



CITY OF GLENDALE, CALIFORNIA REPORT TO THE SPECIAL CITY COUNCIL

AGENDA ITEM

Report: Selection of a Proposer in Response to City's Request for Proposals for the Management and Operation of the Alex Theatre and Direction to Negotiate a Lease and Management Agreement.

- 1) Motion selecting a proposer in response to the City's Request for Proposals and directing the staff to negotiate a lease and management agreement for the Alex Theatre.

COUNCIL ACTION

Item Type: Action Item

Approved for _____ April 20, 2021 _____ **calendar**

ADMINISTRATIVE ACTION

Submitted by:

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Approved by:

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RECOMMENDATION

Staff recommends that the City Council select a proposer to the Request for Proposals for the operation and management of the Alex Theatre and authorize staff to negotiate a lease and management agreement.

BACKGROUND/ANALYSIS

The City owns the historic Alex Theatre, a cultural facility and performing arts venue that is revered as an economic engine for the downtown, and serves as an anchor for the City's Art & Entertainment District.

In 1992, the former Redevelopment Agency acquired the historic Alex Theatre ("the Alex"). Over the last 28 years, the ownership transferred to the City and the management of the theatre evolved from a quasi-City Commission to a private non-profit entity contracted by the City. In 2008, this private non-profit entity became Glendale Arts and that same year, Glendale Arts entered into a Lease and a Management Agreement ("Agreements") to manage and operate the Alex through 2015. Through these Agreements, Glendale Arts was charged with managing the Alex Theatre and coordinating resources designed to benefit Glendale-based artists, arts organizations, businesses and local schools. The Agreements were subsequently renewed for an additional five-year term, from June 2015 to June 2020. Glendale Arts' lease of office space at 116 W. California Avenue also expired on June 30, 2020.

Following the expiration of the Agreements, a holdover agreement was entered into with Glendale Arts on June 30, 2020, to continue the arrangement outlined in the Lease and Management Agreements ensuring continued oversight of the Alex Theatre. The holdover agreement expired on December 31, 2020. The holdover agreement was subsequently extended until June 30, 2021.

During the June 30, 2020, July 7, 2020, and December 1, 2020 City Council meetings, the Council provided input and direction on the minimum qualifications to include in a future Request for Proposals ("RFP") from qualified applicants to manage and operate the Alex Theatre. This search was initiated because current manager Glendale Arts' term had expired and the Theatre's management had not been re-evaluated since 2008. This discussion included direction on seven major elements to include in the RFP, including types of programming, days of activity, subsidies for non-profits, City's use, level of control and oversight of the theatre operation, capital improvements, maintenance and utilities, and management fee structure.

REQUEST FOR PROPOSALS:

The management and programming structure of the Theatre has remained unchanged since 2008. Through the RFP process, the Council sought to examine if there was a better way to manage the theatre and still achieve the goals of the City Council. As part

of the RFP development, Council updated and identified the goals they sought to achieve in operating the Alex Theatre. Additionally, through research about and discussion with theatres across the nation, two basic, recurring management models or formats for publically owned theatres were identified:

1. A strong community focus with greater public entity influence on the range of program offerings including top caliber entertainment, non-profit productions and community access that relies on continued financial involvement by the public entity; or
2. A more commercial driven model with little to no influence from the public entity, allowing the operator to be focused on their own financial profitability but requiring little to no public financial involvement.

While variations exist, the industry standard for successful models runs parallel with these two basic options. The management arrangement for the last 12 years was more a hybrid of the two seeking to achieve a wide range of programming and community access while striving for self-sufficiency. Although the Theatre achieved varying levels of success in trying to be both, the model does not lend itself to long-term sustainability.

With this in mind, the City Council developed a set of goals and general framework of a scope of work to include in the RFP asking potential managers to present their ideas for achieving the objectives of the goals. A summary of the Goals and Scope of Work from the RFP follows; the full Request for Proposals is attached as Exhibit 1.

I. Goals

The primary goals, listed in order of priority, with this management agreement are to have an organization in place which can:

- Establish consistent financial stability and sustainability for Alex Theatre operations, while minimizing the level of the annual management fee provided by the City.
- Provide a cultural facility and performing arts venue that is available, accessible, and affordable to use by local community organizations and non-profits.
- Attract top quality entertainment clients, events, and performances with great frequency which will be an economic catalyst for the downtown.

II. Scope of Work:

Management Terms

- Lease Term: Council has expressed a preference in pursuing a minimum ten-year lease term with two, five-year options. Proposers suggesting a different term must justify the request and its benefits to the long-term sustainability of the Theatre.

