

BURBANK REDEVELOPMENT AGENCY
MAY 8, 2001

A regular meeting of the Burbank Redevelopment Agency was held in the Council Chamber of the City Hall, 275 East Olive Avenue, on the above date. The meeting was called to order at 5:00 p.m. by Mr. Kramer, Chairman.

CLOSED SESSION

Present- - - - Members Laurell, Murphy, Ramos and Kramer.
Absent - - - - Member Golonski.
Also Present - Mr. Ovrom, City Manager; Mr. Barlow, City Attorney; and, Mrs. Sarquiz, Secretary.

Oral Communications Appearing to comment was Mike Nolan, on concern that a letter from AMC, deleting Burbank Entertainment Village Associates, LLC, from the development entity for the Burbank AMC project was not signed and presented to the Agency in a timely fashion, questioning the amount of money AMC has already spent on the new project, and suggesting the two empty parking lots in the Downtown near AMC should be paved for safety reasons and at AMC's expense.

5:06 P.M. The Agency recessed at this time to the City Attorney's Conference Recess Room to hold a Closed Session on the following:

- a. Conference with Real Property Negotiator:
Pursuant to Govt. Code §54956.8
Agency Negotiator: Assistant Executive Director/Susan M. Georgino.
Property: The westerly portion of the two blocks bounded by Magnolia Boulevard, San Fernando Boulevard, Orange Grove Avenue and First Street.
Party With Whom Agency is Negotiating: Burbank Entertainment Village.
Terms Under Negotiation: Sale of property.
- b. Conference with Real Property Negotiator:
Pursuant to Govt. Code §54956.8
Agency Negotiator: Assistant Executive Director/Susan M. Georgino.
Property: 600 South San Fernando Boulevard.
Party With Whom Agency is Negotiating: United Cerebral Palsy.
Terms Under Negotiation: Sale of property.

Regular Meeting Reconvened in Council Chambers The regular meeting of the Redevelopment Agency of the City of Burbank was reconvened at 6:44 p.m. by Mr. Kramer, Chairman.

Invocation The invocation was given by Larry Bradfield, Elder, Little White Chapel.

Pledge of Allegiance The pledge of allegiance to the flag was led by Fire Chief Mike Davis.

5/8/01

ROLL CALL

Present- - - - - Members Golonski, Laurell, Murphy, Ramos and Kramer.
Absent - - - - - Members None.
Also Present - - Mr. Ovrom, Executive Director; Ms. Alvord, Assistant City Manager;
Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive
Director; and, Mrs. Sarquiz, Secretary.

9:11 P.M. Meeting Continued Following a City Council report and the combined oral communications, the Council and Agency held a joint meeting.

9:11 P.M. Jt. Mtg. w/Council RA 51 Affordable Housing Agrmt. w/City & Burbank Housing Corp. for 3000-3006 Thornton Ave. Mr. Solomon, Housing Development Manager, reported that on March 16, 2001, the Burbank Housing Corporation (BHC) submitted a proposal requesting the City/Agency provide financing to acquire and rehabilitate four rental units in the Golden State Beautification Area at 3000-3006 Thornton Avenue. He said this proposed project represents a continuing collaborative effort between the City/Agency and BHC to eliminate blighting conditions in focus neighborhoods by assisting the acquisition and rehabilitation of deteriorated properties for the purpose of attaching covenants related to income, affordability, occupancy and property management, while adding to the stock of affordable housing.

He explained that the proposed property is an 8,795 square foot lot improved with a duplex comprised of a two-bedroom and a one-bedroom unit built in 1951 and a two-story apartment building built in 1948 and comprised of two one-bedroom units constructed above a four-car garage. He noted that the owner's offer is \$310,000, which is approximately three percent above the appraised value of \$300,000.

Mr. Soloman discussed that the proposed Affordable Housing Agreement (AHA) between the City, Agency, and BHC provides for financial assistance lent from the City's HOME funds and from the Agency's Tax Increment 20% Housing Set-Aside Fund, and establishes the disbursement of these funds and sets forth the requirements for the operation of the property. He noted that in addition to describing the terms of sale and subsequent rehabilitation of the property, the AHA also governs key conditions for the long-term operation of the site that run in perpetuity.

