



Weekly Management Report

December 15, 2017

- 1. Letter** Downtown Burbank Property Dispute:
150 East Olive Avenue
Community Development Department
- 2. Notice** Burbank Cultural Arts Commission
Cancellation of regular meeting on December 14, 2017
Parks and Recreation Department
- 3. Update** Burbank Center Stage
Parks and Recreation Department
- 4. Notice** Cancellation Notice of the regular meeting on
Monday, December 18, 2017
Burbank-Glendale-Pasadena Airport Authority



memorandum

DATE: November 28, 2016

TO: Ron Davis, City Manager

FROM: Patrick Prescott, Community Development Director *PP*
Via: Simone McFarland, Assistant Community Development Director
By: Mary Hamzoian, Economic Development Manager *MHP.*

SUBJECT: Downtown Burbank Property Dispute: 150 E. Olive Ave.

Background

In 2014, the Downtown Burbank Partnership (Partnership) as a part of their long range capital improvement programming analyzed portions of Downtown Burbank that required improvements for beautification and safety. The MUD Paseo Project (project) was identified as an area that would serve as a design prototype for upgrades. The project is a public access point that connects a public parking lot at the rear of the businesses to South San Fernando Boulevard. This thoroughfare allows a path of travel for students that are attending the MUD School and for patrons to browse the local businesses. In addition to beautification and safety, capital improvement projects like the project serve the Partnership's goal of improving aesthetics while supporting the continued formation of a livable and walkable neighborhood.

The City Services Agreement between the Partnership and the City of Burbank provides general indemnification to the City for all of its activities and improvements on City property. Whenever specific projects are to be funded by the Partnership, a Cooperation Agreement between the City and the Partnership is executed to paper the transfer of the money. Since the project was located on City property, a Cooperation Agreement was entered into to document the transfer of \$85,943.60 by the Partnership- the complete funding source for the project. The City made no other obligations in that Cooperation Agreement except to use the money solely for the project and to refund any unused funds. The City proceeded to procure the construction contract and acted as the project manager.

Construction activities for the project commenced in late June of 2016, and were satisfactory completed September 2, 2016. In March of 2017, California Association for Local Economic Development (CALED) honored the MUD Paseo Enhancement Project winning an Award of Merit for the cooperation shown on the project between the City and the Partnership.

Discussion

The project, among other things, removed asphalt from the paseo and replaced it with concrete. As a result of this improvement, the paseo had a lower elevation or grade in the after condition than it had with the previous asphalt. The owner of 150 E. Olive Avenue, Tom Tunnicliffe, ("Owner") through his attorney, made a claim upon the City and the PBID for specific damage to his façade due to the lowered elevation in the paseo which now exposed additional wall which did not provide the same architectural brick façade as the rest of his wall. The owner requested payment for the additional bricks needed to fill in the gaps on the façade. The City looked to the Partnership to resolve or defend the claim.

At the August 16, 2017 Partnership Board Meeting, the Partnership reviewed the letter and invoice from the Owner (received on July 7, 2017) regarding damages to his property resulting from upgrades and construction to the adjacent MUD Paseo. It was clear that the re-grading/ replacement of asphalt with concrete, of the MUD Paseo from the project resulted in the exposure of previously concealed façade wall due to the lowered grade.

The Owner valued the damage to his brick façade in the amount of \$7,000 and requested that reimbursement for the repair of the façade. The Owner also alleged water damages to his building's structure that he would address at a later time. The Partnership found the pricing on the Owner's invoice most likely included additional repairs that the Owner had made to the building's façade, and not just those that resulted from the project. The Partnership approved a remuneration in the amount of \$4,000 to cover all claims and damages. Staff prepared a letter to this effect and sent it to the Owner's attorney on August 17, 2017.

On September 12, 2017, the Partnership received a letter from the Owner's attorney stating that they would accept the \$4,000 offer, and sign a release for damages to the building's facade, however the Owner would not sign any release related to the alleged water damage.

At the October 5, 2017 Board Meeting the Partnership discussed the latest letter and determined that the offer made in the amount of \$4,000 should be provided to the Owner subject to a signed release in favor of the Partnership and the City for all alleged damages to the building façade due to the lowering of grade in the paseo. Staff worked with the City Attorney's office to develop a release and letter to this effect. On November 21, 2017 such a letter and release were forwarded on behalf of the Partnership and the City to the Owner's attorney. A response has not yet been received.

cc: Amy Albano, City Attorney

CITY OF BURBANK
BURBANK CULTURAL ARTS COMMISSION

NOTICE OF CANCELLATION OF REGULAR MEETING

NOTICE IS HEREBY GIVEN that there will be no Regular Burbank Cultural Arts Commission Meeting on December 14, 2017. The next regular meeting will take place in January 2018.

DATED 11/27/17



CITY OF BURBANK
Parks and Recreation Department
MEMORANDUM

DATE: December 19, 2017
TO: Ron Davis, City Manager
FROM: Judie Wilke, Parks and Recreation Director *Judie Wilke*
SUBJECT: BURBANK CENTER STAGE UPDATE

The following is an update regarding the request for proposal, (RFP) sublease, management, and operation of the Burbank Center Stage (Home of the Colony Theatre).

