

BURBANK REDEVELOPMENT AGENCY
JANUARY 6, 2004

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 5:05 p.m. by Ms. Murphy, Chairman.

CLOSED SESSION

Present- - - - - Members Campbell, Ramos, Vander Borght and Murphy
Absent - - - - - Member Golonski.
Also Present - Ms. Alvord, Executive Director; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Campos, Secretary.

5:06 P.M. The Agency recessed at this time to the City Hall Basement Lunch
Recess Room/Conference Room to hold a Closed Session on the following:

Conference with Real Property Negotiator:
Pursuant to Govt. Code §54956.8

Agency Negotiator: Assistant Executive Director/Susan M. Georgino.

Property: 301 North San Fernando Boulevard (Former Crown Bookstore).

Parties With Whom Agency is Negotiating: Len Borden, Roberts Department Stores, 3002 Midvale Avenue, Suite 208, Los Angeles, California 90034.

Name of Contact Person: Jennifer Mack.

Terms Under Negotiation: Purchase of property.

Regular Meeting Reconvened in Council Chambers The regular meeting of the Redevelopment Agency of the City of Burbank was reconvened at 6:36 p.m. by Ms. Murphy, Chairman.

Invocation The invocation was given by Bethany Carpenter, First United Methodist Church.

Flag Salute The pledge of allegiance to the flag was led by Kendall Capshaw and Maya Chupkov.

ROLL CALL

Present- - - - - Members Campbell, Golonski, Ramos, Vander Borght and Murphy.
Absent - - - - - Members None.
Also Present - - Ms. Alvord, Executive Director; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Campos, Secretary.

1/6/04

8:06 P.M.
Meeting
Continued

Following a report and the combined oral communications, the Council meeting was recessed to allow the Agency to hold its meeting.

Motion

It was moved by Mr. Golonski and seconded by Mr. Campbell that "the following items on the consent calendar be approved as recommended:"

Minutes
Approved

The minutes for the regular meeting of December 9, 2003 were approved as submitted.

RA 40
RA 42-1
Agrmt. w/
Downtown
Burbank
Partnership, Inc.
& Amend FY
2003-04 Budget

RESOLUTION NO. R-2094:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING AN AGREEMENT WITH THE DOWNTOWN BURBANK PARTNERHSIP, INC. TO PREPAY CERTAIN ASSESSMENTS OF THE DOWNTOWN BURBANK PROPERTY AND BUSINESS IMPROVEMENT DISTRICT AND TO AMEND THE FISCAL YEAR 2003-2004 ANNUAL BUDGET IN THE AMOUNT OF \$615,000.

Adopted

The consent calendar was adopted by the following vote:

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

RA 52
Offer of
Prepayment for
Participant
Repayment Note
w/Strategic Hotel
Capital, Inc.
(Hilton Hotel)

Mrs. Frausto, Redevelopment Project Manager, presented a second proposal for prepayment of an outstanding Note held by Strategic Hotel Capital, Inc. (SHC) pursuant to the Fourth Implementation Agreement dated September 1988, by and between the Redevelopment Agency of the City of Burbank (Agency) and SHC as assigned (Hilton Hotel). She stated that on September 16, 2003, staff presented a proposal from SHC for a lump sum payment of \$3.6 million in return for complete and final release of all liabilities under the Note and the Agreement. She added that the Agency Board did not accept the offer, and appointed Council Members Dave Golonski and Jef Vander Borgh to a Council subcommittee to discuss prepayment with SHC and Hilton representatives.

Mrs. Frausto informed the Council that staff received a letter on December 22, 2003 stating that after several meetings and discussions with the Council subcommittee, SHC had agreed to a

pay-off amount of \$6 million on the Note. She noted that based on the previous Keyser Marston and Associates (KMA) analysis of the \$3.6 million offer, the current balance of the Note was estimated to be \$8.8 million, and the net present value of the Note to be within the range of \$803,000 to \$7.79 million. She stated that the prepayment offer of \$6 million falls at the high-end of the range of the net present value of the Note.

Mrs. Frausto concluded with staff's recommendation that the Agency Board adopt a resolution accepting the \$6 million prepayment offer by SHC and added that if the Agency Board does not accept the prepayment offer, the Note will be monitored and the participant will be required to make payments when due.

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

RA 52 RESOLUTION NO. R-2095:
Accepting A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY
Prepayment w/ OF BURBANK ACCEPTING A PREPAYMENT FOR THE PARTICIPANT
Strategic Hotel REPAYMENT NOTE BETWEEN THE REDEVELOPMENT AGENCY OF
Capital, Inc. THE CITY OF BURBANK AND STRATEGIC HOTEL CAPITAL
(Hilton Hotel) INCORPORATED (HILTON HOTEL).

Adopted The resolution was passed and adopted by the following vote:

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

8:21 P.M. The Agency recessed at this time to permit the City Council to
Recess continue its meeting. The Agency reconvened at 9:43 p.m. for
public comment with all members present.

9:47 P.M. There being no further business to come before the Agency, the
Adjournment meeting was adjourned at 9:47 p.m.

Secretary

APPROVED FEBRUARY 3, 2004

Chairperson