

Agenda Report

DATE: AUGUST 14, 2000

TO: CITY COUNCIL

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: EXCLUSIVE RIGHT DURING THE MONTHS OF AUGUST THROUGH DECEMBER, 2000, FOR CITY OF PASADENA TO NEGOTIATE FOR THE POSSIBLE PURCHASE OR LEASE OF THE PROPERTY LOCATED AT 965 N. FAIR OAKS AVENUE

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute an agreement with Flam Properties, LTD, the owner of the property located at 965 N. Fair Oaks Avenue, which will provide the following:

1. The owner agrees not to consummate a deal for the sale or lease of the property with a party other than the City of Pasadena or assigned third party for a public purpose through December 2000.
2. The City will pay the owner \$0 for August, September, and October and \$21,163 per month triple net for the months of November and December for not consummating a deal. The City is responsible for insurance, security, taxes and other obligations typical in a triple net lease during November and December.
3. The City may assign the rights under this agreement to a third party for a public purpose.
4. The City will make its best efforts to arrive at an agreement with the owner regarding the lease terms and conditions or the sale terms and conditions prior to the end of the year.

BACKGROUND:


The property is a 2.5-acre parcel of land improved with a 60,000 square foot concrete tilt up industrial/manufacturing building. It is situated south of and adjacent to Robinson Park and is considered by staff to be a candidate parcel for City or School use.

Highland Plastics, the long-time tenant, has outgrown this facility and will be moving at the end of October. Consequently, the owner is currently marketing the property for lease. City staff requires a few months to evaluate the site and its possibilities, both physically and financially. Therefore, considering the current high demand for industrial property in the Pasadena area, it is in the City's best interest to execute an agreement that will effectively hold the property for possible lease or purchase.

FISCAL IMPACT

Approve a journal voucher authorizing the Director of Finance to appropriate from the Unappropriated General Fund, fund balance, up to \$50,000 based upon rent for the months of November and December plus other obligations of a triple net lease.

Respectfully Submitted,



CYNTHIA J. KURTZ

City Manager

Prepared By:



Manuel Negrete Jr.
Real Property Manager

Approved By:



Richard Bruckner
Director of Housing & Development