

# Agenda Report

DATE: FEBRUARY 26, 2001

TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION AND  
PASADENA CITY COUNCIL

THROUGH: FINANCE COMMITTEE

FROM: CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER / CITY  
MANAGER

SUBJECT: JOINT ACTION: ARMORY CENTER FOR THE ARTS LEASE  
AGREEMENT AND GRANT FOR COMMISSION OWNED  
PROPERTY AT 145 N. RAYMOND AVENUE AND SHORT TERM  
LEASE OF CITY OWNED PROPERTY AT 965 N. FAIR OAKS  
AVENUE

## RECOMMENDATION:

It is recommended that the Pasadena Community Development Commission:

1. Affirm that the real property at 145 North Raymond Avenue is serving a public purpose through its lease to the Armory Center for the Arts (ACA), which provides human, social and cultural services to the community.
2. Find and determine that the property at 145 N. Raymond Avenue with regard to the lease extension and improvements proposed by the ACA is categorically exempt under the requirements of Sections 15301(a) (e)(1) and 15331 of the California Environmental Quality Act (CEQA).
3. Find and determine that the new lease, conditionally extending the term to 30 years without competitive bidding will achieve an extraordinary and overriding public benefit.
4. Approve the terms and provisions of the new lease agreement, which includes conditions that the new 30-year term is subject to the ACA obtaining all necessary entitlements for the proposed construction, and that the ACA: 1) continue significant public benefits to the Pasadena community; 2) provide proper maintenance of the property for the term of the lease and, 3) provide proof that 75% of the estimated \$1,300,000 construction costs have been committed through

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donations, pledges or grants prior to commencement of construction, and that if funds are not raised by two years from the date of Council authorization for the lease, that the lease will revert to the current terms.

5. Authorize the Chief Executive Officer to execute the Lease Agreement and all other documents pertaining thereto and to perform such other and further acts as required under the Lease Agreement.

It is recommended that the Pasadena City Council:

1. Approve a journal voucher appropriation of \$146,762 from the Charter Capital Fund to Account No. 8114-101-952100 for the purpose of granting the Armory Center for the Arts \$146,762 for seismic work on the Commission owned Armory building.
2. Approve the terms and provisions of a short-term lease agreement of less than one year for the property at 965 N. Fair Oaks Avenue to be used by the Armory Center for the Arts while the Armory building undergoes renovation and rehabilitation provided the Armory Center obtains all entitlements for this use.
3. Authorize the City Manager to execute the lease agreement and all other documents pertaining thereto and to perform such other and further acts as required under the lease agreement.

### EXECUTIVE SUMMARY:

The Armory Center for the Arts, who are the Commission's current tenant at 145 N. Raymond Avenue propose to renovate the building to increase their utilization of the space at a cost of \$1,300,000. They are asking that the City grant them \$146,762 toward necessary seismic and sewer line work required at this Commission property. The remainder of the \$1,300,000 will be generated through grants and donations. In order to attract donations and raise the required funds, ACA requests a new 30-year lease to replace their current lease with options which will expire in 2012. During renovation, ACA will require a temporary location in order to continue their programs and serve Pasadena residents. Staff suggests that the City lease to ACA, the newly acquired City building adjacent to Robinson Park at 965 N. Fair Oaks Avenue. Under the temporary agreement, which will be for less than one year, ACA will be required to maintain the building and grounds, provide liability insurance, and pay for all utilities. The agreement will also require ACA to continue to offer programs to Pasadena residents and expand programs they offer to the neighborhood surrounding this temporary facility.

### BACKGROUND:

On February 17, 1987 the Pasadena Community Development Commission entered into a Lease Agreement with the Armory Center for the Arts to rehabilitate and operate the Armory Center building as an art center and exhibition program for a period of fifteen

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years with two five-year renewal options in lieu of rental payments. This lease and options if exercised will expire February 16, 2012. Rehabilitation of the building for their use in 1987 had a cost of approximately \$630,000.

The ACA now plans to renovate the building to increase their utilization of space, by upgrading the lighting, adding air conditioning, replacing the storage at the rear second story with a state of the art media lab, adding an elevator and walkway to connect the east and west sides of the building, and adding 2,155 square feet at the rear of the building for a new ceramics, drawing, and painting workshop. The estimated cost of renovation is \$1,300,000, which includes \$146,762 to cure seismic deficiencies and replacement of a portion of the main sewer line. They plan to pay for the construction through grants and donations and look to the City for a grant of the \$146,762 needed for the seismic and sewer work required for this public building. The three areas requiring seismic mitigation are: 1) Strengthening the roof diaphragm in the large workshop/gallery area; 2) Anchoring the floor and roof wood joist framing to the perimeter concrete wall and; 3) Installation of diagonal bracing at north and south end bays of the Observation Gallery. The existing 3" sewer line that runs under the slab and wood floor of the large open space meets a 4" line at the front of the building. The 3" line is old, worn and not to code and therefore should be replaced.

