

Agenda Report

September 9, 2024

TO: Board of Directors of the Successor Agency to the Pasadena Community Development Commission

FROM: Office of the City Manager - Economic Development Division

SUBJECT: ADOPTION OF A RESOLUTION OF THE SUCCESSOR AGENCY OF THE PASADENA COMMUNITY DEVELOPMENT COMMISSION APPROVING THE SALE OF THE PROPERTY LOCATED AT 145 NORTH RAYMOND AVENUE (ARMORY CENTER FOR THE ARTS)

RECOMMENDATION:

It is recommended that the Successor Agency to the Pasadena Community Development Commission:

1. Find that the action proposed herein is not a “project” subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b); and
2. Adopt a resolution approving the sale of the property owned by the Successor Agency to the Pasadena Community Development Commission located at 145 North Raymond Avenue and identified as APN 5723-021-901(Property) with the current tenant, Armory Center for the Arts.

BACKGROUND:

The Armory Center for the Arts (Armory), as lessee, entered into a prior lease agreement for this site with the former Pasadena Community Development Commission on February 17, 1987. The Commission and the Armory entered into a new lease agreement for this site on May 31, 2001, that is in effect until June 2031. The former Commission was dissolved as of February 1, 2012, and the City of Pasadena elected to serve as the Successor Agency to the Pasadena Community Development Commission. Pursuant to this current lease agreement, the Armory is required to operate an art center and exhibition program on the site and to provide various arts-related programs and services to the residents of Pasadena.

In February 2012, pursuant to the Statewide elimination of Redevelopment, the

Commission was dissolved, and the City of Pasadena elected to serve as the Successor Agency to the Commission. As such, ownership of all properties that had been owned by the Commission, including the property at 145 North Raymond Avenue, were transferred to the Successor Agency. In December 2015 the California Department of Finance (DOF) approved the Successor Agency's Long Range Property Management Plan (LRPMP). The LRPMP includes a list of all Successor Agency-owned properties and describes their disposition, and this Property is included in the LRPMP and is identified as "to be sold."

On June 10, 2024, the Successor Agency to the Pasadena Community Development Commission declared this Property as Surplus Land and began the disposition process as outlined in the Surplus Land Act (Government Code Sections 54220- 54234) (the Act). These steps include: 1) Successor Agency declaration of the Property as Surplus Land, 2) Issuance of a Notice of Availability (60 days) and 3) Negotiate with respondents in good faith in an attempt to reach agreement on price and terms (90 days). The 60-day notification period concluded on August 13, 2024, without any respondents. The Successor Agency may now negotiate with entities not included on the Notice of Availability list.

Successor Agency staff engaged the appraisal firm of Norris Realty Advisors who determined the fee interest fair market value to be \$2,600,000 as of May 21, 2024. On August 19, 2024, the Armory submitted a letter of interest to purchase the Property.

Next steps will include a review of the Successor Agency's process by the State's Housing and Community Development Department (HCD) culminating in a letter of conformance with the Act by HCD. In addition, the Successor Agency must obtain approval of the sale of the Property from The Fifth Supervisorial District Los Angeles County Consolidated Oversight Board (LACOB) per the rules under the dissolution of redevelopment. Staff proposes to request the LACOB to approve the sale of the Property at a future meeting.

COUNCIL POLICY CONSIDERATION:

Adoption of the proposed resolution would be consistent with the City Council's goals to maintain fiscal responsibility and stability, and to support and promote the quality of life and local economy.

ENVIRONMENTAL ANALYSIS:

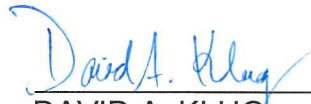
CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" administrative activities that will not result in direct or indirect physical changes in the environment. The actions proposed herein, authorizing the sale of the property, is an administrative activity that will not result in direct or indirect physical changes in the

environment, and therefore is not a “project” as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required. The Successor Agency is not taking any other discretionary action with regard to this Property. If future discretionary actions are proposed, they will be subject to appropriate environmental review at that time.

FISCAL IMPACT:

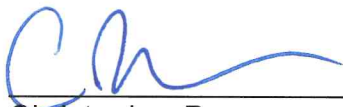
The total purchase price for the Property (as described in the Purchase and Sale Agreement) is \$2,600,000. 21% of the sale proceeds, net of normal and customary closing costs, will be remitted to the County Auditor-Controller for distribution to the City of Pasadena General Fund.

Respectfully submitted,



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