



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

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Report: Purchase and Sale Agreement to Acquire Fee Title to Real Property and Improvements Located at 1000 South Central Avenue, Glendale, CA:

1. Resolution authorizing the City Manager to execute a Purchase and Sale Agreement with Aria Investments, LLC for the purchase of real property and improvements located at 1000 South Central Ave, Glendale, CA, in the amount of \$24,000,000, plus \$700,000 which includes for estimated closing costs and broker commission.
2. Resolution of Appropriation to appropriate \$8,300,000 from the Development Impact Fee (DIF) Fund Balance, \$2,321,967 from Measure A grant revenue, and transfer \$4,772,817 from the Wilson Middle School Multi-Purpose Field and \$3,305,216 Cerritos Elementary School Multi-Purpose Field Projects to Land Acquisition Project for purchase of 1000 South Central Ave.

### COUNCIL ACTION

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**Item Type:** Action Item

**Approved for** June 24, 2025 **calendar**

### EXECUTIVE SUMMARY

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Staff have negotiated a purchase and sale agreement to acquire 2.39 acres of real property and improvements located at 1000 South Central Ave, Glendale, CA, (the "Property") (**Exhibit 1** – Site Map) for \$24,000,000, plus an additional \$700,000 which includes estimated closing costs and broker commission. Acquisition of the Property has the potential to increase park and recreational space in South Glendale.

### RECOMMENDATION

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Staff recommends adopting a resolution authorizing the City Manager to execute a Purchase and Sale Agreement for the acquisition of the Property along with the resolution of appropriation to allocate the required funding for the Property acquisition.

## ANALYSIS

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The Property is located on the corner of Central and Chevy Chase and was formerly the location of JOANN Fabric and Crafts. The 2.39-acre site is developed with a one-story, 33,818 sq. ft. commercial building that was built in the early 1960's; the building is currently vacant.

Earlier this year, the City Council authorized staff to make an offer to acquire the Property under Government Code §7267.2, which is a prerequisite to the acquisition of property through eminent domain. Following good faith negotiations, the City and Property owner arrived at the \$24M purchase price for the Property, plus broker commission of \$480,000 (2%) and payment of closing costs. The Property owner, Aria Investments, LLC, has executed the Purchase and Sale Agreement ("PSA") (attached hereto as **Exhibit 2**). The PSA outlines the terms and conditions for the sale which include a fifteen (15) day contingency period as part of a 30-day escrow; a non-refundable good faith \$500 deposit, a refundable one and a half (1.5%) percent (\$360,000) deposit (refund based on seller default or failure of contingencies) to be applied to the final purchase price at closing, title and property condition contingencies, and closing conditions. In addition to the \$24M purchase price, staff requests an additional \$700,000 to cover the broker commission and estimated closing costs and prorations which will be settled at the close of escrow.

It is staff's opinion that the Property is suitable for development as a public park. At 2.39 acres, the Property could become the fourth largest park in South Glendale. While staff will work on a master plan for the Property for future Council consideration, park amenities might include, but are not limited to, children's play areas, a water play feature, restrooms, picnic areas, fitness equipment, walking paths, murals and living green walls, turf and native grasses, native/drought-tolerant planting areas, and/or a demonstration garden.

The Property is located in Recreation Planning Area 7 which is generally bounded by Broadway to the north, Brand Boulevard to the east, and the Southern Pacific rail line to the west/south, and composed mostly of disadvantaged communities (DAC)—state defines census tracts with a Median Household Income (MHI) of less than 80% of the statewide average as DAC. The area has 15,705 people (2022: ACS 5-Year Estimates) with a MHI of \$69,840 and approximately 540 acres of land. For reference, the statewide MHI is \$90,180 making the DAC threshold \$72,144 (2022: ACS 5-Year Estimates). Pacific Park is the only recreational facility within this planning area with a total acreage 5.1 acres, providing a ratio of 0.35 acres of park land per 1,000 residents—the LA Countywide Comprehensive Parks & Recreation Needs Assessment (PNA) defines a "Very High" park need area as having less than 0.7 acres per 1,000 people and the Assessment identified all of South Glendale (areas south of the 134 Freeway), with a population of over 86,000 residents, as an area with Very High park needs.

South Glendale is considered the most park deficient area in the city, with an average of 0.3 park acres per 1,000 residents. Significantly below the LA County Average of 3.3 park acres per 1,000 residents. Additionally, as part of the 2016 PNA, community members identified the development of a new park in South Glendale as a “top ten” parks priority during the Assessment’s community engagement process. Acquisition of this Property addresses this priority.

Parks provide a positive economic benefit because they enhance property values, increase municipal revenue, bring in homebuyers and workers, and attract retirees, in addition to providing intrinsic environmental, aesthetic, and health and recreation benefits to our city.

