

BURBANK REDEVELOPMENT AGENCY  
MARCH 11, 2003

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 5:06 p.m. by Mr. Laurell, Chairman.

CLOSED SESSION

Present- - - - Members Golonski, Murphy, Vander Borght and Laurell.  
Absent - - - - Member Ramos.  
Also Present - Ms. Alvord, Interim City Manager; 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:

- a. Conference with Real Property Negotiator:  
Pursuant to Govt. Code §54956.8  
**Agency Negotiator:** Assistant Executive Director/Susan M. Georgino.  
**Property:** 250 East Olive Avenue, corner "parcel" (120' X 310') at Olive Avenue and Third Street.  
**Party With Whom Agency is Negotiating:** Michael Cusumano – Cusumano Real Estate Group.  
**Terms Under Negotiation:** Potential sale of Agency property.
- b. Conference with Real Property Negotiator:  
Pursuant to Govt. Code §54956.8  
**Agency Negotiator:** Assistant Executive Director/Susan M. Georgino.  
**Property:** 201 East Magnolia Boulevard – Media City Mall (41 acre site generally bounded by Magnolia Boulevard, I-5 Freeway, Burbank Boulevard and Third Street).  
**Party With Whom Agency is Negotiating:** Crown Realty and Development Corporation.  
**Terms Under Negotiation:** Amendment of Ground Lease and Disposition and Development Agreement.

Regular Meeting Reconvoked in Council Chambers The regular meeting of the Redevelopment Agency of the City of Burbank was reconvened at 6:43 p.m. by Mr. Laurell, Chairman.

Invocation The invocation was given by Pastor Ron White, American Lutheran Church.

Flag Salute The pledge of allegiance to the flag was led by Susanna Mktrchyan.

ROLL CALL

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

7:02 P.M.  
 Jt. Public Hrg.  
 w/Council  
 RA 62-1  
 Opportunity Site  
 No. 2 (Old Police  
 Block) Burbank  
 Civic Plaza –  
 Cusumano Real  
 Estate Group

Commissioner Laurell 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 regarding the Burbank Civic Plaza project located on the southwest corner of Olive Avenue and Third Street, Burbank, California. The Applicant is Burbank Civic Plaza LLC. The various components of this project are a Disposition and Development Agreement; a rezoning to the Planned Development No. 2002-3 zone to allow for an office building and ground floor retail/restaurant/commercial space; a Development Agreement related thereto; a Cooperation Agreement between the City and Redevelopment Agency relating to the Courthouse Parking Facility; and a Parking Lease between the Agency and Burbank Civic Plaza LLC.”

Notice  
 Given

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

Staff  
 Report

Ms. Davidson-Guerra, Senior Redevelopment Project Manager, presented an overview of Opportunity Site No. 2 bound by Olive Avenue, Third Street, Angeleno Avenue and San Fernando Boulevard, noting it is a key development site in the downtown. She stated the Redevelopment Agency (Agency) has been working towards the redevelopment of this site since 1997 when the first request for development proposals was circulated resulting in the approval of the Burbank Village Walk project. She added the Burbank Civic Plaza project, proposed by the Cusumano Real Estate Group, included an office building and restaurant/retail uses situated on the corner of Olive Avenue and Third Street.

With a visual aid, Mrs. Forbes presented the project entitlements, noting the set-backs, parking structures, pedestrian walk-way, café area, side walks and the features of the office building that complement City Hall. She stated the proposed project met the design criteria of the Burbank General Plan, and the mixed-use development envisioned for the site. She added the Mitigated Negative Declaration satisfied the environmental review for the project and no additional review was necessary. She also stated

the project was presented to the Planning Board on February 10, 2003 and received unanimous approval with conditions to review and approve the architectural materials and landscaping before building permits were issued. She noted staff concurred with the Planning Board for a review process but believed the final approval should be the responsibility of the Community Development and Park, Recreation and Community Services Directors.

Ms. Davidson-Guerra stated because the proposed project required the Agency to sell property to the developer, a Disposition and Development Agreement (DDA) was negotiated for the purpose of documenting the real estate transaction and the roles and responsibilities of the developer and the Agency. She discussed the responsibilities of the developer and Agency, and highlighted the provisions in the parking lease.

She reported the fiscal impact of the proposed project totals over \$4 million for site assembly, site preparation and proposed offsite improvements. She added the project would generate public revenues including land sale proceeds, parking lease revenues and tax increment revenues, with total revenues of \$7.5 million in nominal terms and \$2.4 million in present value terms. She noted when combining the projected net revenues of the project with the Burbank Village Walk project revenues, the Agency would break even.

With regard to the project schedule, she reported ground breaking was scheduled for late fall 2003 followed by an 18 month construction period with completion in mid-2005. She added the fiscal impact of moving forward with the entire site was balanced with the benefits of completing one of downtown's key development sites. She noted the approval of the Burbank Civic Plaza project coupled with the approved Burbank Village Walk project would implement the City and Agency's vision for the site. She added the complementary components of the two projects would provide a seamless transition from the Downtown Village to the Civic District and an additional daytime population that would support the downtown restaurants, shops, services and existing Agency investments.

Applicant

Michael Cusumano, Principal with the Cusumano Real Estate Group, began by identifying projects developed and completed by the Cusumano Real Estate Group, noting that developer experience and credibility are key in developing large mixed-use projects. The projects included the Cusumano Office Building with the BJ's Restaurant, the Washington Mutual- Elephant Bar Restaurant Project, a 200,000 square foot office complex in the City of

Thousand Oaks, and a 70, 000 square foot office complex in the Irvine Business Center, Orange County.

