth-focused services, and the funding package described in this report. It was the consensus of the Human Services Commission that this particular project presents a unique opportunity to address an unmet need and create a venue to expand quality, affordable youth services. Further, the Commission agreed that this use of the funds - - to establish a multi-agency, multi-use, youth-focused center - - will create more than \$10,000 per year (the Fund's annual average interest earnings on this \$200,000) in human service opportunity. On December 7, 1999, the Recreation and Parks Commission considered the matter and voted in favor of the City's acquisition of the Y.M.C.A. facility for the purpose outlined in this report. On December 8, 1999, the Northwest Commission considered the matter and voted in favor of the site acquisition for the described use as well as the funding package as delineated in this report.

As discussed at the City Council meeting of November 22, 1999, the purpose of acquiring this site is to maintain this valuable recreation and community service facility and site as a resource available to the extended Pasadena community, offering youth-focused programs and services by multiple agencies and providers.

## **SITE DESCRIPTION**

The New York Drive facility offers a variety of outstanding amenities for a multi-agency youth-focused recreation and community service center. The primary site consists of a 24,958 square foot parcel that includes a two-story building of approximately 9,526 square feet, and an adjacent lot of approximately 17,489 square feet. The building includes a gymnasium (with an indoor basketball court); a 14-station fitness/exercise room; three group multipurpose/activity/meeting rooms; six offices (several of which can be readily re-converted to create additional group activity space); separate men's and women's shower, locker, sauna, and rest room facilities, and a handicapped-accessible restroom, all adjacent to an outdoor pool; and various storage spaces. Beyond the fenced outdoor pool and deck area is a full-size outdoor basketball court, walled on all

four sides and accommodating multiple sports uses (basketball, in-line skating/roller hockey). The additional 17,489 square foot lot at the rear of the property includes an outdoor "nature" area with several shade trees and logs for seating, and a small stone amphitheater-type meeting area. The area is fully fenced, and is located above the north end of the Eaton Canyon Reservoir area. The only immediate neighbor is a small horse stable, located to the east. An asphalt parking lot is located at the front of the facility, with a driveway at the west of the building providing limited vehicle access to the rear of property.

The facility and location offer many advantages for use as a multipurpose, multi-agency youth-focused site. The site will accommodate a wide range of activities of great interest to youth: indoor and outdoor recreation, sports, education, job training, arts, culture, socialization, special events, and more. With no immediately adjacent residential or commercial neighbors, it is anticipated that there will be few problems with neighbors regarding occasional weekend teen dances, music, etc. at this location. The site has and will continue to attract attendance from youth citywide, as it is not located within an identified "gang territory". While no public transportation route stops directly at the site, there are both PUSD school buses and public buses that run within two-tenths of a mile of the Y.M.C.A. facility (stopping at New York Drive and Altadena Drive). If approved for purchase, staff will work with PUSD to expand the transportation opportunities for youth to get from their respective school sites to the New York Drive facility via school bus and/or via public bus at free or reduced (student) rates.

Housing and Development Department staff have reviewed a restricted appraisal proposal for this site and are having an unrestricted appraisal prepared. The first appraisal had been completed for Y.M.C.A. use and was restricted in its permitted use, in the number of comparable properties reviewed, and did not include the 17,489 square feet adjacent parcel included with this sale. Preliminary analysis indicates that the site's value significantly exceeds the proposed acquisition price, and it is expected that the unrestricted appraisal will show an increased value over the prior document. A title report has also been ordered.

### **SITE HISTORY AND AVAILABILITY**

In 1967, the Pasadena Y.M.C.A. constructed and then opened a multipurpose recreation and community service facility located at 2750 E. New York Drive, Pasadena. Since 1968 the Y.M.C.A. has continuously operated this facility, offering a wide range of programs for youth and families. Over the past few months, the Y.M.C.A. made the decision to close the New York Drive facility, and has undergone significant reorganization in the local San Gabriel Valley region. While the Pasadena/Altadena Y.M.C.A. continues to offer programs and services at various locations throughout the greater Pasadena/Altadena area, the organization very recently made the determination to sell the New York Drive property. Further, the Y.M.C.A. determined that a sale must be concluded on or about December 31, 1999, due to financial obligations and deadlines established by the organization. Following their recent decision to make their New York Drive facility available for sale, in mid-November Y.M.C.A. representatives

discussed with the City's Director of the Human Services, Recreation and Neighborhoods Department the opportunity for the City to purchase the site at a price that has been preliminarily identified by the seller's restricted appraisal as less than market rate.

