TO: CITY COUNCIL BOARD OF EDUCATION

DATE:

JUNE 5, 2006

FROM: CITY MANAGER SUPERINTENDENT OF SCHOOLS

SUBJECT: AGREEMENT BETWEEN THE CITY OF PASADENA AND PASADENA UNIFIED SCHOOL DISTRICT FOR UTILIZATION OF CITY STAFF FOR REAL ESTATE SERVICES

RECOMMENDATION:

It is recommended that the City Council and Board of Education take the following actions:

- 1. Approve the utilization of Pasadena city staff real estate services for a hourly amount of \$85.00 per hour on an as needed basis; and
- 2. Authorize the City Manager and Superintendent of Schools to execute an agreement to initiate these real estate services.

BACKGROUND:

On February 27, 2006, the City Council approved Phase I of Initiatives developed by the City/School Joint Studies of Services and Programs Team. The School Board approved these same initiatives on March 14th, 2006. These 8 initiatives were designed to identify potential savings and improve efficiencies for PUSD, the City, or both. 'Real estate and advanced planning services' was identified as one of these initiatives.

The Pasadena Unified School District is a substantial land owner within Pasadena. Circumstances require that the District sell, purchase, or entertain other land transfers in order to serve it's changing population

PUSD has limited staff resources to deal with the variety of emerging real estate issues. In contrast, the City's Planning and Development Department staff provides a full range of real estate services related to the oversight of public right of ways, management of public properties, and implementation of redevelopment

opportunities. This may include, but is not limited to, property surveys, title review, RFP and contract preparation, lease/sale negotiations, appraisal reviews, and contract management. Entitlement preparation, lease negotiations, contract management, property disposition, and development agreements are some of the existing City skill sets that can be offered to PUSD to meet it's needs.

The Board of Education will maintain full control of any decision to lease, sell or maintain properties. However, City staff can supplement PUSD staff work in order to provide the Board with relevant information. Knowledge of local real estate trends and local zoning are important attributes that the City can provide. The current zoning restrictions of many school properties and the short term or long term transition to a new use will need entitlement expertise.

At this time, PUSD contracts with various consultants and service providers at an average cost of \$150.00 per hour.

City staff can provide real estate management and advance planning services at \$85.00 per hour. Impact to City staff's current work load would be manageable if the need for services evolve gradually over the course of the year. If the workload cannot be managed with staff, additional services would be acquired on a limited term basis and managed by City staff.

FISCAL IMPACT:

Services would be provided by the City at \$85 per hour which covers direct cost to the City and reduces the cost paid by PUSD from a private provider.

Respectfully submitted,

CYNTHIA J. KURTZ City Manager

PERCY CLARK JR., Ph.D. Superintendent