

Agenda Report

TO: CITY COUNCIL
FROM: ACTING CITY MANAGER
SUBJECT: Extension of Real Property Lease (JPL East Parking Lot)
JPL Contract No. 960266
Hahamongna Watershed Park

Date: April 27, 1998

RECOMMENDATION:

It is recommended that the City Council approve a Real Property Lease with JPL for five years, at \$450,000 per year, for a total lease amount of \$2,250,000.

BACKGROUND:

In 1985 the Pasadena Strategic Plan identified the potential for upgrading the Hahamongna Watershed (then referred to as the Park Devil's Gate area) as one of several major projects to improve Pasadena for the year 2000. An advisory committee was formed and met for several years. The responsibility for park maintenance transferred in September 1993 from the County of Los Angeles to the City of Pasadena based on the termination of a 25-year lease.

A proposal to establish an entity devoted to enhancing the Upper Arroyo Seco emerged in 1987 when the Santa Monica Mountains Conservancy authorized a \$50,000 grant to develop a joint powers authority identified as the Devil's Gate Multi-Use Project. After considerable review, in the spring of 1994 the City Council established the Hahamongna Operating Company (HOC) to direct the planning, operations and maintenance for the area.

During its first year of operation the HOC finalized an Operating Agreement with the City Council and participated in negotiations with Jet Propulsion Laboratory (JPL) to renew the lease of the East Parking Lots. The initial lease amount for the property was \$300,000 a year in lease payments. HOC negotiations led to \$150,000 annual increase that is currently \$450,000 a year. The existing three-year lease agreement expires June 30, 1998.

In December 1996 the City Council dissolved the HOC and assigned the responsibility for Hahamongna to the Public Works and Transportation Department. In early 1997 the City Council adopted a resolution amending Municipal Code Chapter 2.100 that directs the Recreation and Parks Commission to sit as the Hahamongna Watershed Park (HWP) Advisory Committee. The purpose and function of the Hahamongna Park Advisory Committee, which is comprised of members of the Recreation and Parks Commission, two member of the Northwest Commission and two member of the Utility Advisory Commission, shall be to advise the Pasadena City Council on:

- A. Review and recommendation of the Hahamongna Watershed Park Master Plan;
- B. Oversight of the preparation of the environmental documentation associated with the Hahamongna Master Plan;
- C. Oversight of the construction of the Hahamongna Watershed Park restoration project; and
- D. Review of revenue and financing proposals to fund the on-going operations and maintenance of Hahamongna Watershed Park.

In discussions with Water & Power Department staff, there could be future alternative uses of the East Parking Area for water storage and/or other water related operations. These potential uses, if ultimately approved by the City Council, could cause the termination and/or amending of the proposed lease agreement. If the area is redirected for other uses, alternative budget resources must be identified to fund the annual Memorandum of Understanding (MOU) between Water & Power and Public Works & Transportation for delivery of services on water land in Hahamongna Watershed Park. Potential removal of parking lot accessibility could create major traffic circulation concerns based upon JPL's proposed centralization planning which will require sufficient parking.

The City Council, as part of the annual budget adoption process, approves the use and transfer of Water Fund revenue. Revenues received from this lease agreement are used in support of the Departmental MOU between Water and Power Department and the Public Works & Transportation Department for the maintenance, security and planning of water system activities in the Hahamongna Watershed Park. Based on current City Charter requirements, funds received for use of Water Fund property are deposited in the Water Fund Account.

EXTENSION OF JPL LEASE AGREEMENT:

In February 1998 staff met with representatives of JPL to discuss a continuation of this lease agreement which is scheduled to end June 30, 1998.

Terms of the current lease include:

- A three-year term (June 30, 1995 to June 30, 1998)
- An annual rate of \$450,000 per year
- Total Three Year Lease Amount \$1,350,000

Recommended Terms for the New Lease:

- A five-year lease (July 1, 1998 through June 30, 2003)
- An annual rate of \$450,000 per year
- Total Five Year Lease Amount \$2,250,000

This recommended five-year lease extension parallels the need to secure the planning, operations and maintenance resources necessary to complete Hahamongna's long-term development strategy. The lease agreement also provides a 180-day termination provision if circumstances require an early end to the lease.

ADVISORY COMMITTEE REVIEW

The Hahamongna Advisory Committee reviewed this recommendation on April 9, 1998. Although a quorum was not present, all committee members in attendance supported the recommended lease agreement.

FISCAL IMPACT:

The proposed JPL lease agreement, for five years, at an annual rate of \$450,000, as a maximum amount if approved by the City Council, can provide \$2,250,000 in support of the current and future water system planning operations and maintenance efforts associated with Hahamongna Watershed Park.

Respectfully Submitted,




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Acting City Manager

Prepared by:



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Approved by:



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