The City's opportunity to purchase this property is available only on an extremely limited time frame. Due to financial obligations of the Y.M.C.A, they require a closing date for the purchase transaction on or about December 31, 1999.

### **FACILITY NEED AND PROPOSED USE**

A primary purpose for acquisition of the New York Drive facility is to maintain this valuable recreation and community service facility and site available to the extended Pasadena community. Particularly given the efforts of an extended network of agencies striving to provide positive alternatives for youth during non-school hours, and the shortage of quality, affordable facilities to provide such activities, the New York Drive facility offers a unique and outstanding opportunity for the City to acquire and maintain a quality youth recreation, education and community service center. In recent years there has been a loss of affordable recreation facilities (most notably the Y.W.C.A downtown Pasadena facility), and growth in youth sports and recreation activities ranging from basketball and indoor soccer to aerobics and swimming. The New York Drive facility would help meet a critical need.

Over the past four years, a group of youth-serving agencies and advocates have worked to establish what was originally called a Pasadena Teen Center, but now referred to as the Pasadena Youth Center. This collaborative is in the process of filing to become a 501(c)3 non-profit organization, and expects to have preliminary approval by January, 2000. Both the youth and adults in the Youth Center collaborative have consistently advocated the establishment of an identified "hub" or central site which provides a range of youth activities on-site (recreation, tutoring, job training, social services, leadership training, etc.), with that "hub" Youth Center serving as a key link for young people to the range of "satellite" sites citywide offering a more extensive range of services to youth. This Youth Center Collaborative has successfully secured funding, community support, co-provider participation, program commitments, youth involvement and other key factors to establish a Pasadena Youth Center. However, a primary barrier to establishing and implementing a "hub" for youth activities and services has been the absence of a site for an identified Youth Center.

Efforts to secure a facility or designate space within a youth-serving facility have been promising but unsuccessful to date, ranging from efforts in 1997 to secure a lease for use of the current PUSD building occupied by Kidspace Museum (upon their relocation), to the recent proposed building rehabilitation and co-location with Outward Bound Adventures at OBA's vacant property at 610 North Lake Avenue.

If the City purchases the current Y.M.C.A. New York Drive facility, program delivery at the site will continue in partnership with the Y.M.C.A., the Pasadena Youth Center collaborative and other public and non-profit providers would have a facility to deliver programs and services. Some of these providers are already delivering programs at the site. For example, PUSD's Blair High School is presently utilizing the Y.M.C.A. facility gym for their sports team program, while the Blair gym is reconstructed following extensive fire damage. Discussions are underway with the Armory Center for the Arts, the Irvine Foundation (funders of the new CORAL project), Outward Bound Adventures and other youth-focused efforts to utilize the site for youth-focused activities. The facility will become a multi-agency youth-focused service site, with program delivery, staffing and key operating costs supported by the many users.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT AND NATIONAL ENVIRONMENTAL POLICY ACT**

This recommendation has been found to be Categorical Exempt under the California Environmental Quality Act and is also exempt under the National Environmental Policy Act, as the site will continue in its present use.

**FUNDING FOR SITE ACQUISITION**

Acquisition costs of this property are estimated at \$530,000, including the \$500,000 purchase price and up to \$30,000 in commission, closing costs, title, site study, etc. While there has been great interest and support for the project expressed by various foundations, organizations, L.A. County, program providers and others, due to the very short time frame available for the City to acquire the site from Y.M.C.A. there has been limited opportunity to finalize commitments for financial and programmatic partnerships, grants, and other resources. Accordingly, to meet the sale closing deadline of December 31, 1999, the following funding package is proposed.

