

# Agenda Report

TO: CITY COUNCIL DATE: March 21, 2005

FROM: CITY MANAGER

**SUBJECT:** AUTHORIZATION TO PURCHASE A 29.481 ACRE PROPERTY IN THE UPPER ARROYO SECO SOUTH OF JET PROPULSION LABORATORY AND NORTH OF THE HAHAMONGNA WATERSHED PARK BY THE CITY OF PASADENA FROM THE METROPOLITAN WATER DISTRICT

## RECOMMENDATION:

It is recommended that the City Council:

1. Find that the purchase of the property referenced above is categorically exempt under the requirements of the California Environmental Quality Act (CEQA).
2. Approve and direct that the property be purchased for \$1,236,000 and authorize the City Manager to take all actions necessary to effectuate the purchase including indemnification of Metropolitan Water District (MWD) and U.S. Forest Service (USFS) for all remaining buildings of the former Oak Grove Ranger Station.
3. Approve a Resolution of the City Council approving and authorizing the acquisition of property.
4. Approve the addition of Capital Project 77570 – MWD Property Acquisition in the Arroyo Seco Project Group and recognize and appropriate \$1,236,000 from the Charter Capital Fund to Capital Project 77570.

## BACKGROUND:

The property to be acquired is a 29.481 acre parcel of land, zoned for open space, located in the northwesterly portion of the city, lying easterly of Oak Grove Drive, and is a part of the upper Arroyo Seco. The City of Pasadena maintains

the physical and natural resources of the Arroyo Seco in cooperation with

MWD Arroyo Seco Purchase

several other agencies. L.A. County's Department of Public Works owns and operates the dam and maintains a flood control easement that extends to the 1075-foot elevation line and includes an 18.3-acre easement encumbering a portion of the property. The County's flood maintenance division is responsible for flood control work and debris removal within the easement area while the City is responsible for maintaining the habitat and recreation-related features inside and outside the easement.

The acquisition of this site is consistent with and supports the goals of the Hahamongna Park Master Plan that include the acquisition and preservation of open space. The purchase of the 29.481 acre site with a covenant restricting use to open space, park and recreation purposes is consistent with the Surplus Land Act provisions of the State Code, which governs MWD.

The site has a number of improvements that are the property of the tenants that occupy or have occupied portions of the site through ground leases. Existing lessees include: 1) L.A. County Fire with a lease renewal in 2004 for 50-years with an annual rental rate of \$0 for 7.07 acres; 2) Rose Bowl Riders has a year to year lease on 12.080 acres that may be terminated when and if Lessor informs Rose Bowl Riders of its intent to terminate the lease in writing 90-days in advance of each consecutive one-year term. The annual rental rate is \$14,500; 2a) Tom Sawyer's Camp subleases a portion of the Rose Bowl Riders site on a month to month basis; 3) USFS 50-year lease of 6.8 acres with an annual rental rate of \$0 terminated June 30, 2004, however, a month-to-month extension is in place until the Forest Service can comply with the terms of the lease regarding the removal of the improvements. It is proposed that as part of the acquisition of the site, the City will determine which buildings are to remain for City use and which are to be removed by the Forest Service. The USFS and MWD (lessee and owner) have indicated a willingness to leave certain buildings on the site as requested by the City. They have also indicated a requirement could be that the City release the MWD and USFS from any liability associated with the buildings. It is also anticipated that following acquisition the City will undertake a master planning process for the site.

An appraisal of the property was prepared in December 2004 by Mason and Mason Real Estate Appraisers for the MWD. The fair market value of an unencumbered fee simple interest in the property was estimated to be \$1,600,000 and the encumbered fair market value of the leased fee interest was estimated to be \$1,236,000. The appraisal, which used the market approach and compared the subject to other mostly open space acreage sales was reviewed by City staff and found to be reasonable. The City's reviewer is licensed by the State of California, Office of Real Estate Appraisers.