As proposed in the AHA, he said the Agency will lend BHC \$366,000 in 20% Set-Aside funds to acquire and assist in the cost

of the rehabilitation of the property, and will also contribute up to \$30,000 to offset due diligence costs. He said the Agency loan is amortized over 30 years at three percent, to be repaid annually beginning April 1, 2003. He further said that the City will lend \$150,000 in HOME funds to defray rehabilitation costs. He noted that, under the terms of the City loan, payments are deferred and the loan is ultimately forgiven after 30 years if the BHC complies with the terms and conditions of the AHA.

Mr. Solomon concluded by stating that affordability and income Covenants will be recorded on the Project to ensure that the four rental units will be income and rent restricted in perpetuity. Further, he said the BHC is required to maintain the Project in accordance with all applicable local codes, rehabilitation standards, ordinances and zoning ordinances as required by HOME regulations and at a standard of maintenance commensurate with similar housing units within Los Angeles County.

City Council
Reso. Adopted

City Council Resolution No. 25,994 Approving an Affordable Housing Agreement Between the City, the Redevelopment Agency of the City of Burbank, and the Burbank Housing Corporation (3000-3006 Thornton Avenue) was adopted.

Motion

It was moved by Mrs. Murphy and seconded by Mrs. Ramos that "the following resolution be passed and adopted:"

RA 51
Approved an
Affordable
Housing Agrmt.
w/Agency, City &
Burbank Housing
Corp (3000-3006
Thornton Ave.)

RESOLUTION NO. R-1998:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING AN AFFORDABLE HOUSING AGREEMENT BETWEEN THE AGENCY, THE CITY OF BURBANK, AND THE BURBANK HOUSING CORPORATION (3000-3006 THORNTON AVENUE).

Adopted

The resolution was adopted by the following vote:

Ayes: Members Golonski, Laurell, Murphy, Ramos and Kramer.
Noes: Members None.
Absent: Members None.

5/8/01

9:19 P.M.
Jt. Mtg. w/
City
RA 92-1
1st Amend to
DDA w/City &
United Cerebral
Palsy for Dev. of
an Independent
Living Fac. for
Disabled (600 S.
San Fernando)

Mr. Solomon, Housing Development Manager, reported on the request for the City Council and Agency to consider approval of a First Amendment to the Disposition and Development Agreement (DDA) with the United Cerebral Palsy/Spastic Children's Foundation of Los Angeles and Ventura Counties (UCP) to purchase the Agency owned site at 600 South San Fernando Boulevard to develop an 18-unit independent living facility for very low-income persons with disabilities. He noted that the DDA was approved on May 9, 2000 by the City and Agency and was drafted to competitively position UCP to receive an allocation during the next Housing and Urban Development (HUD) funding cycle for federal Section 811 Project Supportive Housing for Persons with Disabilities funds.

He explained that UCP submitted its Section 811 application on May 18, 2000 and received written confirmation on June 1, 2000 from the HUD Los Angeles Field Office Multifamily Division that the application was complete and acceptable for technical processing. However, he said that UCP was subsequently informed that the project was not selected for this round of Section 811 funding, having failed to achieve the minimum cut-off score for this round. Upon further discussions with HUD Los Angeles staff, he said that it was concluded that HUD reviewers inadvertently missed the site control documents in the UCP's application, which resulted in the project not being selected.

To ensure that UCP's claim of having site control is not clouded by virtue of the DDA not being synchronized with the timeframe for the latest round of Section 811 funding, Mr. Solomon said that the Agency and UCP have prepared the proposed First Amendment to the DDA which specifically authorizes UCP to apply for the second round of funding by revising the Schedule of Performance. He noted that the amended Schedule of Performance alters many milestones, most notably the Notification of Selection which will now be received by October 31, 2001 with HUD's firm commitment to fund the project occurring no later than February 15, 2002 and the date of closing anticipated by October 31, 2002 which provides the evidence of a required one year site control from the date of project selection as prescribed by Section 811 guidelines.

City Council
Reso. Adopted

City Council Resolution No. 25,995 Approving the First Amendment to Disposition and Development Agreement Between the Redevelopment Agency of the City of Burbank, the City of Burbank and United Cerebral Palsy/Spastic Children's Foundation of Los Angeles and Ventura Counties was adopted.

