



Agenda Report

September 15, 2025

TO: Honorable Mayor and City Council

FROM: City Manager's Office

SUBJECT: AUTHORIZE THE CITY MANAGER TO AMEND EXISTING LEASE AGREEMENT #24053 WITH CALIFORNIA INSTITUTE OF TECHNOLOGY, (JET PROPULSION LABORATORY) FOR THE PREMISES LOCATED AT 4800 OAK GROVE DRIVE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the leasing of 4800 Oak Grove Drive is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to the State CEQA Guidelines Section 15301 (Existing Facilities) and State CEQA Guidelines Section 21080.35.1 for the installation of solar parking canopies on existing parking lots; 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 amend the existing lease agreement #24053 with California Institute of Technology ("JPL") in the rental amount of \$1,312,020 for the 10-year lease term and market rent for the 10-year option term of approximately \$1,405,085 for the lease of real property located at 4800 Oak Grove Drive, including the installation of solar parking canopies, and to execute any other related agreements necessary to effectuate the transaction, including non-substantial revisions.

BACKGROUND:

On August 1, 2024, the City entered a lease (City Contract #24053) with JPL for the real property located at 4800 Oak Grove Drive (also known as the West Arroyo Lot). The agreement provided a 5-year term with one (1) 5-year renewal option. JPL is now requesting to amend the lease term to replace the remaining four years of the initial term with a new 10-year initial term, add an additional one (1) 10-year renewal option, and clarify the current permitted use of parking and erecting supporting structures to include the installation of solar photovoltaic parking canopies.

Proposed Terms:

The current lease permits the use of vehicle parking and grants the tenant the right to erect properly permitted support structures. The proposed lease amendment will add to the definition of support structures to include 31,635 square feet of solar photovoltaic parking canopies, which generate approximately 616 kW DC of clean energy for use to provide sustainable, uninterrupted power for JPL's operations.

The initial rent amount will remain unchanged from the current lease, but the proposed amendment will modify the term of the current lease. During the first five (5) years of the initial term, rent will remain at \$10,667 per month, increasing to \$11,200 per month for the remaining five (5) years of the initial term. If the 10-year renewal option is exercised, rent will increase to the then appraised market rental rate, estimated at 3% for each of the two (2) five-year option periods.

Proposed 10 Year Lease Amendment

Years	Monthly Rent	Term Rent
1-5	\$ 10,667	\$ 640,020
6-10	\$ 11,200	\$ 672,000
		\$ 1,312,020

Two 5-Year Options - (TBD by appraisal, Est. 3% increase per term)

Years	Monthly Rent	Term Rent
11-15	\$ 11,536	\$ 692,160
16-20	\$ 11,882	\$ 712,925
		\$ 1,405,085

\$ 2,717,105

COUNCIL POLICY CONSIDERATION:

The Lease Amendment 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. The solar photovoltaic parking canopies will provide sustainable, uninterrupted power for JPL's operations, enhance the local grid stability, and support the City of Pasadena's environmental stewardship of renewable energy.

ENVIRONMENTAL ANALYSIS:

Entering into a lease at 4800 Oak Grove Drive is categorically exempt from CEQA pursuant to State CEQA Guidelines Title 14, Chapter 3, Article 19, Class 1, Section 15301 (Existing Facilities) and State CEQA Guidelines Section 21080.35.1 (the installation of solar photovoltaic parking canopies on existing parking lots). The first exemption applies to the continued operation of existing facilities involving negligible or no expansion of use. The second exemption applies to the installation of solar systems on existing parking lots. The operation for the proposed terms will not 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:

There is no fiscal impact to the General Fund. This action will have a revenue impact over the term of the lease on the City's Water Fund (Fund 402).

Respectfully submitted,



DAVID A. KLUG
Economic Development
Director

Prepared by:



JEFFREY HERNANDEZ
Real Property Manager

Approved by:



MIGUEL MÁRQUEZ
City Manager