

Agenda Report

May 11, 2015

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: LEASE AND OPERATING AGREEMENT BETWEEN CITY OF PASADENA AND MOVE A CHILD HIGHER, INC., 4810 OAK GROVE DRIVE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that a continued occupancy by Move A Child Higher, Inc. (MACH1) and new lease for occupancy of property located at the northerly portion of Hahamongna Watershed Park from the City of Pasadena is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Existing Facilities) and, furthermore, that the subject lease is within the scope of the Arroyo Seco Master Plan Master Environmental Impact Report (EIR) as documented through the Hahamongna Annex Initial Study approved by the City Council on February 1, 2010;
2. Find that the property proposed for lease to MACH1, located at 4810 Oak Grove Drive, Pasadena, also identified as a portion of Assessor Parcel Number 5823-003-911, was obtained for recreational use, and the proposed use is within its intended purpose; and
3. Authorize the City Manager to negotiate and execute a new lease and a new operating agreement between the City of Pasadena and MACH1, a nonprofit community based organization, incorporating the terms and conditions generally described below, effective May 1, 2015 and continuing through April 30, 2020.

RECOMMENDATION OF THE HAHAMONGNA WATERSHED PARK ADVISORY COMMITTEE:

At their March 24, 2015 meeting, the Hahamongna Watershed Park Advisory Committee unanimously recommended that City Council approve a lease and a new operating agreement between the City and MACH1 for the operation of a therapeutic equestrian program in Hahamongna Watershed Park (HWP).

BACKGROUND:

MACH1, a Pasadena-based non-profit organization that has provided services to over 1,000 participants, was founded in 1996 to provide equine assisted activities and therapies to people with disabilities. In 1999, MACH1 began a program in HWP to operate as an extension of their Flintridge Riding Club program. MACH1 moved their entire operation to HWP in 2004 and has continuously operated there since. Therapeutic horsemanship programs are accredited through the Professional Association of Therapeutic Horsemanship International (PATH). There are 81 horseback therapeutic programs listed in the 2015 California Horseman's Directory covering the entire state. Of these, MACH1 is one of twenty-four therapeutic horseback programs certified as PATH Premier Accredited Centers and the only therapeutic horsemanship program in the San Gabriel Valley.

The HWP Master Plan and accompanying Master Environmental Impact Report (MEIR) were adopted by City Council in 2003.

In 2005, the City purchased an additional 30 acres of land (the Annex) from the Metropolitan Water District, wherein three equestrian uses were assigned to the City through a lease with Rose Bowl Riders. Following the purchase, the Public Works Department prepared a Proposed Uses Concept Plan that suggested how areas of the Annex could be used for a variety of equestrian-related and environmental educational uses. The City Council approved this conceptual plan on April 30, 2007 (Attachment A).

An amendment to the 2003 HWP Master Plan was approved by City Council on February 1, 2010. This amendment refined the concepts established in the 2007 plan and formally adopted them into the HWP Master Plan (Attachment B). The leased area identified for the therapeutic horseback riding program is centrally located within the Annex area and southwest of MACH1's current operational area.

In October 2011, the City issued a Request For Qualifications (RFQ) for a therapeutic horseback riding program. The RFQ was sent to every qualified therapeutic equestrian program operator in California. Two potential proposers attended a mandatory pre-proposal meeting and the City received one proposal- from MACH1. After reviewing the sole proposal, staff from the Human Services and Recreation and Public Works Departments determined that MACH1 met all of the City's requirements and MACH1 was selected as the preferred operator for the program (Attachment C).

In June 2012, MACH1 submitted a Conditional Use Permit (CUP) application for the site. As part of the application, a detailed site plan was prepared to describe various site improvements to support the riding program including a small arena, stalls for the horses, and several small support structures (Attachment D). The CUP was approved on September 19, 2012.

From late 2012 to the present, MACH1 has been implementing site improvements described in the CUP plan including the arena, horse stalls, and utility improvements. The site preparations are near completion.

Lease

As MACH1 has obtained a CUP to relocate their operation to a different location (Attachment E), a lease is required for occupancy of the new area. Following are the proposed substantial terms of the lease:

- Use:** Therapeutic equine riding program for riders with disabilities
- Area:** 1.0 acre
- Term:** Five (5) years, effective May 1, 2015 to April 30, 2020
- Options:** Three, five-year options to extend the Term of the lease
- Rent:** \$0 – Waived in lieu of programs/services discussed below
- Improvements:** MACH1 to provide site preparation and program improvements valued at \$300,000; City to provide water, electrical and sewer utility infrastructure upgrades.
- Maintenance:** MACH1's responsibility
- Utility Use:** MACH1's responsibility
- Termination:** Tenant can terminate early with 180 days-notice, provided they relocate within City limits
- Other Terms:** If the Operating Agreement discussed below is terminated, the Lease will automatically terminate, and vice versa;
Tenant improvements and use must comply with Conditional Use Permit, Building Code, Zoning Code, the HWP Master Plan, and Arroyo Seco Design Guidelines;
Premises shall be secured; and
Not assignable.

Operating Agreement

Staff is proposing an operating agreement for a period of five years with three, five-year options to extend agreement terms to coincide with the Lease Term. MACH1 will submit an Annual Report to City beginning February 2016 detailing programs, services and budget, including revenue and expenses. MACH1 will attend coordinating meetings with the City and the other equestrian providers in Hahamongna (not less than annually).