- **City Responsibilities:** Proposers must detail what the City will be expected to provide in terms of the City's financial contribution or expected role in building operations, major maintenance and capital projects. The City is open to various options but expects the Proposer to detail and justify these expectations.
- **Operator Responsibilities:** Proposers must detail what the Operator's role will be in terms of building operations, major maintenance and capital projects. The City is open to various options but expect the Proposer to detail and articulate these responsibilities.
- **Management Fee and/or Other Compensation Structure:** One of the goals of this RFP is to select an operator that can establish consistent financial stability and sustainability for Alex Theatre operations, while minimizing the level of the annual management fee or other financial contribution provided by the City. The City has not determined a set management fee or other financial or payment structure for the successful Operator. The City is open to various options and expects proposers to detail their expectations, if any, for a management fee (or other compensation structure) and any escalation or projected increases over the initial 10-year term and renewals.
- **Operating Expenses:** The City is open to recommendations from the Proposer on terms related to financial responsibility of operating expenses.
- **Personal Property:** The City is open to recommendations from the Proposer on terms related to ownership regarding personal property, furniture, fixtures and equipment.
- **Naming Rights:** Operator will retain the right to sell naming rights to portions of the Alex Theatre for fundraising purposes for the duration of the management agreement, with final approval by the City. Proposals should indicate how the Operator would manage the selling of naming rights and the proposed use of funds earned through naming rights sales.

Management Agreement

- **Office Space:** The Alex Theatre does not have on-site office space. Operator will have the option to lease 116 W. California Ave., a 2,500 SF office space within walking distance of the Alex Theatre, at a below market rent of (\$1/sq ft), with annually scheduled increases per the Consumer Price Index (CPI).
- **Reserves:** A General Reserve Fund directly associated with the operations of the theatre is required to have a \$125,000 target and a \$75,000 minimum floor maintained on an annual basis. Operator will be required to demonstrate the availability of this capital reserve in the minimum floor amount of \$75,000 before contract signing; Operator will be allowed to earn the balance of the reserve within the first 12 months.
- **Rent Volume and Policies:**
 - **Days of Activity:** The expectation that the Operator will strive for the maximum utilization of the venue to ensure its financial sustainability.
 - **Programming:** Preference for a facility that operates primarily as a rental venue with specific policies to support affordable and available

- non-profit and local organization rents. The City is open to proposals based on other models.
 - Public Use of Theatre: The City has a preference to be able to use the Alex Theatre for specified City events. In the previous Management Agreement, the City retained the right to four rent-free event days and six rent-free receptions per year subject to Operator's previously booked events.
- Rates and Discounts: City will require the Operator to establish and maintain a consistent policy regarding all discounts or subsidies that would be offered to nonprofits, community groups, or other designated categories.
- Measurements of Success: In no particular priority, success of the Operator will be defined by:
 - Total revenue generated from all sources.
 - Bottom line net income of operations.
 - Number of individuals attending Alex Theatre events.
 - Demonstrated media presence for the Alex and the City of Glendale.
- Proposers can submit additional recommended Measurements of Success, if desired. Any other measurements should clearly correspond with the City's three core goals.
- Required Annual Reporting: If the successful Operator requires a management fee and/or other City capital investment, an annual audit and presentation of a budget is required. If a Management Fee or other City financial payment structure is not present, the City will not ask the Operator to present annual financial reporting data.

III. Timeline

Below is a timeline of activity from the RFP's release.

- | | |
|----------------------------------|------------------------|
| • RFP Release | December 16, 2020 |
| • Virtual Site Tour | January 29, 2021 |
| • Virtual Pre-Bid Conference | February 1, 2021 |
| • Written Questions Due | February 4, 2021 |
| • Responses to Written Questions | February 11, 2021 |
| • Proposal Submission Deadline | March 18, 2021 |
| • Proposal Review | Week of March 29, 2020 |
| • Interviews/Presentations | Week of April 6, 2021 |
| • Council Consideration | April 20, 2021 |

IV. Outreach

Staff engaged Arts Consulting Group (ACG) to assist with a comprehensive nationwide distribution and recruitment strategy to potentially qualified applicants. Through this outreach effort, ACG directly contacted 135 various organizations, including other professional venue operators, prominent non-profit organizations, for-profit venue

management companies, and potential university and government partners. Per Council's request, ACG further expanded their distribution strategy specifically to the New York City metropolitan area, reaching out to New York City-based operators, including the Madison Square Garden Company, Shubert Organization, and Nederlander.