On March 7, 2017, City Council (Council) approved the Amended and Restated Theater Operating Agreement (Agreement) for the Colony Theatre Company to sublease and operate the Burbank Center Stage (BCS) facility. Council also directed staff to solicit proposals from organizations to operate and manage the BSC consistent with the permitted uses under the Master Lease by providing educational, cultural, social or recreational activities to the general public, via a competitive RFP process.

The RFP was released on May 25, 2017 on PlanetBids.com and direct email to 242 businesses and arts organizations inviting them to submit a proposal to be responsible for day-to-day operations and management of the facility. Nineteen organizations registered on PlanetBids as prospective bidders. Although the RFP was out for 45 days and staff along with the City's art consultant reached out to various arts organizations, the City only received 3 proposals by the July 20, 2017 deadline.

All 3 proposers were invited to the August 8 second phase of the process, consisting of making presentations to the selection committee. At the conclusion of the second phase, the selection committee determined that the Burbank Unified School District (BUSD) proposal was the most qualified and best met the overall objectives of the City. BUSD proposed to partner with the Colony Theatre Company (Colony) to run the day-to-day oversight of the facility, BUSD would have 75 dates reserved to use the facility for school sponsored meetings, performances, events and fundraising for booster clubs, and BUSD will use BSC to enhance their Career Technical Education Program to provide mentorship, training, and education for BUSD students. With that, the selection committee recognized the value that this partnership between BUSD and Colony would bring for the students and the community as a whole.

Consequently, staff began negotiations with BUSD on September 21. During the following three weeks City and BUSD staff worked closely to negotiate key components of the agreement, including rental terms, facility maintenance responsibilities and business plan. In light of the City's structural deficit and to be consistent with other agreements, it was important that the new agreement be structurally sound and self-sustaining. Provisions would need to include that BUSD would be responsible for maintenance of the facility, provide funding of a reserve for capital expenditures (worn out seating, carpets, etc. that at some point need replacement.), and that all facility rental revenue be subject to a percentage rent formula. Citing the issues raised during the October 17 joint BUSD Board/City Council meeting and not being in a financial position to provide resources to maintain BSC, BUSD withdrew their proposal on October 18.

It should be noted that because the Colony planned to partner with BUSD to continue to manage and operate BCS, Colony did not submit a separate proposal for the RFP. However, on November 6, Colony met with City staff and expressed their desire to continue to serve as the in residence theater company, and reviewed potential terms including modifications to their current business plan, rental terms, and facility maintenance responsibilities. At the meeting, staff requested that the Colony submit a formal proposal.

As a result of BUSD withdrawing their proposal and the other two proposals not meeting the City's objectives, staff has been exploring options including reaching out to specific organizations such as iHeart Radio, the Nederlander Organization, and Live Nation Worldwide that have assets and experience to run the venue. At this time, there has not been any interest to take over management and operation of the facility.

Staff also reached out to another cultural arts consultant, Laura Zucker, former Executive Director of the Los Angeles County Arts Commission. In her professional opinion and experience with the Los Angeles area market, BSC is too small for promoters to be financially viable for them to operate. At this point, BCS is considered a midsize venue or in between size facility and not commercially viable for large scale concert promoters such as Nedelander and Live Nation. In addition, there is high risk and little incentive for successful small community theaters and nonprofit theater companies to relocate to a larger venue. Ms. Zucker pointed out that it is common for government to subsidize cultural arts venues; the County of Los Angeles subsidizes the Music Center Performing Arts Center of Los Angeles County, home to Dorothy Chandler Pavilion, Ahmanson Theater, Mark Taper Forum, Roy and Edna Disney-Cal Arts Theatre, and Walt Disney Concert Hall, a total of \$30 Million per year and the John Anson Ford Theatres a total of \$1.5 Million per year. She added that the current Agreement terms with BCS are reasonable.

The Colony's Agreement is scheduled to expire December 31, 2017. In light of not having a viable proposal at this time, and to continue keeping BCS operating until Council can provide further direction, as allowed by the provisions in the Agreement, staff has administratively extended the Colony's Agreement for a period of six months and will continue on a month to month basis.

Upon receiving and evaluating the Colony's formal proposal, staff will return to Council to provide an update and request consideration of the following options:

1. The City could continue its partnership with the Colony under a new agreement.
2. The City could release a new RFP seeking an operator of the facility;
3. The City could take over the operations and management of the facility;
4. The City could return the BCS property to the mall owners.

Memo Burbank Center Stage Update 12 19 2017 rev



December 14, 2017

CANCELLATION NOTICE OF THE REGULAR MEETING
OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that the regular meeting of the Burbank-Glendale-Pasadena Airport Authority scheduled for Monday, December 18, 2017, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 Hollywood Way, Burbank, California 91505, has been cancelled.

Terri Williams, Board Secretary
Burbank-Glendale-Pasadena Airport Authority