

BURBANK REDEVELOPMENT AGENCY
FEBRUARY 7, 2006

A regular meeting of the Burbank Redevelopment Agency was held in the City of Burbank Council Chamber, 275 East Olive Avenue, on the above date. The meeting was called to order at 6:40 p.m. by Mr. Vander Borght, Chairman.

Invocation The invocation was given by Chaplain James Stitzinger.

Flag The pledge of allegiance to the flag was led by Sergeant Jay Hawver.
Salute

ROLL CALL

Present- - - - - Members Campbell, Golonski, Ramos and Vander Borght.

Absent - - - - - Members None.

Also Present - - Ms. Alvord, Executive Director; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Campos, Secretary.

7:14 P.M. Following a report, the Council and Redevelopment Agency held
Meeting Joint Public Hearings.
Continued

Jt. Public Hrg. w/ Chairperson Vander Borght stated that "this is the time and place for
Council the joint public hearing on the First Amendment to Planned
RA 62-1 Development No. 99-4; Development Agreement; and the Mitigated
1st Amend. to PD Negative Declaration related thereto for the Marriott Residence Inn.
No. 99-4 & Dev. Olson Real Estate Group, Inc., dba R.D. Olson Development
Agrmt w/Marriott Company is the owner/applicant of the proposed Marriott Residence
Residence Inn, Inn located at the northwest corner of First Street and Verdugo
Northwest Corner Avenue. The components of this project that require Council and
of 1st Street & Agency consideration are a Council Resolution adopting a negative
Verdugo Ave. declaration, a Council Ordinance approving the First Amendment to
Planned Development No. 99-4 and Development Agreement, and
Agency resolutions approving modifications to use restrictions and
approving Design Review for the revised project. The hearing
provides the public with an opportunity to comment on the Agency
and City actions."

Meeting Mr. Vander Borght, Mr. Campbell, Mrs. Ramos and Mr. Golonski
Disclosures reported on prior meetings with the applicant.

Notice The Secretary was asked if notices had been given as required by
Given law. She replied in the affirmative and advised that no written
communications had been received.

Staff
Report

Mr. Baker, Deputy City Planner, Community Development Department, presented a request for an amendment to Planned Development No. 99-4 that was approved on January 25, 2000, for a 12-story full-service Marriott Residence Inn hotel with 253 rooms and a five-story parking structure with 413 parking spaces. He gave a detailed project history and described the amendments that have been approved thereafter. He stated that on November 2, 2005, staff received a letter requesting modification to the previously-approved plans to accommodate: 166 hotel rooms; 153 parking spaces; a four-story hotel with food preparation and eating areas; meeting/conference rooms; parking to reflect the modifications to the project; and, a semi-subterranean garage. He also added that the site plans indicate an eight-foot setback on both First Street and Verdugo Avenue. He stated that a supplemental parking study was provided for the modified project, indicating that the parking proposed is more than sufficient for the project as designed, especially with restrictions on the food service and conference rooms. He reported that the Planning Board held a public hearing on December 12, 2005 and recommended approval of the project.

Mr. Baker informed the Board that the applicant has complied with the Public Works Department's request for a sewer capacity analysis. He added that a Mitigated Negative Declaration has been prepared for the project, the Planned Development findings can be made, and requested Council approval of the project. He also requested the Redevelopment Agency Board approve modification of the use restriction in the Modified Grant Deed recorded on August 28, 1998, to permit the scope of development proposed and conduct a Design Review to determine whether the proposed design changes are consistent with the newly-modified Grant Deed.

Applicant

Mr. Olson, applicant, addressed the constraints of the site, including size, location and slope. He noted the project's benefits, which include \$800,000 in Transient Occupancy Tax and \$220,000 in Property Tax revenues to the City. He stated that the hotel is proposed to be a long-term stay with breakfast and light appetizer food service for guests only.

Mr. Olson discussed the architectural features of the project and commented on the traffic flow, parking plan and parking structure elements. He requested approval for the project and modification of the restriction in the Modified Grant Deed to reflect the proposed project.