In addition to ACG's distribution strategy, staff undertook localized efforts in distributing the RFP to local organizations, including the Glendale Chamber of Commerce, Los Angeles Economic Development Corporation, Montrose Shopping Park, Montrose Verdugo Chamber of Commerce, San Fernando Business Journal, Valley Economic Alliance, and California Association for Local Economic Development. Staff distributed the RFP through City of Glendale social media and newsletter channels, and paid advertisement in relevant newsletters and publications. The paid advertisements were published across various platforms throughout an eight-week period. These platforms included established arts and entertainment-related publications such as LA Weekly, Variety, Pollstar, and the Association of Performing Arts Professionals. Within this period, the paid advertisements were viewed 368,641 times and received a total of 3,713 website clicks.

Exhibit 2 illustrates where the advertisements were placed and the total number of impressions/website clicks per advertisement, in addition to the 135 organizations contacted.

To allow potential proposers to understand the Alex Theatre and the RFP better, City staff hosted a virtual Pre-Bid Conference on February 1, 2021. The Pre-Bid Conference discussed the history and importance of the Alex Theatre, key RFP components, and key technical elements. The conference received RSVPs from a total of eight organizations and had a total attendance of 23 individuals.

In light of the COVID-19 pandemic and LA County Public Health Orders, a 15-minute virtual site tour of the Alex Theatre was made available to all interested proposers. The tour highlighted key technical elements of the Theatre, such as the stagehouse, lobby, balcony, and historic marquee. Organizations with outstanding questions pertaining to the Alex Theatre, RFP, or RFP process had the opportunity to submit their questions to the City in writing. The 43 questions received pertaining to the RFP were answered and made available to the public.

As part of the outreach process, feedback was requested from major venue operators regarding whether they would be pursuing the RFP process. Feedback from those who stated they would not be submitting proposals included that the Alex Theatre did not hold the capacity (both in terms of seats and backstage capacity) to enable good

profitability on activities such as Broadway tours for big commercial operators like Nederlander, AEG, and LiveNation. Feedback from the organizations that attended the Pre-Bid Conference but ultimately did not submit a proposal included the current uncertainty in the entertainment market due to the COVID-19 pandemic, the City's goal of reduced financial assistance, and a desire not to compete with the current operator.

ANALYSIS

I. Proposals Received

The RFP was released on December 16, 2020 and at the closing on March 18, 2021, three proposals were received: SAS Entertainment, Glendale Arts and General Admission.

II. Evaluation Criteria

As part of the RFP, criteria was outlined to assist in the evaluation of the proposals:

- **Experience, Qualifications and References (30%):** Proposer's demonstrated experience and success managing similar venues, demonstrated ability to work with municipal or other governmental agencies, and the quality of the references provided.
- **Program Approach (30%):** Proposer's ability to deliver on the City's goals as evidenced in the proposed venue management approach, Proposer's strategies to serve as a cultural resource for the community, its ability to attract quality entertainment and other clients, and its ability to ensure the venue has a high level of utilization so it will serve as a catalyst for downtown economic development.
- **Financial Terms and Capability (30%):** Proposer's ability to demonstrate financial sufficiency through a Pro-Forma, revenue generating plan, and proposed budget. Proposer must justify any request for a management fee or other compensation structure, as well as what, if any, City investment is needed for facility maintenance or long-term capital improvements.
- **Responsiveness to RFP (10%):** Completeness of response and Proposer's ability to meet the City's general terms and conditions, including contract terms as included in this RFP.

A. Matrix of Management Terms and Evaluation Criteria

The following matrix summarizes the key elements of each proposal.

	SAS	Glendale Arts	General Admission
Theatre Type/Structure	Commercial Operator (intend to start a 501c3 foundation)	Non-Profit Operator	Commercial Operator (intend to start a 501c3 foundation)
Type of Programming	Primarily Rental House (with focus on Music) with performing arts through Resident Companies	Wide range of performing arts and community groups	Wide range of performing arts and community groups
Lease Term	10 years + two 5-year options	10 years + one 10-year option	10 years + two 5-year options
Management Fee	Proposed No Management Fee; To be negotiated: one time engagement fee / revenue share	\$500,000/year	\$200,000 per quarter while Covid-19 restrictions in place (estimated at \$400,000 for first 6 months); \$150,000 annually following end of COVID controls
Capital Improvement	Proposed No City Contribution	City = \$1.5M over 10 years GA = \$5M+ over 10 years	City = \$2.7M + other unforeseen needs. Commitment to fundraising but City ultimately responsible
Building Maintenance	Operator	Operator	Operator
Initial Capital Improvement/Equipment	No commitment from the City	No commitment from the City	City to acquire needed equipment
Personal Property/Equip. Ownership	City	City + GA	City
Initial Reserve	Will be able to provide	Will be able to provide	City to Loan \$75,000 initial reserve with terms for repayment and contribution to meet standard
Discount Program: Non-Profit/Community Orgs.	Yes; 25% (except Saturdays)	Yes; 15%	Yes; 12.5%

