

# Agenda Report

May 20, 2024

**TO:** Honorable Mayor and City Council

**FROM:** City Manager

**SUBJECT: AGREEMENT OF PURCHASE AND SALE BETWEEN BRETT P. KLAESER AND THE CITY OF PASADENA FOR THE REAL PROPERTY COMMONLY KNOWN AS 2211 E. WALNUT STREET, LOCATED IN THE CITY OF PASADENA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, APN NO. 5746-025-028, AND AMENDING THE FY 2024 CAPITAL IMPROVEMENT PROGRAM BUDGET BY AN AMOUNT NOT TO EXCEED \$4,160,000.**

## **RECOMMENDATION:**

1. Find that the proposed acquisition of the subject property is being undertaken without design plans or commitment to any specific development of the property at this time and, therefore, the mere change in title ownership does not have the possibility of causing any potentially significant impact on the environment, and on that basis, is exempt from environmental review under the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061(b)(3) under the common sense exemption because it can be seen with certainty that the change in title ownership of the property has no possibility of having a significant effect on the environment; moreover, the purchase of the property and any potential subsequent project is also considered to be categorically exempt from CEQA pursuant to CEQA Guidelines Sections 15301(a) – Existing Facilities, and 15303(d) – New Construction or Conversion of Small Structures and there are no features on this property that distinguish this project from others in the exempt classes and no unusual circumstances; and
2. Amend the FY 2024 Capital Improvement Program Budget to appropriate \$4,160,000 of Proposition A Local Transit funds (Fund 208) to the Transit Operations Maintenance Facility (75707) project; and
3. Authorize the City Manager to complete the pending Agreement of Purchase and Sale between Brett B. Klaeser and the City of Pasadena for the real property commonly known as 2211 E. Walnut Street, located in the City of Pasadena, County of Los Angeles, State of California, APN No. 5746-025-028, for an amount not to exceed \$4,160,000.

**BACKGROUND:**

The Department of Transportation (“Department”) uses the City-owned property at 2180 E. Foothill Boulevard to park a portion of the City’s fixed route transit bus and Dial-A-Ride fleet.

Another portion of the fleet is parked, serviced, and maintained at a different non-City-owned location where the lease will terminate in 2025. The Department of Transportation has been planning to consolidate operations, but the current 2180 E Foothill Boulevard property is too small for the Department’s future zero emission vehicle fleet needs. On July 22, 2022, the City sent a letter of inquiry to the adjoining property owner, commonly referred to as 2211 E. Walnut Street, Pasadena, CA, 91107. On June 14, 2023, the City sent a second letter of inquiry to the property owner. Subsequently, the owner expressed his interest in selling the Walnut property. On August 21, 2023, the City Manager received direction to negotiate and enter into a purchase agreement to acquire 2211 E. Walnut Street, APN No. 5746-025-028. On September 1, 2023, the City provided the first proposal for the purchase and sale agreement for the Walnut property. The owner made several counteroffers, and on February 28, 2024, escrow for the purchase of the Walnut property was opened, and will close subject to the approval of the Purchase and Sale Agreement.

The Department of Transportation would seek to utilize the property under contract with the adjoining City-owned property at 2180 E. Foothill Boulevard to combine these two parcels and establish a new Transit Operations and Maintenance Facility. The facility will serve the Pasadena Transit fixed route and Dial-A-Ride fleet, allowing dispatch services, operations, and maintenance to occur at one centralized location. These services are currently conducted at a leased facility at the intersection of Allen Avenue and Corson Street, and vehicles are parked at this location, as well as two satellite parking lots. The current facility is sub-standard in size and would not accommodate a zero-emission fleet or a larger fleet needed for service expansion.

Moreover, the addition of this property would allow the new facility to be designed to accommodate the transition to a zero-emission transit vehicle fleet and accommodate 40-ft hydrogen fuel cell buses and battery electric vehicles, with charging equipment located on-site.

This property would also allow the facility to be designed to accommodate future expanded transit services. This Transit Operations and Maintenance Facility would store, maintain, and repair the City’s public transit fleet, including charging battery electric buses.

Any future project would be subject to the appropriate discretionary approvals and environmental documentation.

**COUNCIL POLICY CONSIDERATION:**

The proposed action is consistent with the City Council's Strategic Plan Goal to maintain fiscal responsibility and stability and support and promote the quality of life and local economy. The proposed action is also consistent with a guiding principle of the General Plan: to promote a city where people can circulate without cars. Specifically, this action is consistent with Policy 1.9 of the Mobility Element in the General Plan: Support local and regional air quality, sustainability, and GHG emission reduction goals through management of the City's transportation network.

**ENVIRONMENTAL ANALYSIS:**

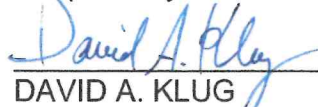
The Department has determined that it can be seen with certainty that there is no possibility that the proposed action of purchasing the real property at 2211 E. Walnut Street may have a significant adverse effect on the environment and therefore is not a project under CEQA. The mere change in title ownership does not have the possibility of causing any potentially significant impact on the environment. Even the acquisition were a project, it is exempt from CEQA pursuant to State CEQA Guidelines Title 14, Chapter 3, Article 19, Class 1, Section 15061(b)(3) ("Common Sense" Exemption) because it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment. The purchase of the property is also considered to be categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301(a) – Existing Facilities as the acquisition involves negligible or no expansion of use and pursuant to Section 15303 – New Construction or Conversion of Small Structures as the acquisition may involve installation of new equipment in small structures or conversion from one use to another. Moreover, there are no features on this property that distinguish this project from others in the exempt classes, and therefore, there are no unusual circumstances, nor any cumulative impacts, impacts on an environmental resource of hazardous or critical concern, hazardous waste sites, scenic highways, or historical resources.

Staff will submit appropriate environmental analysis for any future specific use of the site for consideration before commitment to a future project.

**FISCAL IMPACT:**

The cost of this acquisition will be \$4,150,000, plus closing costs, for a total estimated acquisition cost not to exceed \$4,160,000. Approval of the recommended action will amend the FY24 Capital Improvement Program Budget to appropriate \$4,160,000 of Proposition A Local Transit funds (Fund 208) to the Transit Operations Maintenance Facility (75707) project for the land purchase. In addition, the seller will lease back the property after the closing of escrow and pay the City rental income of \$21,000 for four months.

Respectfully submitted,




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Concurred by:



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Approved by:



for \_\_\_\_\_  
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