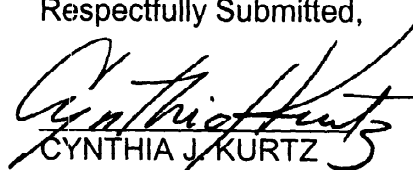
On January 24, 2005 City Council authorized the City Manager to negotiate with MWD for the acquisition of the 29.481 acre site. Following are the major terms and conditions of the proposed purchase:

- 1) The purchase price is to be \$1,236,000.
- 2) Included will be a covenant restricting the sites use to recreation and open space.
- 3) The owner will provide a phase I environmental report.
- 4) The City will accept the site in its "AS IS" condition.

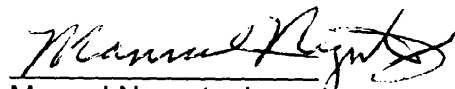
**FISCAL IMPACT**

The cost of this purchase is \$1,236,000. Funding for this acquisition will come from the Charter Capital Fund, leaving a cash balance in the Fund of approximately \$10.9 million. If approved, the Department of Public Works will request funds to begin the Master Plan process in the FY06 Operating Budget.


Respectfully Submitted,

  
CYNTHIA J. KURTZ  
City Manager

Prepared By:

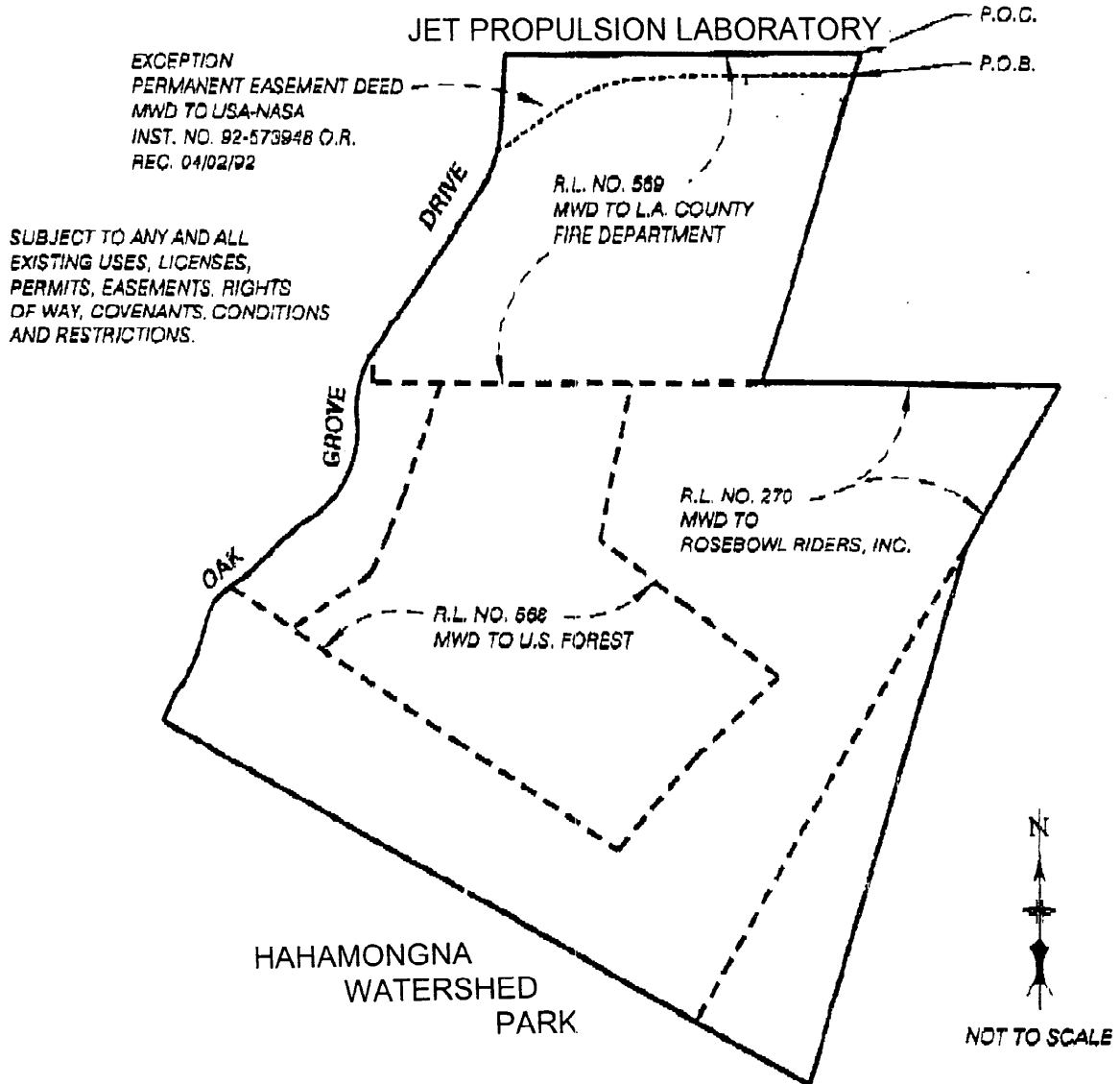
  
Manuel Negrete Jr.  
Real Property Manager

Approved by:

  
Richard Bruckner  
Director of Planning and Development

# EXHIBIT A

**POR. OF LOT 1 OF SUBDIVISION OF RANCHO LA CANADA BK. 4, PG. 351 M.R.  
CITY OF PASADENA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA  
THIS EXHIBIT IS TO BE ATTACHED TO THE LEGAL DESCRIPTION**



**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF PASADENA, CALIFORNIA, APPROVING  
AND AUTHORIZING THE PURCHASE OF REAL  
PROPERTY IDENTIFIED AS ASSESSOR'S PARCEL  
NUMBER 5823-003-911 FROM THE METROPOLITAN  
WATER DISTRICT OF SOUTHERN CALIFORNIA**

WHEREAS, the Metropolitan Water District of Southern California ("MWD") wishes to sell, and the City of Pasadena ("CITY") wishes to buy, approximately 29.48 acres in the City of Pasadena and identified as Assessor's Parcel Number 5823-003-911 (the "Property");