	SAS	Glendale Arts	General Admission
Discount Program: Resident Cos/Other	Not specified	Yes; 35%	Yes; 25%
City Use of Theatre	Yes	Yes	Yes
Naming Rights	Not specified	Yes	Not specified, but has experience with naming
Office Space Rental	No	Yes	No
Days of Activity	Baseline 208 - Goal 250	Average 200	205
Accessibility to Community Groups	Yes, but pricing may only be accessible Monday-Wednesday	Yes	Yes
Annual Reporting/Budget	No	Yes	Yes
Experience Managing Similar Venues	Municipally-owned & historic theatre experience in LA market; booking experience 10 years ago	Currently manages Alex Theatre and books events	Publicly-owned & new (non-historic) theatres experience; full management
Quality of References Provided	References relevant to experiences and proposal (aligned with top quality clients)	References relevant to experience and proposal; included 29 letters of support	References relevant to experience and proposal; included 6 letters of support
Program Management Approach	Relationships with top quality entertainment clients; community engagement / cultural benefit not well defined	Quality clients + community engagement	Well defined education and community focus; lack of overall top quality client experience

B. Summary of Evaluation Criteria

While the matrix outlines the differences among the submissions, the proposals achieve the City's goals to differing levels. The statements below delve deeper into each item.

- **SAS Entertainment:**

Proposal Highlights: Technical management and rehabilitation of historic theatres, relationships with top headliners (through production teams), no financial assistance needed.

Evaluation Summary: SAS presents a different financial structure to the management agreement than Glendale has previously had in place. As a commercial operator, they propose a business model that will provide for the operation, maintenance and upgrade of the theatre and all capital improvements through ticket sales and their rental rate structure. They intent to start a foundation to facilitate donor support, major improvements, volunteers, and community engagement; however, they do not rely on that revenue to make their model work. As such, they would not require a management fee, assistance with capital improvements, building maintenance, or developing a financial reserve. Any improvements SAS made at the theatre would remain beyond the term of SAS's agreement. Because of this financial structure, SAS would not be required to provide ongoing financial reporting to the City by way of an annual budget or audit.

This sought after financial stability that a commercial operator would provide is counterbalanced with a more profit-focused programming and rate structure. Qualified local non-profit producing companies and community groups receive a once-a-year, one-day waiver of license fees and 25% discounts thereafter. Non-profit events have a discounted rate card structure Monday – Wednesday, and a higher rate, though still discounted on Thursday, Friday, and Sunday. Saturdays are priced equally for commercial and non-profit rentals. While rate cards among the three proposals varied, SAS Entertainment in general had the highest rental fees. Resident companies are not specified as receiving discounted rates. The venue would remain accessible and free of charge to the City for a set number of days.

SAS does not require use of the City-owned rental office space available at 116 W. California Ave. They have not specified exploring naming opportunities of the venue.

Provided in the proposal was a range of top quality entertainment names including Gwen Stefani, Michael Bublé, the Red Hot Chili Peppers, Elvis Costello, and Carrie Underwood which the SAS Entertainment team has worked with at their current venues of the Orpheum and Ace Hotel. While SAS has worked with these production companies and has relationships with them, they themselves did not do the front of house work to book these shows. Their current agreements at these venues are to provide the back of house management. This is a note of clarification as the distinction may not be immediately clear while reading the proposals; it was not to the Selection Committee. SAS aims to provide the same type of top quality entertainment programming at the Alex Theatre, with rentals being the primary goal of the venue and performing arts being provided by resident companies. SAS aims to have full Thursday – Sunday bookings every week, delivering a minimum of 208 days of activity with a goal of 250 days.

