

## PRESS RELEASE

*FOR IMMEDIATE RELEASE*

DATE: January 20, 2017

CONTACT: Jonathan C. Curtis, Mayor  
Mark R. Alexander, City Manager

SUBJECT: Acquisition of Property for New La Cañada Flintridge City Hall

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### **CITY TO ACQUIRE FORMER SPORT CHALET HEADQUARTERS OFFICE BUILDING FOR NEW CITY HALL**

The City Council announces that it has reached final agreement with La Cañada Properties, Inc. to purchase the office building located in the La Cañada Flintridge Town Center (formerly the corporate headquarters of the Sport Chalet, Inc. retail sporting goods chain) for use as City Hall, following several months of negotiations and due diligence review.

“We are very excited about the opportunity to relocate City Hall to a larger and more strategically located building within the community that will allow us to improve our City Hall operations and efficiencies, better serve our community, and bring synergy to the La Cañada Flintridge Town Center. It will surely become the new icon and home of City government that we can all be very proud of.” said Mayor Jonathan Curtis.

The acquisition includes the office building (27,881 square feet) and the adjacent Montessori School (3,038 square feet), located on the same parcel, for a total purchase price of \$11.23 million. The City will pay a cash deposit into escrow of \$5,650,000 with the balance carried on a two-year, interest-free promissory note. The interest-free note will allow the City to consider various alternatives for paying off the balance without incurring additional costs or charges during that two-year period. Alternatives will include borrowing options and/or sale or lease of the City’s current City Hall building.

The office building became available in June, 2016, after Sport Chalet, Inc.’s parent company, Vestis Retail Group, LLC., announced the closure of the sporting goods retail chain. La Cañada Properties, Inc., owners of the building and the adjacent Montessori School, approached the City early-on to begin discussions on the City’s interest in potentially acquiring the properties.

The City entered into an extensive due diligence review and analysis of the building as well as several other alternatives for potentially relocating City Hall operations or remodeling and expanding the existing City Hall facility. A City ad hoc committee, comprised of citizens, local realtors, staff and consultants, explored City Hall alternatives. After vetting several options, the ad hoc committee recommended that the City Council give serious consideration to acquiring the former Sport Chalet office building emphasizing that it appeared ideal for meeting both the current and future needs of the City while addressing a major vacancy that had occurred in a very important center of the community.

The City Council acknowledged that the current City Hall facility (7,160 square feet) was inadequate in office space, meeting rooms, staff work areas, ADA accessibility and parking, for a City Hall work environment and its many visitors. The new facility will address these deficiencies and will allow the City to provide improved opportunities for community access to City Hall, updated technology enhancements to increase the efficiencies of customers doing business with the City, and adequate accommodations and sufficient parking to heighten the visitor's experience. The move is also seen as an opportunity to add synergy to the La Cañada Flintridge Town Center by bringing-in additional clientele to the shopping area. Future enhancements to the abutting City-owned "Olberz Park" will complete the vision for the new civic center.

City Manager Mark Alexander emphasized that the priority for staff will be on developing creative opportunities for the new City Hall facility to benefit the public and improve customer service delivery. "I really do appreciate and embrace the community's strongly-held value that we maintain a small and efficient City government. As we make the move into the newer, more modern facility, the additional space identified for the new City Hall will be used in ways that will accommodate and address the needs of the community while honoring and holding to the community's values and making operations more efficient, to everyone's benefit."

The City will consider options for use of the anticipated excess square footage in the new building as a means of generating additional revenue to offset mortgage costs as well as to enhance meaningful economic development within the community.