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Citizen Comment Appearing to comment were: Rose Prouser and Phil Berlin in opposition to the project; and, Gary Olson, Executive Director, Burbank Chamber of Commerce, Stan Hyman and Mark Barton, in support of the project.

Rebuttal by Applicant Mr. Olson responded to public comment and clarified that the property was purchased and is being developed with no assistance from the Redevelopment Agency.

Clare Look-Jaeger, Principal with Linscott & Greenspan Engineers, the firm which prepared the parking analysis, made clarifications with respect to the parking analysis, which was done with the assumption of full hotel occupancy. She also elaborated on the project's compliance with Code-required parking and on the parking stall size issue.

Jeff Pawlowski, Architect with PK Architects, made clarification with regard to the parking stall size, noting the parking stall sizes meet the City's Code requirements.

Mr. Campbell requested clarification on the distance between the project and the freeway, and inquired as to any measures taken to provide a buffer zone for noise and particulate matter from the freeway.

Rebuttal by Staff Mr. Baker responded to public comment with regard to environmental documentation; parking stall sizes; and, availability of the staff report exhibits.

Mrs. Ramos requested clarification on the setback requirements. Mr. Baker responded that the setbacks as currently proposed are eight feet on Verdugo Avenue and eight feet on First Street, with two elements protruding within three feet of the setback but not encroaching into the sidewalk.

Mr. Golonski inquired as to the adequacy of sidewalk widths. Mr. Pawlowski responded that the sidewalk width varies between six feet on Verdugo Avenue to eight feet on First Street.

Mr. Golonski requested clarification from staff on the Institute of Transportation Engineers numbers regarding parking requirements. Mr. Johnson, Assistant Public Works Director/ Traffic Engineer, responded.

Mr. Campbell inquired as to whether there would be any impact in parking requirements if the project changed to another operation. He also inquired as to whether there were any provisions that would allow the project to revert to residential uses at a later time. Mr. Baker responded that there were no reversion provisions.

Mrs. Ramos requested clarification on the meeting space requirements.

8:30 P.M.
Public Hearing
Closed

The public hearing was declared closed at this time.

Board
Deliberations

Mr. Golonski stated that he was glad to see the project moving forward since the site has been vacant for a long time. He expressed concern about parking and the street frontage widths. He was agreeable to the setbacks but suggested a Condition of Approval that the developer dedicate whatever land is necessary to ensure an eight-foot sidewalk along First Street and a six-foot sidewalk along Verdugo Avenue. With regard to required parking, he noted that Code-required parking is 214 spaces and 160 spaces are proposed, which is 54 spaces short of the requirement. He noted that given the location and nature of the use, it was unlikely that guests would drive three blocks to park in downtown parking structures and suggested that the City consider additional conditions that would give the City the ability to ensure that the parking supply is and remains adequate. He noted that such ability could include compelling the operator to cease using the meeting and conference rooms in the event parking is inadequate.

Mr. Baker suggested that a provision could be added to require valet parking, triggered by inadequate parking demand. Mr. Golonski concurred but still suggested the City retain the ability to cease the operation of the conference and meeting rooms as a last resort.

Mrs. Ramos also expressed concern with the setback and parking issues, and concurred with the City retaining the ability to monitor the parking, with perhaps a shared parking agreement with the Holiday Inn. She was also supportive of the valet parking condition and expressed preference for a minimum setback of ten feet.

Mr. Campbell expressed support for the valet parking and shared parking agreement with the Holiday Inn provisions. He noted the site's proximity to public transit, was amenable to increasing the setbacks to eight or ten feet, and requested more trees between the freeway and the site to buffer impacts.

Mr. Vander Borcht stated he would not support the project unless setbacks were increased to at least ten feet on both streets with a minimum seven-foot sidewalk on Verdugo Avenue. He was amenable to a ten-foot setback with an encroachment of two or three feet by the architectural elements as a deviation. He also recognized a need for shared parking in addition to a fail-safe mechanism in the event parking is inadequate.