Their experience managing similar venues is ranked as Highly Qualified as they have worked at Cerritos Center, a municipally owned theatre, and the Saban, a 1900-seat historic synagogue / theatre. Their current experience includes work at the Orpheum, a 2000-seat historic theatre (since 2001), and the Theatre at the Ace Hotel, a 1,600 seat historic theatre (since 2013). Their experience at the Saban did include front of house bookings.

The references provided are relevant to their work experience, though no letters of support were provided (this was not explicitly requested in the RFP, however, other proposers did include them).

The proposal meets the City's goals for venue management as it focuses on bringing in top quality activity Thursday – Sunday and provides accessibility to community groups. As it is a commercial venture, the focus on the community aspect and specifically serving as a cultural resource is not as large a focus of the proposal and is not outlined in detail. Included in the proposal however was the intention to incorporate an education component through a 501c3..

- **Glendale Arts:**

Proposal Highlights: In-depth knowledge of Glendale's historic asset, long standing community member with active relationships, providing a community performing arts venue.

Evaluation Summary: Glendale Arts provides the theatre type and structure that the City is familiar with: a non-profit operator. They are seeking a 10-year term with a 10-year option, rather than what was outlined in the RFP as a 10-year option with two 5-year options, for fundraising purposes. Glendale Arts would seek an ongoing management fee of \$500,000 per year, in addition to \$1.5M in capital improvement investment by the City. It should be noted that the \$1.5M was an obligation of the City in the current management agreement. Glendale Arts would provide the remaining \$5M in capital improvements through fundraising and ticket fees. Any investment in equipment that Glendale Arts makes, would remain the property of Glendale Arts. As Glendale Arts would require financial support from the City of Glendale, they would continue to provide an annual budget and audit to the City, retaining the City's financial oversight of their venue.

Glendale Art's Strategic Plan includes growing their reserves from the mandated \$75,000 - \$125,000 to \$3-\$5M over the next 10 years. A significant component of this growth will be the Naming Opportunities facilitated through a Philanthropic Gifts Manager.

Glendale Arts will continue to utilize the City's rental office space at 116 W. California Ave.

Programming and the attraction of top-quality entertainment was a focal point of conversation for the City Council. Glendale Art's will continue to provide the type of programming they have been presenting – a mix of community focused events, performing arts, resident companies, and film shoots. Non-profits and community organizations receive a 15% discount, resident companies receive a 35% discounted rate, and the City will continue its ability to use the Theatre for a set number of days. Glendale Arts has consistently kept the theatre active more than four days a week, with an average of 200 days per year since 2015 and states their intent to continue to do so in their proposal. Glendale Arts has stated this is the upper average of what the Theatre can sustain. Programming has previously included a range of top quality entertainment clients as well as politicians, including include Senator Bernie Sanders, David Letterman with Kim Kardashian, Ellen DeGeneres, Larry David, Jeff Foxworthy, and John Legend.

Glendale Arts provides institutional and familial knowledge of not only the Alex Theatre, but the Glendale community at large. Having served as the operator of the Alex Theatre for 13 years, their experience with the community and the growth they have brought to the Theatre both in terms of caliber of productions, recognition, and operating budget, reflects their qualifications.

Glendale Arts provided quality references relevant to their experience and proposal, and 29 letters of support.

Their proposal approach to programming meets the City's goals to serve as a cultural resource to the community, attracting of quality entertainment and high utilization of the space. Though they met the goal of being financially sustainable, they do request a management fee of \$500,000.

- **General Admission:**

Proposal Highlights: Strong community engagement, plan to keep theatre active around the clock, development of educational component.

Evaluation Summary: General Admission is a commercial operator, and proposes creating a corporate foundation to raise funds to produce educational programming and maintain the theatre's infrastructure and theatrical systems. The lease term is accepted as proposed as a 10-year agreement with two 5-year options. General Admission would require a \$150,000 annual management fee, but has requested \$200,000 per quarter until COVID-19 restrictions are lifted (they have assumed this for the first 6 months of operation, totaling \$400,000). Capital Improvements would become the responsibility of the City of Glendale – with major improvements and equipment replacement totaling \$2.7M needed within the first 4 years. General Admission would fundraise and support the capital improvement program when possible, but the responsibility would remain the City's. As the City would be making the investments, equipment would remain the City of Glendale's. General Admission would also need a loan from

the City of Glendale to begin the Reserve fund, but would pay the City back with 10% interest by July 2023. As a management fee and capital improvement assistance would be needed, annual reporting and audit approval would provide the City of Glendale with financial oversight of the Theatre.

General Admission would not require use of the City-owned office space at 116 W. California Ave.

