

# Agenda Report

May 17, 2010

**TO:** Honorable Mayor and City Council  
**FROM:** Planning and Development Department  
**SUBJECT: EXTENSION OF LEASE TERM FOR THE FOOTHILL WORKFORCE INVESTMENT BOARD AT 1207 EAST GREEN STREET, CONTRACT 16,669**

## **RECOMMENDATION:**

It is recommended that the City Council:

- 1.) Find that the leasing of 1207 East Green Street from the State of California for occupancy by the Foothill Workforce Investment Board ("FWIB") is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Existing Facilities); and
- 2.) Authorize the City Manager to execute a five year lease incorporating the terms and conditions generally described below with the State of California for the City to continue leasing a portion of the building located at 1207 E. Green Street for the FWIB, and any other documents necessary to carry out the lease.

## **BACKGROUND:**

The Career Services Division of the Human Services and Recreation Department administers the federal Workforce Investment Act program on behalf of the FWIB. Since, May 1, 1998, the Workforce has shared offices at 1207 East Green Street with the State of California's Employment Development Department ("State"), who owns and operates the building.

The FWIB intends to continue occupancy at this location for an additional five years through February 28, 2015. The FWIB's "One-Stop Service Center" and the State's Employment Development Department's functions compliment each other by servicing the residents in the communities of Pasadena, Arcadia, Duarte, Monrovia, Sierra Madre

and South Pasadena. Over the last couple years, in an effort to maximize efficiencies of the building, the State increased the number of work stations, installed a new telephone system and carpeted the facility.

Common areas within the 14,760 square foot building are allocated to the occupants based on use according to a formula acceptable to both parties. Due to the increased workforce development programs serving dislocated workers, veterans, youth, and long term unemployed adults offered by the FWIB, the FWIB's allocation of square footage is increasing from 6,176 square feet to 8,397 square feet. The rent of \$11,084.04 per month is calculated based on the facility's actual operating expenses of \$1.32 per square foot, which includes maintenance, repairs, utilities, and security guard service, and will remain unchanged for the five year term. Either party may terminate the lease after February 29, 2012 by providing 90 days notice to the other. The City will be responsible for its telephone usage. Following is a recap of the substantial terms proposed to extend the lease:

- a) Term: Five years commencing March 1, 2010 and terminating on February 28, 2015;
- b) Area: 8,397 square feet;
- c) Rent: \$11,084.04 per month, based on the current operating expenses of \$1.32 per square foot;
- d) Utilities: State to pay all utilities except City's phone usage; and
- e) Early Termination: Either party can terminate the lease after February 29, 2012 by providing 90 days notice.

**COUNCIL POLICY CONSIDERATION:**

Provision of the FWIB site is consistent with the City Council's Strategic Plan goal of supporting and promoting the quality of life of the local economy by providing an employment and training service delivery system that is responsive to the needs of employers and job, education and training seekers.

**ENVIRONMENTAL ANALYSIS:**

The City's continued leasing of 1207 E. Green Street is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Existing Facilities). This exemption applies to the continued operation of existing facilities involving negligible or

no expansion of use. The continuation of the lease for a five year period will not result in any expansion of the existing use.

**FISCAL IMPACT:**

The rental expense for the five year term will be approximately \$665,042. Funds for this lease for the current fiscal year have been included in the current operating budget, in various Workforce Investment Act Fund Accounts, including account number 68164950066, project account number 47479 and will be requested in subsequent operating budgets.


Respectfully submitted,

  
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STEVE MERMELL  
Assistant City Manager

Prepared by:

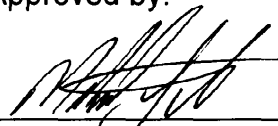
  
\_\_\_\_\_  
KELLY KITASATO  
Real Property Manager

Concurred by:

  
\_\_\_\_\_  
PHILLIP L. DUNN  
Administrator  
Foothill Workforce Investment Board  
Career Services Division

  
\_\_\_\_\_  
PATRICIA A. LANE  
Director of Human Services and  
Recreation

Approved by:

  
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MICHAEL J. BECK  
City Manager