**ACQUISITION COSTS:** \$500,000 purchase  
                                   + 30,000 estimated commission, title, document fees, soils, site study,  
                                   **\$530,000** appraisal, closing costs, etc.

**SOURCES OF FUNDS:** \$ 70,000 State grant (awarded for Youth Center project per SB 196)  
                                   \$150,000 CDBG award for Youth Center, per Council action 5/99  
                                   \$125,000 Request YMCA to carry note for one year at six percent interest (6%)  
   due and payable in one year  
                                   **\$185,000** Loan from the Human Service Endowment Fund  
                                   **\$530,000**

The State of California awarded \$70,000 in Senate Bill 196, for the development of the Pasadena Youth Center in FY 2000. These funds are currently allocated in the California Dept. of Education budget, dedicated for the Pasadena Youth Center use, and are available immediately upon written notification of the actual use of the funds (i.e. for acquisition of the New York Drive site).

## OPERATING BUDGET

The New York Drive site offers outstanding opportunities to bring in various recreation, education, cultural and other providers to deliver services. It is anticipated that these providers will, in most cases, pay a user fee to cover a prorated share of cost for facility operations (utilities, custodial, maintenance, etc.), according to each provider's use of the facility. Use of this site will support the facility operating costs

Following acquisition of the facility, the first six months of operation (January 1 through June 30, 2000) require an allocation of funds to cover building management and operations. It is not anticipated that the City be a primary provider of direct services at the facility; rather, the City's role will be one of building management. Staff will relocate an experienced recreation manager from another location to the New York Drive site, to oversee basic facility operations. The first three months following acquisition (i.e. January 1 through March 31, 2000) will be a period of move-in, establishment of the Youth Center, recruitment and development of operating plans (including identifying additional providers, services and developing schedules), completion of some minor building modifications, and limited program activities (including continuation of the Y.M.C.A. Youth Basketball program as a primary user of the gym during evenings and Saturday daytime hours). The next three months will see some expansion of program activities delivered and funded primarily by non-City recreation, human service and related agencies and organizations.

To support core facility operations for the first six months after facility acquisition (January 1 through June 30, 1999), a total of \$39,900 is requested. This allocation will support the following budget.

<u>Item</u>	<u>Cost</u>
Personnel	
.5 FTE Recreation Facility Manager (reassignment of a Youth Sports Mgr. To this location)	- 0 -
Contract Service (Recruit, Secure, Schedule Co-Providers)	\$ 7,000
Housekeeping	
Custodial Services @ \$2,000 / month	\$12,000
Maintenance and Supplies	4,500
Utilities	
Includes gas, refuse, electric, water, phones	14,000
Materials and Supplies/Misc.	<u>2,400</u>
TOTAL:	\$ <u>39,900</u>

As part of the 1999-2000 Community Development Block Grant request for proposal process, Outward Bound and the Youth Center Collaborative applied for funding for a project to rehabilitate structures located at 610 N. Lake Avenue. This request was granted \$165,000. After further investigation, the Youth Center Collaborative determined it was not feasible to go forward with this project at the Lake Avenue site. OBA is investigating how to proceed with a modified project at 610 N. Lake Avenue. The reprogramming of funds, recommended by this action, allocates \$150,000 to the New York Drive site, and retains \$15,000 in the OBA budget to permit them to investigate their options at the North Lake Avenue site. This reprogramming recommendation was approved by the Northwest Commission at their meeting of December 8, 1999. As a recipient of CDBG funds, OBA will be eligible to apply for reprogrammed dollars, if they become available in March 2000, and any CDBG funds in future years, if the new project is feasible within CDBG funding requirements. OBA has also been invited to use the YMCA facility for delivery of some of their programs.

