

BURBANK REDEVELOPMENT AGENCY
NOVEMBER 23, 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 5:06 p.m. by Mrs. Ramos, Chairman.

CLOSED SESSION

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

5:11 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: Burbank Entertainment Village Project Phase II (bounded by Palm Avenue, First Street, the back of businesses along San Fernando Boulevard, and a portion of the block where the AMC 14 was formerly located next to the Orange Grove parking structure).
Parties With Whom Agency is Negotiating: Bob Champion (Champion Development), 11601 Wilshire Boulevard, Suite 1650, Los Angeles, California 90025. Chuck Stillery, American Multi Cinema (AMC), 92 Main Street, Kansas City, Missouri 64105.
Name of Contact Person: Jennifer Mack, Redevelopment Project Manager.
Terms Under Negotiation: Purchase of property (potential exercise of option).
- b. Conference with Real Property Negotiator:
Pursuant to Govt. Code §54956.8
Agency Negotiator: Assistant Executive Director/Susan M. Georgino.
Property: A new advertising sign (billboard) is being proposed on City property at the Recycling Center located at 500 South Flower Street which is bounded by Verdugo Avenue and Providencia Avenue.
Parties With Whom Agency is Negotiating: Ken Spiker and Associates, Inc. representing Clear Channel Outdoor, Inc.
Name of Contact Person: Ruth Davidson-Guerra, Assistant Community Development Director/Housing and Redevelopment.
Terms Under Negotiation: Possible lease of City property to Clear Channel.

- c. Conference with Real Property Negotiator:
 Pursuant to Govt. Code §54956.8
Agency Negotiator: Assistant Executive Director/Susan M. Georgino.
Properties: 3606 and 3614 West Magnolia Boulevard and 946 North Hollywood Way at the corner of Magnolia Boulevard and Hollywood Way (Fisher). 920 North Hollywood Way (Wallace).
Parties With Whom Agency is Negotiating: Kenneth Fisher, 2313 West Burbank Boulevard, Burbank, California, and Bruce W. Wallace, 1340 North Niagara Street, Burbank, California.
Name of Contact Person: Jack Lynch, Senior Redevelopment Project Manager.
Terms Under Negotiation: Purchase of properties.
- d. Conference With Legal Counsel – Anticipated Litigation:
 Initiation of litigation pursuant to Govt. Code §54956.9(c)
Number of potential case(s): 1

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 Mrs. Ramos, Chairman.

Invocation The invocation was given by Bob Kramer, Community Assistance Coordinator.

Flag Salute The pledge of allegiance to the flag was led by Doris Vick.

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

11/23/04

7:14 P.M.
Jt. Public Hrg. w/
City Council
RA 62-1
AMC Phase II
Site – Amended
& Restated OPA
w/Champion Dev.
Inc., Second
Implementation
Agrmt w/Burbank
Entertainment
Village, LLC –
AMC

Chairperson Ramos 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 former AMC 14 Site that is the second phase of the AMC Project. The Applicants are Burbank Entertainment Village, L.L.C., American Multi-Cinema, Inc., and Champion Realty, Ltd. The various components of this project are:

- A Mitigated Negative Declaration;
- A Second Implementation Agreement to the Owner Participation Agreement between the Agency, AMC, and Burbank Entertainment Village;
- An Amended and Restated Owner Participation Agreement between the Agency and Champion Realty;
- An Amendment to Planned Development 98-2 with an Amendment to the Development Agreement; and
- Planned Development No. 2003-2 with Development Agreement Related Thereto.”

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. Mack, Redevelopment Project Manager, Community Development Department, requested Council and Redevelopment Agency (Agency) Board consideration of the proposed development of the former AMC 14 Site by Champion Development, Inc. (Champion). She explained that the subject site is located on the block bounded by Palm Avenue, First Street, Orange Grove Avenue and the back of businesses along San Fernando Boulevard, within the City Centre Redevelopment Project Area.

Ms. Mack informed the Council that the proposed project consists of 50,000 square feet of ground level retail and restaurant space with 118 for-sale condominium units located above. She added that the project would also include a 734-space multi-level subterranean and above-grade parking structure which is designed to provide private, gated parking for the residential units, parking for the retail/restaurant uses and accommodate 276 additional public parking spaces, above and beyond the required parking demand for the project. Also, she noted that 15 percent of the condominium units will be made available to low and moderate-income households.

Ms. Mack reported that Phase I improvements were completed in June 2003 by AMC, including completion of the AMC 16 theaters, retail and restaurant uses, and a parking structure. She added that improvements approved for Phase II included additional retail and restaurant uses and a parking structure. She noted that the former

AMC 14 theater structure was demolished in July 2003 and the Phase II site is currently vacant. She reported that because the proposed Phase II development includes changes to the previously-approved project design, density and land uses, Champion has requested the separation of Phase I and II improvements to reflect separate ownership for each phase.