In order to attract donors, ACA is seeking a conditional extension of their occupancy through a new 30-year lease. Staff recommends extending the lease based on the City's policy of providing other long-term leases for \$1.00 per year and or services provided to non-profit and cultural organizations such as the Norton Simon, Rose Bowl Aquatic Center, and the Marine Center at Victory Park. These leases to non-profits ranged from 30 to 99 years and each organization has invested \$200,000 to \$2,000,000 in the properties.

Typically, improvements similar to those proposed by the Armory Center for the Arts have an estimated economic life of 40 to 50 years. For this reason, it is reasonable that the lease to ACA should be extended to at least 30 years.

The Lease will contain a contingency clause that requires proof that 75% of the estimated \$1,300,000 construction costs must be committed prior to construction and that if these funds are not raised by two years from the date of City Council authorization for the lease, that the lease will revert to the current terms. The extension will also be subject to ACA receiving all entitlements necessary for the proposed improvements as well as continuing with the same non-profit organization in place for the benefit of Pasadena residents for the duration of the Lease. ACA is now in the process of obtaining a minor conditional use permit for off site parking at St. Andrews and a variance for a smaller loading zone at the rear of the building.

ACA has been using the property and providing services at this location since 1989. Since the opening of the Armory, the level of public participation has increased steadily, more than tripling the number of visits between 1989 and 2000. Today ACA provides innovative arts experiences to approximately 25,000 children and adults each year.

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In general, the demographics of ACA's participants from October 1999 through September 2000 reflect the demographics of this community.

- A total of 25,100 individuals took part in 62,500 program visits.
- Of these approximately 70% were children and youth ages 3 to 18.
- 83% of all participants' visits were free.
- 44% of individual participants were white, 26% were Latino, 13% were African-American, 13% were Asian, and 4% were of other ethnic or mixed backgrounds.

The Armory presents programs in six areas:

1. Programs for the Schools – field trips and artist residency projects for students and their teachers.
2. Studio Programs – innovative art classes for children and adults taught by professional artists.
3. Programs in the Community – free classes for children and youth located in lower-income community sites such as parks, libraries, and schools.
4. Artist Mentorship Programs for Youth – in-depth and long term instruction with artists-in-residence provided free of charge for students 11 to 18.
5. Professional Development Programs – instruction and hands-on experience in arts education techniques for artists, teachers, and college and graduate students.
6. Gallery Programs – exhibitions and performances presented in the Gallery that are integrated with the Armory's other educational program components.

A temporary location will be required by ACA during renovation in order to continue their programs and serve Pasadena residents. Staff suggests that the City lease to ACA, the newly acquired City building adjacent to Robinson Park at 965 N. Fair Oaks. The agreement will require ACA to obtain a conditional use permit for the proposed use, maintain the building and grounds, provide liability insurance, and pay for all utilities. It will also require ACA to continue to offer programs to Pasadena residents and expand programs they offer to the neighborhood surrounding this temporary facility.

### FISCAL IMPACT

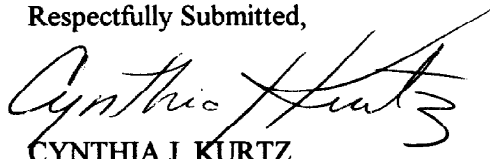
The property at 145 N. Raymond Avenue will continue to be leased to the Armory Center for the Arts for one dollar per year and they will continue to be responsible for the maintenance of the property and to provide human, social and cultural services to the community.

The property at 965 N. Fair Oaks will be leased to ACA for a period of less than one year for one dollar so that they may continue to provide services to the community during renovation of 145 N. Raymond Avenue.

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The transfer of the \$146,762 from the Charter Capital Project Fund will leave an available balance of approximately \$11.1 million in this Fund.

Respectfully Submitted,



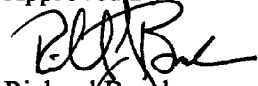
CYNTHIA J. KURTZ  
City Manager/Chief Executive Officer

Prepared By:



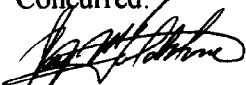
Manuel Negrete Jr.  
Real Property Manager

Approved By:



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Director of Housing & Development

Concurred:



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Director of Finance