General Admission offers a 15% discount to non-profits and community groups and a 25% discount to resident companies. The City would maintain their ability to use the Theatre without charge. General Admission would focus on keeping the Theatre programmed from morning until night with different educational programs, performing arts, concerts, lecture series, and film series. They aim for 205 days of theatre use.

The proposal did not specify naming rights, but the principals have experience with naming in previous ventures. Their previous experience does not include the maintenance of historic theatres, but does include booking and managing a full calendar at a joint collection of new theatres, and the production of theatrical productions. The references provided and the letters of support are relevant to their proposal.

Their proposal approach to programming meets the City's goals to serve as a cultural resource to the community, with an added focus on education. They have proposed a calendar to keep the Theatre booked throughout the day and week, which would add to the economic vibrancy of the downtown as well. However, they do not have experience with the top quality entertainment clients Council sought in their stated goals. Their proposal also does not meet Council's financial stability goal; it requires a subsidy, but it also calls for the City to take responsibility for Capital Improvements in the event the operator does not have the funding to make the necessary repairs.

III. Evaluation Committee

A. Selection Committee

The Selection Committee was composed of diverse perspectives with expertise in the arts, economic development, and/or asset management from City of Glendale staff, Arts & Culture Commission, and neighboring municipalities. Given the relatively short review period, it is imperative to note that the Selection Committee evaluated the information included in the proposals at face value and left confirmation of information to City staff through due diligence.

B. Scores

Below is a ranking of the proposals based on the criteria set in the RFP. The Selection Committee reviewed the proposals as submitted, assuming accuracy of

statements and reliance on staff to confirm through due diligence. SAS Entertainment ranked the highest with a score of 88.75 points. This was followed by Glendale Arts who received 85 points, and General Admission who received 72.5 points. The difference in points between the first two candidates resulted from the proposed management fee, capital contributions, and understanding of the programming responsibility.

	SAS Entertainment	Glendale Arts	General Admission
Experience, Qualifications & References	28.75	30	20
Program Approach	27.5	27.5	27.5
Financial Terms & Capabilities	22.5	17.5	15
Responsiveness to RFP and General Terms	10	10	10
Total Points	88.75	85	72.5

While the Selection Committee's review of the proposals was valuable, as it looked at the proposals as a whole, there were points of ambiguity in the proposals that were clarified after the Committee's review during staff's due diligence. Through reference checks, staff discovered clarifying points, which if identified earlier, may have altered the Committee's review. As this information was not part of the original proposal submission, staff has included these points in the matrix and summary above. As such, staff's review above provides greater detail than what was afforded to the Selection Committee.

IV. Ultimate Vision for the Theatre

Throughout the Council's discussions on goals for the Alex Theatre and ranking for criteria within the Request for Proposal, it has been noted the possibility of conflict within the goals of being both a community-driven theatre and a financially profitable venture which would not require additional City support. As such, the top two proposals (SAS Entertainment and Glendale Arts) stand virtually equivalent to one another in terms of overall Council goal attainment, but with separate strengths and weaknesses. One presents a community focused theatre which remains accessible to local groups with greater public influence but requires City support. The other proposes to bring in top entertainers as its core programming and do so without financial support from the City, but does not offer the same level of community attention and accessibility to local groups. While their scores were similar, it is ultimately the Council's vision for the type of theatre they desire which would drive the selection.

FISCAL IMPACT

There is no fiscal impact with directing staff to negotiate a contract. Depending on the selection and ultimately negotiated terms, there will be a fiscal impact potentially ranging from zero to a 10-year total of \$8,400,000. Once a contract has been negotiated, staff will return to City Council for approval and an appropriation of any funding that may be required to meet the terms of the agreements.

ALTERNATIVES

Alternative 1: The City Council may select a proposer to the Request for Proposals for the operation and management of the Alex Theatre and authorize staff to negotiate a lease and management agreement.

Alternative 2: The City Council may reject proposals and provide new direction to staff.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE

Campaign disclosure information is provided below pursuant to the City's Campaign Finance Ordinance No. 5744. All disclosures from each participant can be found in Exhibits 3, 4 and 5.

EXHIBITS

Exhibit 1: City of Glendale Request for Proposals: Management of Glendale's Historic Alex Theatre

Exhibit 2: Completed Outreach

Exhibit 3: SAS Entertainment Group Campaign Disclosure Form

Exhibit 4: Glendale Arts Campaign Disclosure form

Exhibit 5: General Admission Venue & Production Management Campaign Disclosure Form