Mr. Ochsenbein, Senior Planner, Community Development Department, reviewed the proposed project entitlements; an amendment to Planned Development No. 98-2 and a new Planned Development No. 2003-2 with Development Review No. 2003-50. He noted that the proposed project has been reviewed by the Property Based Business Improvement District, the Downtown Parking Management Committee and the Planning Board. He added that the Planning Board approved the project with modifications on October 11, 2004, and noted that the modifications have been incorporated into the proposed Conditions of Approval. With a visual aid, he discussed the site plan and the residential, commercial, parking and signage components of the project.

Mr. Ochsenbein reported that pursuant to the requirements of the California Environmental Quality Act (CEQA), a Mitigated Negative Declaration was prepared for the project indicating that the project would not result in a significant impact to the environment with the proposed mitigation measures. He noted that the project required mitigation for air quality and noise impacts during construction. He added that the incorporated mitigation measures include restriction on construction hours, and requirement of soil watering and clean burning equipment. He also reported that no significant traffic impacts were identified for the area.

Reporting on the Agency approvals, Ms. Mack stated that a Second Implementation Agreement to the approved Owner Participation Agreement (OPA) and an Amended and Restated OPA have been negotiated to separate the obligations and responsibilities of AMC for the Phase I project, as currently approved and built, from the obligations and responsibilities of Champion for the proposed Phase II project. She then discussed the salient provisions of the proposed Amended and Restated OPA and the projected fiscal impact of the project. She noted that when comparing the total Agency costs associated with the proposed project (approximately \$10.4 million) with anticipated Agency revenue (approximately \$14.3 million), the net revenue to the Agency is projected at \$3.9 million in present value terms. She also discussed the project schedule, noting that completion is scheduled for Fall 2007.

Ms. Mack concluded that the proposed Collection at Downtown Burbank (AMC Phase II Project) will help fulfill the goals of the Downtown revitalization strategy by building upon the desired 24-

hour, seven-days-a-week Downtown population, which will further enhance the Downtown area and help support existing businesses and Agency investments. She added that the project will build upon the entertainment synergism created by the new AMC 16 theaters as part of the AMC project. Furthermore, she stated that the proposed project supports the goals of the City Centre Redevelopment Plan as well as provides additional units to the City's affordable housing inventory. She also noted that the proposed project will help improve the financial strength of the City and Agency by generating approximately \$350,000 in new Sales Tax revenues each year and approximately \$3.9 million in net new Agency revenues.

Applicant Bob Champion, Chief Executive Officer and Founder, Champion Development, Inc., provided a brief overview of the company and described several projects recently accomplished by his company. He also addressed concerns related to the proposed signage.

Winston Chang, Architect, Champion Development, Inc. addressed the design and architectural aspects considered for the various project components.

Citizen Comment Appearing to comment were: Dave Siemienski, Mark Barton and Sam Asheghian, in support of the proposed project; Eden Rosen, Howard Rothenbach and Dink O'Neal expressing concerns about the project; and, Ron Vanderford, Theresa Karam, Mike Nolan, Jesse Byers and Esther Espinoza, in opposition to the project.

Rebuttal Comments Mr. Champion responded to public comment with regard to: proposed signage; the mixed-use nature of the project; the acoustical measures taken; the provision of operable windows; and, the separation of vertical transportation systems for residents and retail tenants.

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

Council Deliberation Ms. Murphy expressed opposition to the proposed electronic signage but supported the mixed-use nature of the project.

Mr. Campbell also expressed opposition to the electronic signage, requested that a ventilation system for the bay area be provided to avoid trucks' emissions creeping into the building and supported the mixed-use nature of the project. He also noted that the project will encourage transit opportunities but expressed concern with the CEQA process with regard to evaluating potential project impacts.

Mr. Golonski expressed opposition to the proposed electronic signage and the provision of tandem parking for the residential units. Overall, he was supportive of the project.

Mr. Vander Borght expressed opposition to the proposed location of the electronic signage and suggested that the signage be placed across from the theatre in the curved arcade area. He also requested that: a ventilation system for the bay area be installed; the loading facilities be increased in size; the access driveways be reconfigured; and, additional setbacks be provided for the retail shops along First Street. He was also not supportive of tandem parking for the residential units but noted that as a compromise, he would only consider tandem parking for the one-bedroom units with no lofts.

