

DATE: November 2, 1998

TO: Pasadena Community Development Commission

FROM: Cynthia J. Kurtz, Chief Executive Officer

SUBJECT: \$40,000 PCDC Budget Amendment for 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 \$40,000 to accommodate unanticipated legal costs and appraisal fees associated with the relocation activities for Symes Cadillac/Toyota.
2. Approve a Journal Voucher transferring \$40,000 from Downtown fund balance (Account #8703-801-682110) and appropriate said 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 purchase privately, two parcels (containing a bar, a tropical fish store 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, several factors, including unanticipated staffing vacancies in the Housing and Development Department that resulted in delays in the project schedule, and an unusually strong opposition in one of the condemnation actions, caused an increase in legal and appraisal costs beyond the anticipated amounts.

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8.A.2.

Fiscal Impact:

The \$40,000 Budget amendment is required to pay for the Commission's legal responsibilities associated with the case. The funds will be transferred from the Commission's FY99 Budget account #8703-801-682110)

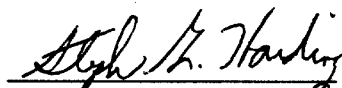
Respectfully submitted,


for Cynthia J. Kurtz
Chief Executive Officer

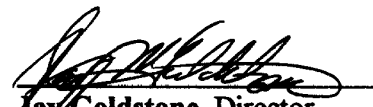
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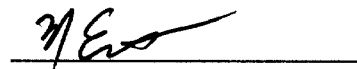

Eric P. Duyshart
Project Manager

Approved by:


Steve Harding, Interim Director
Housing and Development Department

Reviewed by:


Jay Goldstone, Director
Finance Department


Michelle Bagnaris
City Attorney