A one-time loan of up to \$200,000 from the Human Service Endowment Fund was recommended to City Council for approval by the Human Services Commission at their meeting of December 6, 1999. The loan will be interest-free for a term not to exceed the upcoming two-year funding cycle (i.e. no longer than June 30, 2002). The impact of this action on the Fund will be to reduce it by an estimated \$10,000 per year (assuming a 5% annual earnings rate) for the term of the loan, the amount available to award to applicant agencies in the public/human service grant process of CDBG (15% public/human service), Emergency Shelter Grant and Human Service Endowment Fund program. However, It is projected that this loan will be retired within two years through various grant, contributions and other sources. However, should such funds not be secured within that time, it is projected that effective July 1, 2002, the revenue from user fees of the New York Drive facility will provide sufficient revenue to provide the \$10,000 in annual interest back for use for program funding by the Human Services Endowment Fund

Due to the limited time frame for this purchase, the YMCA has agreed to take back a note for \$125,000 of the acquisition costs. The note will have an interest rate of six percent (6%) and be due and payable in one year (requiring closure on or about December 31, 2000). It is anticipated that funds to retire this loan prior to the one-year date will be secured from various grants, contributions and other funding sources. However, should such funds not be realized, it is projected that the activities, occupants and users of the New York Drive site will generate sufficient revenue to cover repayment of the loan. For example, with operating costs projected at \$70,000 per year and an annual loan repayment of \$10,453 (based on refinancing the YMCA loan for 20 years at 5%), then total amount required is \$ 80,453 per year. The site is anticipated to operate approximately 290 days per year, with additional Sunday and holiday special events also available (but not included in this projection). Earning \$80,453 in revenue would require earning an average of \$6,704 per month, in a facility with a gym, pool, outdoor sports court, various multipurpose and meeting rooms, and office space.

## **ADDITIONAL FACILITY MODIFICATIONS AND PROJECTED COSTS**

While the Y.M.C.A. facility has been assessed as structurally sound with no structural deficiencies, it does require some modifications and repair. If Council approves the purchase of this facility, foundation funds and grants are available for expanding recreational services and completing facility improvements. No City funds are requested by staff to address these items.

The following summarizes preliminary estimates regarding basic improvements required to make the facility fully accessible and operational for a variety of youth activities (i.e. recreation, education, culture, art, etc.). It is anticipated that these modifications can be phased in over the next year, as funds are available.

### **Short- to Mid-term Improvements**

Roof maintenance and gym ceiling repairs	\$ 5,000
Pool: re-plaster, re-grout, move injection points, change to bulk chlorine system	\$ 5,000
Additional safety modifications to windows in gym	\$ 3,000
ADA Compliance: making facility fully accessible:	
Access ramp at front entrance	\$10,000
Automatic door operation at front entrance	\$ 7,500
Modifications to front information counter	\$ 1,000
Modifications to existing boys and girls showers	<u>\$10,000</u>
	<u>\$41,500</u>

### **Mid- to Long-Term Improvements**

Enhanced Accessibility:	\$50,000
Lift or elevator and structural modifications to allow direct access among three interior and exterior levels: upper level (front entrance, gym, multipurpose rooms, offices); exterior pool and deck; lower level (multipurpose rooms, lockers, showers, rear entrance, etc.).	

## **ADVISORY BODIES**

The recommendation to acquire the Y.M.C.A. site has been presented to the Human Services Commission, the Recreation and Parks Commission, and the Northwest Commission. On December 6, 1999, the Human Services Commission took action to support the staff recommendation. On December 7, 1999, the Recreation and Parks Commission took action to support the City's acquisition of this site. On December 8, 1999, the Northwest Commission met and after extensive discussion, they supported the actions within the stipulation that the City provide regular reports on the building status and usage. The Commission was particularly concerned about the accessibility of the site to the youth living in northwest Pasadena.



## **TRANSPORTATION**

The Y.M.C.A. facility is located at 2750 E. New York Drive, in a semi-rural area at the northern border of Pasadena, in the northeast quadrant of the City. It is located on a major east-west route, New York Drive. The facility is less than two-tenths of a mile from the major intersection of New York Drive and Altadena Drive, which has a traffic light, a public bus stop, and is a stop for several PUSD school bus routes. There is a sidewalk leading from that intersection to the Y.M.C.A. facility.