Mrs. Ramos reiterated that the Council was opposed to the electronic signage and concurred with reviewing the size of the loading facility and installing a ventilation system; reconfiguring the driveway access; and, providing a one-foot additional setback along First Street. She was supportive of tandem parking for the one-bedroom units.

Mr. Golonski and Mr. Vander Borght clarified that they would only support tandem parking for one bedroom units of 1,000 square feet or less.

Motion	It was moved by Mr. Campbell and seconded by Ms. Murphy that "the following resolutions be passed and adopted and the following ordinances be introduced and passed to the second reading:"
City Council Reso. Adopted	City Council Resolution No. 26,832 Adopting a Mitigated Negative Declaration (Amended to Planned Development No. 98-2 and Adoption of Planned Development No. 2003-2) was adopted.
City Council Ord. Introduced	City Council Ordinance Approving an Amendment to Planned Development No. 98-2 and an Amendment to the Development Agreement Related Thereto (Burbank Entertainment Village, L.L.C. and American Multi Cinema, Inc., Applicants) was introduced.
City Council Ord. Introduced	City Council Ordinance Approving Planned Development No. 2003-2 and a Development Agreement Related Thereto (Champion Realty, LTD., Applicant) was introduced.

11/23/04

City Council
Reso. Adopted

City Council Resolution No. 26,833 Approving and Authorizing the Execution of the Second Implementation Agreement to the Owner Participation Agreement by and Among the Redevelopment Agency of the City of Burbank, Burbank Entertainment Village, L.L.C., and American Multi-Cinema, Inc. and An Amended and Restated Owner Participation Agreement Between the Redevelopment Agency of the City of Burbank and Champion Realty, LTD was adopted.

RA 62-1
2nd Implem.
Agrmt. to OPA
w/City & Burbank
Entertainment
Village, L.L.C &
American Multi-
Cinema, Inc.

RESOLUTION NO. R-2122:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING AND AUTHORIZING THE EXECUTION OF THE SECOND IMPLEMENTATION AGREEMENT TO THE OWNER PARTICIPATION AGREEMENT BY AND AMONG THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK, BURBANK ENTERTAINMENT VILLAGE, L.L.C., AND AMERICAN MULTI-CINEMA, INC. AND THE AMENDD AND RESTATED OWNER PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK AND CHAMPION REALTY, LTD.

Adoption

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

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

10:24 P.M.
Oral
Communications

The City Council and Redevelopment Agency conducted the oral communications. (See Council minutes for details of the public comment)

11:38 P.M.
Jt. Mtg. w/
City Council
RA 49
RA 42-1
Old Thrifty Site
3606 & 3614 W.
Magnolia Blvd. –
Porto's Bakery
Commercial
Rehab. Loan
Agrmt.

Mr. Lynch, Senior Project Manager, Community Development Department, reported that as part of the development of the Magnolia Park Action Plan, several focus group meetings and a survey were undertaken to determine, among other things, the type of retailers that residents would like to see in Magnolia Park. He added that the responses received called for more restaurants and cafés with outdoor seating, one-of-a-kind retailers, as well as a desire for a bakery. He also reported that residents expressed a desire to eliminate vacant retail space and improve building facades. He then presented a request from Raul Porto of Porto's Bakery (Porto's) for financial assistance to locate a bakery and restaurant at the Old Thrifty site located at 3606 and 3614 West Magnolia Boulevard, and a Reciprocal Easement Agreement that would affect the proposed bakery parking lot and the adjacent public parking lot.

Mr. Lynch reported that the Old Thrifty site has been vacant for more than six years, and is a blighting condition for the Magnolia Park area. He added that the current owner of the property, Ken Fisher, has considered different plans since purchasing the property in 2001 and has reached an agreement for Porto's to purchase the property. He also noted that the owner has requested that escrow close as soon as possible. Concurrently, he stated that Porto's has requested the City to provide \$790,000 in assistance to help pay for base building and tenant improvements, due to the high cost of purchasing and renovating the building, and the need to provide a more pedestrian-friendly environment. He added that Keyser-Marston Associates, the City's economic consultant, has reviewed the request for assistance and determined it is warranted. He noted that the loan was subject to the close of escrow on the property.

Mr. Lynch reported that if approved, staff proposes that the funding be structured similar to the Redevelopment Agency (Agency) assistance provided through the Downtown Tenant Assistance Program. He explained that the program was developed to provide financial assistance for structural and tenant improvements for underutilized and vacant properties in an effort to revitalize Downtown. He noted that over the next ten years, the Agency will forgive one-tenth of the loan amount for each year Porto's remains open. He also discussed other salient terms for the proposed loan to Porto's.

