

Agenda Report

DATE: JANUARY 25, 1999

TO: CITY COUNCIL

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: APPROVAL OF GROUND LEASE BETWEEN THE CITY OF PASADENA AND THE UNITED STATES OF AMERICA FOR THE MARINE CORPS RESERVE CENTER AT 2755 E. SIERRA MADRE BLVD.

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to enter into a thirty (30) year Ground Lease Agreement on the above mentioned property with the United States Government for the total nominal rent of one dollar (\$1.00), in consideration of the many community services provided by the Reserve Center.

BACKGROUND:

The Marine Corps Reserve Unit has occupied the existing facility located at 2755 E. Sierra Madre Blvd. since September 1977. The property is located adjacent to dedicated parkland within Victory Park. The Marines have been paying rent at the rate of one dollar per year since 1994 conditioned upon them making a minimum of \$16,000 worth of improvements to the facilities per year. Prior to September 1977, the property was leased to the Department of the Navy's Naval Reserve Training Center from April 1948 to September 1977 at a rate of one dollar per year.

The existing facilities are 1940's vintage, and have surpassed their useful life and are scheduled for demolition by the federal government. A new Reserve Center is planned for the site and \$6,700,000 has been appropriated by the United States Congress for its construction. The proposed lease term of 30 years will allow the federal government to amortize this investment.

In 1982, the City Council adopted Section 3.23.010 of the Municipal Code, which declares the properties enumerated therein as dedicated parkland. The map utilized for this Section depicting Victory Park, shows the northwest corner of Sierra Madre Boulevard and Paloma Street as "Lease to Navy". From this it can be inferred that it was the intent of the Council that the property being leased would become dedicated parkland

when the Navy ceased to lease the property. The Marine Corps is part of the Navy. Therefore, extending the term of the lease or entering into this new lease is not inconsistent with the use depicted on the map of Victory Park and the intent of Council.

The following terms are reflected in the proposed lease:

Term:	30 years with the right to extend for two 10-year terms.
Rent:	One dollar (\$1.00) for the total term, in consideration of community services rendered.
Improvements:	Upon termination, improvements at City's option become property of City. City may request demolition at Government's cost by giving proper notice.
Environmental:	The Government is responsible for the restoration and clean up of any area it has contaminated before the expiration of this lease and shall comply with all governing laws and regulations pertaining to environmental protection, health and safety.
Site Description:	Approximately 94,000 square feet of land located at the northwest corner of Sierra Madre Boulevard and Paloma Street.

Leases over 15 years normally require compliance with the City's surplus property disposition procedures. The United States Government is exempt from these procedures. Therefore, although the proposed lease exceeds 15 years, the City need not comply with procedural requirements of Chapter 4.02 of the Pasadena Municipal Code to lease surplus property to the Marine Corps.

FISCAL IMPACT:

Effectively, there is no fiscal impact. The proposed lease is for a total of one dollar (\$1.00) and the existing lease is for one dollar (\$1.00) per year.

Respectively Submitted



CYNTHIA J. KURTZ
City Manager

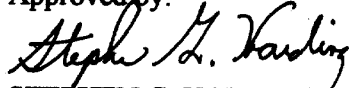
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Prepared by:

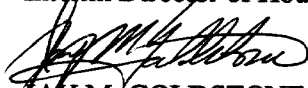


MANUEL NEGRETE, JR.
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Approved by:



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Reviewed by:



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