WHEREAS, MWD determined that the land was surplus and is selling the Property to CITY in accordance with Article 8, Chapter 5, Part 1, Division 2, Title 5 of the California Government Code Sections 54220-54232 (the "Surplus Land Statute");

WHEREAS, CITY intends to develop and use the Property as park or recreational space in accordance with the Surplus Land Statute;

WHEREAS, the parties have agreed on a purchase price of \$1,236,000 for the Property;

NOW, THEREFORE, based on the evidence presented to the City Council including the written staff report and oral testimony on this matter, the City Council of the City of Pasadena does hereby find, determine and resolve as follows:

Section 1. The above recitals are all true and correct.

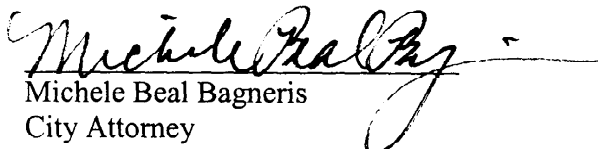
Section 2. The City Council hereby approves the acquisition of the Property from MWD for the sum of \$1,236,000.

Section 3. City will develop and use the Property as park or recreational space in accordance with the Surplus Land Statute.

Section 4. The City Council hereby authorizes and directs the City Manager to enter into a Purchase and Sale Agreement and Joint Escrow Instructions for the acquisition of the Property, and to take all actions reasonably necessary to complete the acquisition of the Property.

PASSED, APPROVED AND ADOPTED this 21st DAY OF MARCH, 2005.

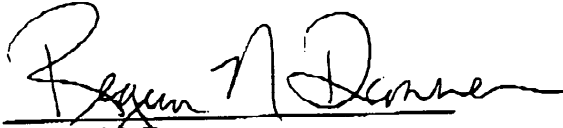
APPROVED AS TO FORM:

  
Michele Beal Bagnieris  
City Attorney

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Jane L. Rodriquez  
City Clerk

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON

A handwritten signature in black ink, appearing to read "Regina M. Danner", written over a horizontal line.

Regina M. Danner,  
Special Counsel