Mrs. Ramos noted the potential challenge in obtaining a shared parking arrangement with the Holiday Inn, considering the businesses are competitors.

Mr. Golonski suggested that the burden be placed on the developer to find an additional parking location should the need arise; otherwise, use of the meeting rooms would be prohibited.

Mrs. Georgino, Community Development Director, noted the need for simple conditions which are easier to enforce, rather than interpretive conditions which may create ambiguity. She suggested the Board not craft the condition and move the first reading of the ordinance pending staff's drafting of a condition for the second reading; or, close the public hearing and request that staff bring back the item in two weeks.

With regard to additional trees as a buffer between the project and freeway, Mr. Baker clarified that the property on which this would occur is under ownership of the California Department of Transportation (Caltrans) and it would pose a challenge for staff to impose planning requirements on Caltrans property. Mr. Campbell suggested the City send a letter to Caltrans requesting the developer be allowed to plant additional trees on their property. It was the Council's consensus that the letter be sent. Mr. Golonski did not concur and stated that he would rather see the landscaping and setbacks along the sides that face City streets.

Mr. Golonski was supportive of the ten-foot sidewalk on First Street and seven-foot sidewalk on Verdugo Avenue, and suggested an average setback of eight feet. Mr. Vander Borcht, Mrs. Ramos and Mr. Campbell were supportive of an average setback of ten feet with an allowance for architectural element encroachments on the corner.

Motion

It was moved by Mr. Golonski and seconded by Mrs. Ramos that "the following resolutions be passed and adopted and the following ordinance be introduced:" The Board also added requirements for: ten-foot setbacks on First Street and Verdugo Avenue; adequate dedication of land for a ten-foot sidewalk on First Street and a seven-foot sidewalk on Verdugo Avenue; the developer mitigating any

parking shortages, otherwise the City reserves the right to require the parking demand be reduced; and, the City send a letter to Caltrans requesting the developer pay for the cost of additional landscaping on Caltrans property upon their approval.”

City Council
Reso. Adopted

City Council Resolution No. 27,161 Adopting a Mitigated Negative Declaration for the First Amendment to Planned Development No. 99-4 and Development Agreement (Marriott Residence Inn – Applicant: Olson Real Estate Group, Inc. DBA R.D. Olson Development Company) was adopted.

City Council
Ord. Introduced

City Council Ordinance Amending Planned Development No. 99-4 and Approving the Development Agreement for Planned Development No. 99-4 (Marriott Residence Inn – Applicant: Olson Real Estate Group, Inc., DBA R.D. Olson Development Company) was introduced.

RA 62-1
Approved
Modification of
Use Restriction
For 321 S. 1st St.

RESOLUTION NO. R-2146:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING THE MODIFICATION OF USE RESTRICTIONS FOR 321 SOUTH FIRST STREET.

RA 62-1
Approved Design
of Proposed Proj.
(321 S. 1st St.)

RESOLUTION NO. R-2147:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING THE DESIGN OF THE PROPOSED PROJECT LOCATED AT 321 SOUTH FIRST STREET.

Adopted

The resolutions were adopted and Ordinance introduced by the following vote:

Ayes: Members Campbell, Golonski, Ramos and Vander Borght.
Noes: Members None.
Absent: Members None.

9:10 P.M.
Jt. Public Hrg. w/
Council
RA 72
Sale of Agency
Prop. To PFP, LLC
(Platt) (3401 W.
Olive Ave. & 111
N. Lima St.)

Chairperson Vander Borght stated that “this is the time and place for the joint public hearing of the Redevelopment Agency and the Council of the City of Burbank to consider the sale of Agency property at 3401 West Olive Avenue and 111 North Lima Street. The components of this project that require Council and Agency consideration are Council and Agency Resolutions approving a Purchase and Sale Agreement and Escrow Instructions. The hearing provides the public with an opportunity to comment on the Agency and City actions.”

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Meeting
Disclosures

There were no meeting disclosures.