The proposed agreement requires MACH1 to provide programs and activities for persons of all ages with disabilities. The services are designed to build self-confidence, physical strength, and social skills and improve the quality life and emotional well-being for people with disabilities through equine assisted therapy and community involvement. Eighty percent of the participants in this program come from low-to-moderate-income families. MACH1 also relies primarily on private funds, fund-raisers and volunteers to assist their clients as a means for operating the program.

MACH1's services have a \$35 per riding lesson fee for Pasadena residents and a \$40 per riding lesson fee for non-residents. All low-income families qualify for a full or partial scholarship to further offset the riding lesson fee. A total of 12 scholarships are offered annually totaling \$15,000.

The programs and services consist of the following:

- **Public Benefit:** which comes in the form of two types of scholarships, partial and full;
- **Community Services:** partnerships with Eagle (Boy) and Gold Award (Girl) Scouts, Wounded Warriors (veterans with disabilities), Pacific Clinics, Five Acres and Pasadena Unified School District (PUSD) to provide field trips to the riding facility;
- **Community Events:** to draw residents into the equestrian center as well as to provide training and education about the services of MACH1 and the Pasadena Equestrian Center;
- **Special Events:** provides for three fund-raisers events throughout the year which include: the annual Musical Horseshow in the month of June; the Fall Festival and Ride-A-Thon 5K in October; and The Walk-A-Thon 5K in March, which aid in supporting low cost riding lessons and scholarships;
- **Priority to Pasadena Residents:** While the City recognizes this is a regional program, the goal is that at least 60 percent of the program's clientele will reside in Pasadena and that no Pasadena resident will be excluded from participation or be placed on a waiting list for this program. MACH1 will be required to submit rosters, and marketing and outreach plans annually to the Human Services and recreation Department to ensure that every effort has been made to reach the 60 percent goal;
- **Marketing and Outreach:** collaborate with the City in promoting the program in the Human Services Recreation Web-Page and Quarterly Brochure at no cost to MACH1. MACH1 will provide promotional materials and presentations to inform local service providers of the program including Pasadena City College, and the Pasadena Unified School District; and
- **Facilities Schedule:** MACH1 is required to provide a master calendar of operations at the beginning of the calendar year. Any changes to the master calendar must be submitted at least 60 days in advance to the Human Services and Recreation Department.

The operating agreement saves the City staffing, service provision, and operational expenses associated with facility management. MACH1 meets an important quality of life and human development need in providing unique recreational programming for the target population locally.

COUNCIL POLICY CONSIDERATION:

The proposed operating agreement with MACH1 furthers the City Council's goals of improving and enhancing public facilities and infrastructure as well as supporting and promoting quality of life and local economy through programming that benefits the community.

ENVIRONMENTAL ANALYSIS:

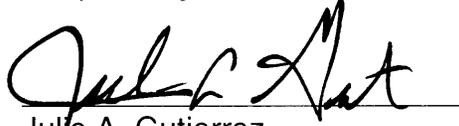
The City's leasing of property to MACH1 located at the northerly portion of the Hahamongna Watershed Park in Pasadena is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Existing facilities). This exemption applies to the lease of existing equestrian facilities involving negligible or no expansion of use. Pursuant to Conditional Use Permit (CUP) #5829 approved on September 19, 2012 by the City of Pasadena Hearing Officer, equestrian facilities have been installed on the subject site in the Hahamongna Watershed Park. Along with approval of the CUP, the Hearing Officer acknowledged the previously prepared Initial Study for the Hahamongna Annex (approved by City Council on February 1, 2010), which documented that such equestrian facilities were within the scope of the Arroyo Seco Master Plan Master EIR. The proposed lease would allow MACH1 to relocate their operation from the Rose Bowl Riders facilities (also in the Hahamongna Watershed Park) to the now existing equestrian facilities built pursuant to CUP #5829. The proposed lease involves no expansion of the capacity of the equestrian facilities. In addition to being categorically exempt from CEQA pursuant to Class 1, the proposed lease (similar to the CUP), is within the scope of the Arroyo Seco Master Plan Master EIR, as documented by the previously prepared Initial Study for the Hahamongna Annex.

FISCAL IMPACT:

There is minimal fiscal impact on the adopted 2015 Operating Budget. No rental revenue is proposed due to the numerous therapeutic equestrian programs and outreach proposed for the benefit of City residents and the surrounding community, valued at \$145,000 annually. It is anticipated that there are minor indirect and support costs such as contract management and non-regular maintenance. Regular site maintenance responsibilities are transferred to MACH1 as part of the lease and operating agreements.

The future utility improvements are funded in Capital Improvement Project #77901, Pasadena Equestrian Center Improvements. The estimated total cost of the improvements is \$450,000. The improvements are not limited to MACH1 and will also provide improved utility service to the other equestrian tenants in HWP.

Respectfully submitted,


Julie A. Gutierrez
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Concurred by:


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Approved by:


MICHAEL J. BECK
City Manager

- Attachment A – 2007 Conceptual Use Plan
- Attachment B – 2010 Master Plan Addendum Site Plan
- Attachment C – Preferred Operator Announcement
- Attachment D – 2012 CUP Site Plan
- Attachment E – Proposed Lease Area