There are many assets to the Y.M.C.A. facility location: it is in an area not identified as territory of a particular gang, offers youth a semi-rural environment, has many amenities of interest to youth, and more. However, some questions have been raised about the geographic location and assuring that there is an adequate, affordable transportation system so that youth can readily utilize the site. Of particular concern is access by youth from low and moderate income families.

Many families residing in Northwest Pasadena have already established youth transportation systems to East Pasadena because their children and youth currently attend middle and high schools there. The following summarizes the approximate distances from PUSD middle and high schools to the Y.M.C.A. facility:

Pasadena High School	1.5 miles
Marshall Fundamental	2.0 miles
Muir High School	4.5 miles
Rose City High School	4.5 miles
Blair High School	6.5 miles
Wilson Middle School	2.0 miles
Eliot Middle School	2.5 miles
Washington Middle School	3.5 miles

In terms of public transportation to the facility, there are several options available for youth attending PUSD middle and high schools. A key element for successful participation will be promoting these options to youth and encouraging utilization of the system. Students attending Eliot, Wilson, and Washington middle schools have the opportunity to ride school buses provided by PUSD. It is our understanding that several of these buses currently stop at or near the intersection of Altadena Drive and New York Drive (two-tenths of a mile from the facility) and/or pass directly by the facility as they traverse New York Drive between Sierra Madre and Altadena Drive. Working with PUSD over the coming months, bus routes can be reviewed to determine how best to make the Y.M.C.A. facility accessible to students at these schools via the available buses.

Students in grades 9 through 12 are eligible for free bus passes, which the City and PUSD purchase at the student-rate from an allocation of some \$200,000 from the City Proposition A funds, and an additional \$200,000 to \$250,000 from PUSD. Pasadena and PUSD work together in the effort to provide affordable transportation for youth. The following provides samples of how a youth might utilize the public bus system from two PUSD high school locations to the Y.M.C.A. facility.

- 1). From Blair High School: (student rate without bus pass: \$1.60)
  - At 2:38 pm, board MTA Bus #401 at Arroyo & Glenarm; get transfer
  - At 3:06 pm, get off at New York and Allen
  - At 3:11 pm, board MTA Bus #264; show transfer to driver
  - At 3:14 pm, get off at Altadena and New York Drive
- 2). From Muir High School: (student rate without bus pass: \$1.35)
  - At 2:38 pm, board MTA Bus #267 at Lincoln and Wyoming
  - At 3:14 pm, get off at Altadena and New York Drive

At the present time, the nearest stop of the City's free ARTS bus is 1.5 miles from the Y.M.C.A. facility, stopping at Allen Avenue and Washington Blvd. Many youth currently utilize both the uptown and downtown ARTS buses, and this system offers many youth easy, no-cost access to travel across the city.

The Youth Center Collaborative reports they have been working with such organizations as PCC and CalTech to negotiate potential use of their vans and shuttle services at prime youth activity hours to provide transportation to the New York Drive facility.

A strong public information campaign, through both the City and PUSD, will be key to advise youth of the availability of the facility and public transportation options. The youth interns currently working on the Youth Center project, along with other youth groups, will be essential partners in communicating this information to their peers and encouraging use of the transportation options.

### **FISCAL IMPACT**

The fiscal impact of this project will require the reprogramming of CDBG dollars, the expenditure of Human Service Endowment funds, the allocation of SB 196 grant funds and an appropriation of \$39,900 from the unappropriated General Fund fund balance for the remainder of FY 1999-2000. Fund raising over the next year is anticipated to fund the remaining acquisition costs of (\$125,000) as well as site modification costs (\$50,000). Until additional funding is secured, the City will be responsible for paying the \$125,000 note to the Y.M.C.A. along with interest at 6% per annum. If unsuccessful, revenues from the facility are expected to be adequate to capitalize these costs. On an annual basis, it is anticipated that the revenues from the facility will offset operating and maintenance expenses.

Respectfully Submitted,



**CYNTHIA J. KURTZ**  
City Manager

Approved by:



**RICHARD J. BRUCKNER**  
Director, Housing and Development Department



**PATRICIA A. LANE**  
Director, Human Services, Recreation and Neighborhoods Dept.

ATTACHMENT A