Notice
Given

The Secretary was asked if notices had been given as required by law. She replied in the affirmative and advised that one piece of written correspondence had been received.

Staff
Report

Mr. Lynch, Senior Project Manager, Community Development Department, requested the Council and Redevelopment Agency (Agency) Board consider approving a Purchase and Sale Agreement with PW, LLC to sell Agency-owned property in relation to Planned Development No. 2003-1. He reported that the Agency purchased the subject property in 1988 in anticipation of future development of the site, which is currently operating as a parking lot. He added that the property was originally operated as a motel, before being converted into a parking lot and consists of two parcels totaling 12,072 square feet as well as one-half of an alley running parallel to Alameda Avenue. He noted that when considering the proposed alley vacation, the property totals 13,442 square feet.

Mr. Lynch informed the Board that in 1991 the Media District Specific Plan was created, which identified this property as part of Media Center North intended for commercial mixed-use development. He added that in 2000, the prospective buyer of the property proposed a mixed-use development project for the site bounded by Alameda Avenue, Lima Street, Olive Avenue and the property adjacent to the State Route 134 Freeway off-ramp. He noted that the project went through many iterations after community and Planning Board meetings, and was ultimately denied by the Council in April 2003.

Mr. Lynch added that the buyer re-applied as Planned Development No. 2003-1 with Development Review No. 2003-36. This project again went through many iterations after community, Planning Board and Council meetings. Ultimately, the Council approved the Planned Development for a mixed-use condominium, retail, church and childcare facility in January 2005.

Mr. Lynch stated that the proposed buyer approached the Agency regarding the purchase of its property. He added that the Agency's position on the sale of its property was that it must receive the fair market price, and no assistance would be provided for development of the project. Based on the Agency's valuation of the property, the parties agreed to a sale price of \$1,651,000, or \$123 per square foot. Per the terms of the Agreement, the buyer is to pay the Agency \$1,651,000, less certain closing costs estimated at

\$17,000. He reported that the Agency purchased the property for \$255,000, thus the net revenue to the Agency is estimated at \$1,379,000.

- Applicant Dale Goldsmith, representing the applicant, addressed the Board regarding the financing and tax issues, and requested the Board approve the agreement.
- Citizen Comment Appearing to comment were: Phil Berlin, on the fair market value; Rolph Darbo, on the fair market value, change of the applicant's name and size of the alley; Rose Prouser, expressing concern with the sale of land; Dr. Gordon, requesting the Board table consideration of the matter pending a full Board deliberation; and, Terrence Klein, requesting a new Environmental Impact Report (EIR), commenting on the fair market value and expressing concern with access by the Fire Department due to closure of the alley.
- Rebuttal by Applicant Mr. Goldsmith responded to public comment regarding payment of the fair market value and stated that the per-square foot basis for the other properties is far below what is being paid to the City. He also noted that the other properties are improved while the subject property is not improved; therefore, the proposed price represents the fair, or above-market value.
- Rebuttal by Staff Mr. Lynch responded to public comment with regard to the alley ownership; consideration of the alley vacation in the EIR; escrow period; modification of entitlements; and, property appraisal report.
- Mr. Calvin Hollis, Managing Principal Keyser Marston and Associates, Inc., responded to public comment regarding the methodology for valuation of the property.
- 9:34 P.M.
Hearing Closed There being no further response to the Chairperson's invitation for oral comment, the hearing was declared closed.
- Board Deliberations Mr. Golonski made clarification with regard to the escrow process and the provisions associated with the extension of the escrow period.
- Mr. Campbell requested clarification on whether the developer is obligated to landscape an adjacent property between the site and the State Route 134 Freeway off-ramp. Mr. Lynch responded that the property is owned by the City but a major utility easement runs

across it. He noted staff's intention for the developer to landscape and maintain the area, but staff has to reach certain terms with the utility company to allow such maintenance.

Mr. Campbell also requested clarification with regard to the purchase provisions and Mr. Lynch clarified the before-sale and after-sale provisions of the agreement, that would offer the Agency the first right of offer to buy back the property at the current sale price.

