

DATE: NOVEMBER 23, 1998

TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION

FROM: CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER

SUBJECT: AMENDMENT TO PASADENA COMMUNITY DEVELOPMENT COMMISSION FY 98-99 BUDGET IN THE AMOUNT OF \$65,000 FOR RELOCATION AND LEGAL FEES RELATED TO THE SYMES CADILLAC/TOYOTA PROJECT.

RECOMMENDATION:

It is recommended that the Pasadena Community Development Commission:

1. Amend the fiscal year 1999 Budget by \$65,000 to accommodate unanticipated legal costs associated with the relocation activities for Symes Cadillac/Toyota.
2. Approve a Journal Voucher transferring \$65,000 from Downtown fund balance (Account #8703-801-682110) and appropriate that amount to Halstead Sycamore (Account #6840-808-681410).

BACKGROUND:

In 1992-1993, the Pasadena Community Development Commission pursued the retention of Symes Cadillac/Range Rover and the attraction of a new Toyota franchise in Pasadena. The Commission entered into a Sales Tax Reimbursement Agreement and an Owner Participation Agreement (OPA) with Symes to help with the expansion of the dealership.

In order to satisfy franchise requirements, Symes moved forward with the purchase of five adjacent parcels. Although three of the five parcels were purchased privately, two parcels (containing a bar, a tropical fish store, a billboard and a liquor store) could not be obtained by Symes. Pursuant to the OPA, the Commission moved forward with condemnation proceedings for the purchase of the last two parcels (owned by Kern and Gin).

Subsequent legal costs and direct costs were paid by Symes. However, unanticipated issues associated with relocating a billboard from one parcel has resulted in modifications to the original budget. As part of the current settlement agreement, the billboard company has requested consideration for two relocation sites in the Downtown area. If the

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Commission rejects the billboard company's proposed downtown relocation site alternatives, the Commission must pay \$50,000 to the billboard company plus \$15,000 for their attorney fees for a total of \$65,000.

FISCAL IMPACT:

The \$65,000 Budget amendment is required to pay for the Commission's responsibilities for settling with the billboard company. The funds will be transferred from the Commission's FY99 Budget account #8703-801-682110. This will reduce the Downtown Redevelopment Project area's fund balance by \$65,000.

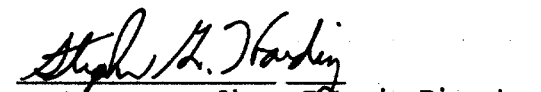
Respectfully submitted,


Cynthia J. Kurtz
Chief Executive Officer

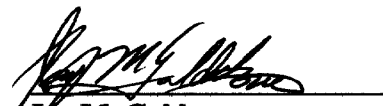
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