

Agenda Report

DATE: SEPTEMBER 19, 2005
TO: CITY COUNCIL
FROM: CITY MANAGER
SUBJECT: PURCHASE OF THE PROPERTY LOCATED AT 1150 N. ALLEN AVENUE BY THE CITY OF PASADENA

RECOMMENDATION:

It is recommended that the City Council:

1. Find and determine that the purchase of the property at 1150 N. Allen Avenue is categorically exempt under the requirements of the California Environmental Quality Act (CEQA).
2. Approve and direct that the Property be purchased without competitive bidding pursuant to City Charter Section 1002 (E), contracts relating to the acquisition of real property, for \$1,266,000 and authorize the City Manager to take all actions to effectuate the purchase.

BACKGROUND:

The property is a flat rectangular shaped 11,500 square foot, PSCL1 zoned, parcel of land situated at the southeast corner of Allen Avenue and Brigden Road in northeast Pasadena. The site is improved with an old boarded-up service station that has been scheduled for demolition and redevelopment with a three story mixed used project having 8 residential condominium units and 4 retail /office units.

After considering the site's size, location, surrounding environs, and access to public transportation, staff recommends that the site be acquired for construction of affordable housing. The zoning on the site would permit 8 new housing units to be constructed.

The owner is willing to sell the site, complete with approved plans and permits for \$1,266,000, reflecting \$110.09 per square foot of land. This price is the "as is" market value of the property as estimated by Benjamin Tunnell III, Certified General Real Estate Appraiser, licensed by the State of California. The appraisal report dated July 21, 2005

was prepared for the First American Bank located in Rosemead California to support a loan for the purchase of the property.

Mr. Tunnell included four recent comparable sales ranging from \$90.99 per square foot to \$110.22 per square foot respectively. The sales that included plans were at the top of the range.

Staff conducted a market survey for recent comparable sales and found those utilized in the Tunnell report along with others including a May 31, 2005 sale of a property scheduled for condominium development that sold for \$115.41 per square foot.

Besides the appraisal report, the owner provided: Pump Island Area Investigation including Laboratory Soil Testing Results; Hazardous Materials Underground Storage Closure Certification; and Environmental assessment Subsurface Soil Investigation.

Staff review reveals that both the County of Los Angeles Department of Public Works and City of Pasadena Fire Department issued letters of completion and closure certification, "no further action," regarding the underground tanks at the site.

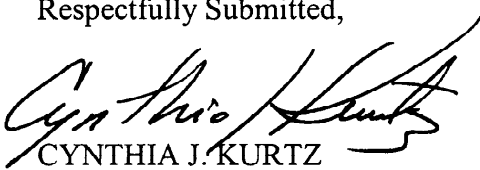
Athamor Environmental Services provided a report on their subsurface investigation of the site including subsurface soil sampling, laboratory analysis, and identification of any concentration of petroleum hydrocarbon. The Athamor report reveals that no total recoverable petroleum hydrocarbons (TRPH) concentration was detected in any of the soil samples analyzed and that no further investigation or other action is recommended.

Upon transfer of the property to the City, the Planning and Development Department and the Housing and Community Development Division shall work jointly to solicit proposals for the construction of an affordable housing residential development.

FISCAL IMPACT

The cost of the property is \$1,266,000. Additional funds to cover escrow costs are estimated at approximately \$9,000, yielding total funds required at approximately \$1,275,000. These funds are available in the Housing Opportunity Fund – California Housing Enabled Local Partnership.

Respectfully Submitted,


CYNTHIA J. KURTZ
City Manager

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Real Property Manager

Concurred By:



Brian K. Williams
Assistant City Manager

Approved by:


Richard Bruckner *for*

Director of Planning and Development