He then discussed the different components of the proposed Burbank Civic Plaza project, noting the architectural theme that complemented City Hall.

Brian Ariel, Architect, discussed the architectural design, noting the significance of the City Hall building and the developer's goal to complement features of the City Hall building and commented on the mixed-use nature of the project.

Robert Curley, Landscape Architect, discussed the landscape design and its compatibility to the street and the Civic Center patterns. He noted the outdoor sitting areas, trees, walkway, cascading fountain, soft streetscape, and the landscape buffers.

Citizen  
Comment

Appearing to comment were Esther Espinoza, inquiring as to the reason the Cusumano Real Estate Group was constantly being awarded City projects, objecting to the purchase price, requesting the opportunity to pay the ad valorem taxes on the property, addressing the ethnicity of future employees of the subcontractors; Dr. Theresa Karam, objecting to the purchase price, especially due to the difficult state of the economy, making a counter-offer, objecting to Mr. Golonski's concern with the landscaping of the project, inquiring whether Mr. Vander Borght and Mayor Laurell will be supporting the project; David Piroli, inquiring as to the actual demand for office space, objecting to the financing plan of the project in light of the state of the economy, commenting on interference with the free market system and the sale price of the property, objecting to the terms of the parking lease; Mike Nolan, objecting to the purchase price noting the City purchased the property for over \$4 million, stating the purchase price should be over \$3 million, objecting to the terms of the parking lease, insisting that the developer be required to build appropriate Code-mandated parking; C.L. Stack, in opposition to the project, objecting to the purchase price, requesting other developers be given the opportunity to bid for the project; Ron Vanderford, in opposition to the project, specifically the purchase price, the terms of the parking lease, commenting on various past projects where land was given to the developers for nominal prices; and James Schad, in opposition to the project, specifically the purchase price.

Applicant

In rebuttal, Mr. Cusumano stated the project was open to developers for the past seven years. He noted a number of developers had expressed interest in the site, negotiated similar

financing, but were unable to follow through with the commitment. He also added there was no other developer willing to move forward with the project, that it was not economically viable for the land to be left vacant, and noted the fact that the site would house their corporate offices.

Ms. Davidson-Guerra responded to public comment regarding demand for office space, the proposed parking lease, the claim that the site was never marketed, and the fair reuse value of \$100 as the proposed sale price of the property. She stated the site was actively marketed since 1997, noting the recent circulation went out to more than 450 real estate development professionals; the 200 spaces in the Courthouse parking structure were funded by the Agency for the purpose of facilitating future development on the Courthouse block or the proposed site, and reaffirmed the need for office space.

Mr. Hollis, Managing Principal of Kaiser Marston and Associates, stated Redevelopment law required the Agency to make a finding that the property is being sold at a fair reuse value, by looking at the uses and conditions placed on the property. He noted the few office space developments in Burbank and the neighboring cities of Glendale and Pasadena, and that the former developers did not move forward with the project because of the failure to meet the 11 percent return rate without a land contribution, in addition to a substantial cash contribution. He stated the Agency's options included changing the land-use to allow a residential development that could yield approximately \$800,000; develop a lower density retail use that would generate approximately \$300,000; or do nothing and hope conditions would improve in the near future. He affirmed the appropriateness of the transaction for the proposed land use.

Hearing  
Closed

There being no further response to the Mayor's invitation for oral comment, the hearing was declared closed.

City Council  
Reso. Adopted

City Council Resolution No. 26,442 Approving Terms and Provisions and Authorizing the Execution of a Cooperation Agreement Between the City and the Redevelopment Agency of the City of Burbank and Consenting to the Sale of Property (Burbank Civic Plaza) was adopted.

City Council Ord. Read City Council Ordinance Approving Planned Development No. 2002-3 and a Development Agreement Related Thereto (Burbank Civic Plaza, L.L.C., Applicant) was read and passed to the second reading.

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

RA 62-1  
DDA & Parking  
Lease Agrmt w/  
Burbank Civic  
Plaza LLC &  
Coop. Agrmt. w/  
City Relating to  
Courthouse Pkg.  
Facility

RESOLUTION NO. R-2057:  
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING THE TERMS AND PROVISIONS AND AUTHORIZING EXECUTION OF THE DISPOSITION AND DEVELOPMENT AGREEMENT AND A PARKING LEASE BETWEEN THE AGENCY AND BURBANK CIVIC PLAZA LLC; AND APPROVING THE TERMS AND PROVISIONS AND AUTHORIZING THE EXECUTION OF A COOPERATION AGREEMENT BETWEEN THE CITY OF BURBANK AND THE AGENCY RELATING TO THE COURTHOUSE PARKING FACILITY (BURBANK CIVIC PLAZA).

Adopted The resolution was passed by the following vote:

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

8:45 P.M.  
Recess The Agency recessed at this time to permit the City Council to continue its meeting. The Agency reconvened at 10:10 p.m. for public comment with the same members present.

10:17 P.M.  
Adjournment There being no further business to come before the Agency, the meeting was adjourned at 10:17 p.m. to Saturday, March 15, 2003, 8:00 a.m. in the City Hall Lunchroom 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:** 250 East Olive Avenue, corner "parcel" (120' X 310') at Olive Avenue and Third Street.

3/11/03

**Party With Whom Agency is Negotiating:** Michael Cusumano –  
Cusumano Real Estate Group.

**Terms Under Negotiation:** Potential sale of Agency property.

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Secretary

APPROVED MAY 27, 2003

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Chairperson