Mr. Campbell further requested clarification with regard to the potential parking impact since the lot has been used as a parking lot. Mr. Lynch responded that the property has been leased primarily for construction workers for the adjacent Pinnacle Project, which has been completed. He noted that the parking lot is not a requirement for any neighboring businesses.

In response to a request for the Board to table the matter, Mrs. Ramos clarified that the current hearing is not intended for considering parking requirements or entitlements of the project.

Mr. Vander Borcht stated that the item was a result of the Platt Project approval and the Redevelopment Agency is being requested to approve of a sale of land that is part of the project and was intended to be sold. He noted that no changes have been made to the project and therefore no EIRs are triggered. He also stated that the City is receiving a reasonable amount of money from the sale of the property and noted that the transaction has no impact on any other project.

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

RA 72 RESOLUTION NO. R-2148:
Purchased & Sale A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY
Agrmt w/PFP,LLC OF BURBANK APPROVING A PURCHASE AND SALE AGREEMENT
(3401 W. Olive & AND ESCROW INSTRUCTIONS BETWEEN THE AGENCY AND PFP,
111 N. Lima) LLC (3401 WEST OLIVE AVENUE AND 111 NORTH LIMA STREET).

City Council City Council Resolution No. 27,163 Approving the Purchase and Sale
Reso. Adopted Agreement and Escrow Instructions Between the City of Burbank and
PFP, LLC (3401 West Olive Avenue and 111 North Lima Street) was
adopted.

- Adopted The resolutions were adopted by the following vote:
- Ayes: Members Campbell, Golonski, Ramos and Vander Borcht.
 Noes: Members None.
 Absent: Members None.
- 9:45 P.M.
 Oral
 Communications The City Council, Redevelopment Agency, Housing Authority, Parking Authority and Youth Endowment Service Fund Board conducted the oral communications. (See Council minutes for details of the public comment)
- 10:51 P.M.
 Jt. Mtg. w/
 Council, Housing
 Auth., Parking
 Auth. & YES
 Fund Board
 RA 42-2
 2006 Investment
 Policy Ms. Anderson, City Treasurer, requested the Council, Redevelopment Agency Board, Housing Authority, Parking Authority and Youth Endowment Services Fund Board approve the 2006 Investment Policy, which is comprised of the Investment Pool of the City, Redevelopment Agency, Parking Authority, Youth Endowment Services, and separately, the Housing Authority.
- Ms. Anderson highlighted the following recommended changes: decreasing the liquidity requirement needed monthly from \$62 million to \$61 million; and, changing the reporting requirements for the Investment Advisory Committees, Treasurer's Oversight Review Committee and Fiscal and Treasurer's Review Group, to meet at least semi-annually or as warranted to review the status of the Investment Pool and to discuss the investment portfolio management strategy before being presented to the Board.
- Motion It was moved by Mrs. Ramos, seconded by Mr. Campbell and carried that "the City Council, Redevelopment Agency Board, Housing Authority, Parking Authority and Youth Endowment Services Fund Board approve the 2006 Investment Policy."
- 10:54 P.M.
 Jt. Mtg. w/
 Council, Housing
 Auth., Parking
 Auth. & YES
 Fund Board
 RA 42-2
 Treasurer's Rpt. Ms. Anderson, City Treasurer, presented the City Treasurer's report on investment and reinvestment of temporarily idle funds for the quarter ending December 31, 2005. With the aid of a PowerPoint presentation she explained the City's portfolio with regard to investments and returns.
- The Board noted and filed the report.
- 11:01 P.M.
 Recess The Agency recessed at this time to permit the City Council to continue its meeting. The Agency reconvened at 11:16 p.m. for public comment with all members present.

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11:17 P.M. There being no further business to come before the Agency, the
Adjournment meeting was adjourned at 11:17 p.m.

Margarita Campos, CMC
Secretary

APPROVED JUNE 6. 2006

Chairperson