Mr. Lynch informed the Council that while the proposed bakery and café has sufficient on-site parking, a Reciprocal Easement Agreement is also proposed to improve circulation between the Porto's parking lot and the adjacent public parking lot. He noted that over time, this may allow for the opportunity to reconfigure the public parking lot in a way to gain more parking spaces. He also noted that the Magnolia Park Citizen's Advisory Committee unanimously recommended approval of the proposed bakery as a good fit for Magnolia Park.

Motion

It was moved by Mr. Campbell and seconded by Ms. Murphy that "the following resolutions be passed and adopted":

RA 49
RA 42-1
Coop. Agrmt. w/
City & Amend FY
2004-05 Annual
Budget for Partial
Payment of City
Centre Note

RESOLUTION NO. R-2123:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING A COOPERATION AGREEMENT WITH THE CITY OF BURBANK AND AMENDING FISCAL YEAR 2004-2005 ANNUAL BUDGET IN THE AMOUNT OF \$790,000 FOR THE PARTIAL PAYMENT OF A CITY CENTRE NOTE.

11/23/04

City Council
Reso. Adopted

City Council Resolution No. 26,834 Approving Various Agreements Relating to 3606 and 3614 West Magnolia Boulevard/Porto's Bakery and Café and Amending Fiscal Year 2004-2005 Annual Budget in the Amount of \$790,000 for the Porto's Bakery and Café Commercial Rehabilitation Loan was adopted.

Adopted

The resolutions were adopted by the following vote:

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

11:56 P.M.
Hearing
RA 91
Acquisition of
700 S. San
Fernando Blvd.
(John's West
Coast Auto
Resale)

Chairperson Ramos stated that "this is the time and place for a hearing of the Redevelopment Agency on the adoption of a Resolution of Necessity authorizing the exercise of eminent domain to acquire for public purposes the leasehold interest in certain real property located at 700 South San Fernando Boulevard, Burbank, California. The leasehold interest owner is John Dincher."

Staff
Report

Ms. Mack, Redevelopment Project Manager, Community Development Department, requested the Redevelopment Agency (Agency) Board to consider the adoption of a Resolution of Necessity to acquire leasehold interest in the property located at 700 South San Fernando Boulevard. She explained that the leasehold interest is necessary for the development of the San Fernando Walk Project located on the former Lance site which was approved on June 29, 2004.

Ms. Mack informed the Council that pursuant to the terms of the Disposition and Development Agreement, the Agency is responsible for assembling the site as a condition to the Developer's performance to acquire and develop the site. She noted that to date, the Agency has acquired two of the three properties necessary for the site which include 700-722 South San Fernando Boulevard. She added that while the Agency has assembled the majority of the real properties, the Agency has not yet acquired the leasehold interest in the property located at 700 South San Fernando Boulevard which is owned in fee by the Agency and occupied by a used auto sales business called John's West Coast Auto Resale.

On September 22, 2004, the Agency sent an offer letter to John's West Coast Auto Resale offering to pay a leasehold bonus value for the appraised value of \$23,000. The Agency's statutory offer of the leasehold bonus value was part of a larger all-inclusive offer relating to leasehold bonus value, goodwill and relocation. The Agency received no response to its offer and the offer terminated on its own. The business owner was provided with a 15-day notice on October 20, 2004, setting the hearing for the Resolution of Necessity on November 23, 2004.

Ms. Mack reported that while staff is still working with the business owner and will continue to do so, staff recommended that the Agency take the next step in the condemnation process by conducting a hearing to consider a Resolution of Necessity to acquire the leasehold interest in the subject property. She noted that the business owner will also receive relocation benefits and goodwill compensation above and beyond the compensation for the leasehold interest.

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

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

RA 91 RESOLUTION NO. R-2124:
 Condemnation of A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY
 700 S. San OF BURBANK FINDING, DETERMINING AND RESOLVING THAT THE
 Fernando Blvd. PUBLIC INTEREST, CONVENIENCE, AND NECESSITY REQUIRE AND
 AUTHORIZE THE CONDEMNATION OF THE LEASEHOLD INTEREST
 IN CERTAIN REAL PROPERTY SITUATED WITHIN THE CITY OF
 BURBANK FOR PUBLIC PURPOSES (700 SOUTH SAN FERNANDO
 BOULEVARD).

Adopted The resolution was adopted by the following vote:

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

12:00 P.M. The Agency recessed at this time to permit the City Council to
 Recess continue its meeting. The Agency reconvened at 12:02 p.m. for
 public comment with all members present.

11/23/04

12:05 P.M.
Adjournment

There being no further business to come before the Agency, the meeting was adjourned at 12:05 p.m.

Secretary

APPROVED AUGUST 23, 2005

Chairman