



Agenda Report

March 17, 2025

TO: Honorable Mayor and City Council

FROM: City Manager

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER A SIXTY-MONTH OFFICE LEASE AGREEMENT WITH THE STATE OF CALIFORNIA, ACTING BY AND THROUGH ITS DIRECTOR OF GENERAL SERVICES FOR THE PREMISES LOCATED AT 1207 E. GREEN STREET, IN AN AMOUNT NOT TO EXCEED \$788,235 FOR THE FOOTHILL WORKFORCE DEVELOPMENT BOARD

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the leasing of 1207 E. Green Street is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to the State CEQA Guidelines Section 15301 (Existing Facilities); there are no features that distinguish this project from others in the exempt classes, and therefore, there are no unusual circumstances; and
2. Authorize the City Manager to enter a lease agreement with the State of California, acting by and through its Director of General Services, in the amount not to exceed \$788,235 for the office space located at 1207 E. Green Street incorporating the terms and conditions generally described below, and to execute any other related agreements necessary to effectuate the transaction, including non-substantial revisions.

BACKGROUND:

The Career Services Division of the City Manager Department administers the federal Workforce Innovation and Opportunity Act ("WIOA") program on behalf of the State of California for occupancy by the Foothill Workforce Development Board ("FWDB"). Since, May 1, 1998, FWDB has shared offices at 1207 East Green Street with the State of California's Employment Development Department ("State"), which owns and operates the building; and

The FWDB intends to continue occupancy at this location, serving dislocated workers, veterans, youth, and long-term unemployed adults for an additional five years through January 31, 2030. The FWDB's "One-Stop Career Center" and the State's Employment Development Department's functions complement each other by servicing the residents in the communities of Pasadena, Arcadia, Duarte, Sierra Madre, and South Pasadena.

Proposed Terms:

The monthly gross rent of \$13,137 (\$1.75 per square foot) includes maintenance, repairs, utilities, and security guard service expenses. The gross rent will not increase annually and will remain unchanged for the five-year term. Either party may terminate the lease after January 31, 2027, by providing 90 days' notice to the other.

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. Following is a recap of the substantial terms proposed to extend the lease:

Term: Five years commencing February 1, 2025, and terminating on January 31, 2030.

Early Termination: Either party can terminate the lease after January 31, 2027, by providing 90 days' notice.

Area: 7,507 square feet.

Rent: \$13,137.00 per month (\$1.75 per square foot); no annual increases.

Operating Expenses: State to pay all repair and maintenance costs to maintain the premises in good condition, including but not limited to repair of the building, equipment, and landscaping.

Utilities: The state is to pay all utilities except the City's communication expenses.

COUNCIL POLICY CONSIDERATION:

The lease is consistent with the City Council's goal to maintain fiscal responsibility and stability and to support and promote the quality of life and local economy by providing an employment and training service delivery system responsive to the needs of employers and job, education, and training seekers. This goal is accomplished by the establishment of a public and private partnership which provides high quality programs and services that address the demands of the local labor market. This goal is congruent

with the City Council’s Strategic Planning goal of promoting the economic vitality of the community by promoting jobs, services, revenues, and opportunities for its residents.

ENVIRONMENTAL ANALYSIS:

Entering into a lease at 1207 E. Green Street is categorically exempt from CEQA pursuant to State CEQA Guidelines Title 14, Chapter 3, Article 19, Class 1, Section 15301 (Existing Facilities). This exemption applies to the continued operation of existing facilities involving negligible or no expansion of use. Neither the landlord provided tenant improvements nor the operation for the proposed terms will result in any expansion of the existing use. Further, there are no features on this property that distinguish this project from others in the exempt classes, and therefore, there are no unusual circumstances.

FISCAL IMPACT:

The total estimated cost of this action will be \$788,235 over 60 months. Funds for this lease for the current fiscal year have been included in the current operating budget, in various Workforce Innovation and Opportunity Act Fund Accounts (681) and will be requested in subsequent operating budgets.

Respectfully submitted,



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Director

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