Staff is proposing to transfer the remaining balance of development impact fee funds from the Wilson Middle School Multi-Purpose Field (\$4,772,817) and Cerritos Elementary School Multi-Purpose Field (\$3,305,216) projects to Land Acquisition Project to help pay for the purchase of the Property.

Staff has submitted an application for Property Acquisition to Los Angeles County Regional Park & Open Space District (RPOSD) to use direct allocation from Los Angeles County Safe, Clean Neighborhood Parks and Beaches Measure of 2016 (Measure A) grant funds for the Southside Study Area for a portion of the purchase price (\$2,321,967). Measure A funds were approved by voters in 2016 and is a parcel tax based on the square footage of improved property and Glendale gets direct allocation based on a formula for each Study Area (Southside and Northside). The use of the funds is contingent upon RPOSD approving the grant application.

## **STAKEHOLDERS/OUTREACH**

Once the purchase of the Property is completed, staff and/or consultant will engage with residents to master plan the Property as park space.

## **FISCAL IMPACT**

The purchase of the Property will cost \$24,700,000, inclusive of closing costs and fees estimated at \$220,000 and the broker’s commission of \$480,000, which was partially included as a part of the FY 2024-25 budget. The existing appropriation totals \$6,000,000, therefore staff is requesting an appropriation of \$18,700,000.

The existing appropriation is outlined below:

<b>Existing Appropriation</b>		
<b>Amount</b>	<b>Account String</b>	<b>Funding Source</b>
\$2,000,000	GL: 51200-4010-CSP-0020-P0000- PL: CSP00422CN	Capital Improvement Fund
\$4,000,000	GL: 51200-4050-CSP-0020-P0000- PL: CSP00422BN	Park Mitigation Fee Fund



Staff is requesting \$8,300,000 from the Park Mitigation Fee Fund fund balance, \$2,321,967 from Measure A grant revenue, and an appropriation of \$8,078,033 from shifting of appropriation from existing projects:

Requesting Appropriation			
Amount	From (Account String)	To (Account String)	Funding Source
\$2,321,967	GL: 34301-4130-CSP-0020-P0000-PL: CSP00422DG	GL: 51100-4130-CSP-0020-P0000-PL: CSP00422DG	Measure A Fund
\$8,300,000	GL: 24242-4050-CSP-0000-P0000-	GL: 51100-4050-CSP-0020-P0000-PL: CSP00422BN	Park Mitigation Fee Fund
\$4,772,817	GL: 51200-4050-CSP-0020-P0000-PL: 52077	GL: 51100-4050-CSP-0020-P0000-PL CSP00422BN	Park Mitigation Fee Fund
\$3,305,216	GL: 51200-4050-CSP-0020-P0000-PL: 52105	GL: 51100-4050-CSP-0020-P0000-PL: CSP00422BN	Park Mitigation Fee Fund

## ENVIRONMENTAL REVIEW (CEQA/NEPA)

This action involves the acquisition of real property and improvements located at 1000 S. Central Avenue, Glendale, CA. This action does not constitute a decision by the City regarding further development of the Property, but serves an essential role in securing land while the City determines proposed uses for the Property, and a CEQA determination for future development of the site is performed. The City will make no decision to undertake further development until it has complied with CEQA, and an overall site development plan has been approved. The City decisionmakers retain full discretion with respect to the Property including imposing mitigation measures.

The proposed action is exempt from CEQA as it involves a land acquisition that is contingent on future CEQA compliance per CEQA guidelines section 15004. Further, the proposed action does not constitute a project approval under CEQA, and it can be seen with certainty that there is no possibility that the Property purchase may have a significant effect on the environment pursuant to CEQA Guidelines section 15061. In addition, the acquisition is subject to a class one existing facilities categorical exemption pursuant to CEQA Guidelines section 15301.

## CAMPAIGN DISCLOSURE

The names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest in the company proposed for contract in this Agenda Item Report are attached in Exhibit #3, in accordance with the City Campaign Finance Ordinance No. 5744.

## **ALTERNATIVES TO STAFF RECOMMENDATION**

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1. The City Council may consider declining to adopt the resolutions which will result in the City foregoing the opportunity to purchase Property with the potential to expand park and recreational space in park-deficient South Glendale.
2. The City Council may consider any other alternative not proposed by staff.

## **ADMINISTRATIVE ACTION**

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**Submitted by:**

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**Prepared by:**

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Gillian van Muyden, Chief Assistant City Attorney

**Approved by:**

Roubik R. Golanian, P.E., City Manager

## **EXHIBITS/ATTACHMENTS**

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| Exhibit 1: | Site Map                    |
| Exhibit 2: | Purchase and Sale Agreement |
| Exhibit 3: | Campaign Finance Disclosure |