Motion

It was moved by Mrs. Murphy and seconded by Mrs. Ramos that "the following resolution be passed and adopted:"

RA 92-1
Approved 1st
Amend to DDA
W/City & United
Cerebral Palsy/
Spastic Children's
Foundation of LA
& Ventura Co.

RESOLUTION NO. R-1999:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING THE FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE AGENCY, THE CITY OF BURBANK AND UNITED CEREBRAL PALSY/SPASTIC CHILDREN'S FOUNDATION OF LOS ANGELES AND VENTURA COUNTIES.

Adopted

The resolution was adopted by the following vote:

Ayes: Members Golonski, Laurell, Murphy, Ramos and Kramer.
Noes: Members None.
Absent: Members None.

9:26 P.M.
City Council
Meeting
Recessed

The City Council meeting was recessed at this time to permit the Agency to continue its meeting.

RA 62-1
Burbank
Entertainment
Village
Consideration of
Partnership
Modifications

Mr. Lynch, Redevelopment Project Manager, reported that on August 3, 1999, the Redevelopment Agency approved an Owner Participation Agreement (OPA) with Burbank Entertainment Village to develop a mixed-use project including a 16-screen AMC Theater in the Downtown Burbank Village. He noted that Burbank Entertainment Village is a Limited Liability Company that was formed for the project, consisting of Centertainment BEV Holdings, LLC, a wholly owned subsidiary of AMC with a majority interest, and Burbank Entertainment Village Associates, an affiliate of Center Oak Properties, with a minority interest.

He explained that in the last six months, the Agency has been in discussions with AMC concerning both the company's general financial strength and their solution for obtaining new financing for

the project. He said that AMC had indicated that while AMC is financially sound, and has tried to obtain financing, the problems facing the theater industry, in general, have made lenders extremely reluctant to provide such funding directly to AMC. Also, he noted that their partner, Burbank Entertainment Village Associates, has been unable to secure financing.

Mr. Lynch discussed that without a construction lender, AMC believes that the only way for the project to be financed is through its own direct source of funds. However, he said that in order to provide the financing directly, AMC can no longer maintain their current joint venture relationship with Burbank Entertainment Village Associates. Therefore, he said AMC and Burbank Entertainment Village Associates have mutually agreed to sever their relationship and have executed a Reorganization Agreement. He noted that this Agreement, as well as the OPA, requires the Agency to consent to removing Burbank Entertainment Village Associates from the partnership.

Should the Agency approve the proposed Reorganization Agreement, he said that AMC will remain as the developer of the project with all the project commitments and default provisions in place. He noted that with the \$10 million AMC has already spent toward the project, and the strengthening of the company from the recent issuance of preferred stock, AMC now has both the commitment and the capability to move forward with the project.

Motion It was moved by Mr. Golonski and seconded by Mrs. Murphy that "the following resolution be passed and adopted:"

RA 62-1
Deletion of a
Member from
The Dev. Entity
for the Burbank
Entertainment
Village Proj.

RESOLUTION NO. R-2000:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK CONSENTING TO THE DELETION OF A MEMBER (BURBANK ENTERTAINMENT VILLAGE ASSOCIATES, L.L.C.) FROM THE DEVELOPMENT ENTITY FOR THE BURBANK ENTERTAINMENT VILLAGE PROJECT.

Adopted The resolution was adopted by the following vote:

Ayes: Members Golonski, Laurell, Murphy, Ramos and Kramer.
Noes: Members None.

Absent: Members None.

Motion Minutes Approved It was moved by Mr. Golonski, seconded by Mrs. Murphy and carried with Mrs. Ramos abstaining that "the minutes for the regular meetings of April 17 and April 24, 2001 be approved as submitted."

9:31 P.M. Recess The Agency recessed at this time to permit the City Council to continue its meeting. The Agency reconvened at 11:44 p.m. for public comment with all members present.

12:02 P.M. Adjournment There being no further business to come before the Agency, the meeting was adjourned at 12:02 p.m.

Secretary

APPROVED JULY 10, 2001

Chairperson