



## REQUEST FOR PROPOSALS

# Management of Glendale's Historic Alex Theatre

Release Date: December 16, 2020

**Submission Deadline: March 18, 2021, at 5 pm**

The City of Glendale ("City") invites qualified organizations to submit a proposal to provide management of Glendale's historic Alex Theatre. Proposals must be submitted in accordance with all requirements of this Request for Proposal ("RFP"). Any questions regarding this request for proposals should be directed to:

### **AMENDED: 1/14/2021**

Due to the COVID-19 health orders, the Pre-Bid Conference and Tour has been changed to a virtual format. The Pre-Bid Date has been limited to only one day, **Feb. 1, 2021 between 10 am to Noon, and will be virtual.**

Pre-registration is still required. Please refer to page 11 for more details.

**PHILIP LANZAFAME**

DIRECTOR OF COMMUNITY DEVELOPMENT

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## INTRODUCTION

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The City of Glendale ("City") invites qualified organizations to submit a proposal to provide management and maintenance to the City of Glendale's historic Alex Theatre. Proposals must be submitted in accordance with all requirements of this RFP. **All proposers are hereby notified that the City reserves the right to amend, modify or cancel this RFP process at any time within its sole and absolute discretion. Further, proposers are advised, as further defined herein, that no lobbying of any elected officials is permitted during the RFP process. Submissions in response to this RFP from any proposer that has lobbied any City elected officials during this RFP process will be disqualified.**

## NOTICE OF PROHIBITION OF COMMUNICATION WITH, AND GIFTS OR GRATUITIES TO, THE CITY AND OTHERS

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A. From the date the report to City Council recommending the issuance of this RFP is published until the date on which the City awards a contract, if any, a Proposer must not directly or indirectly give, furnish, donate, or promise any money, compensation, gift, gratuity, or anything of value to the Glendale City Council or any City employee for the purpose of, or which has the effect of:

1. Securing or establishing an advantage over other Proposers;
2. Securing or recommending the selection of the Proposer's Proposal; or
3. Securing or recommending a Contract award to any Proposer.

Violation of the forgoing prohibitions will constitute grounds for rejection of a proposal(s). Such rejection may be made within the sole and absolute discretion of the City of Glendale.

B. As more specifically set forth herein below under "Submission Deadline and Requirements," the deadline for receiving proposals in response to this RFP is **5:00 pm on March 18, 2021**. At all times following this deadline, and continuing until the City awards a contract, if any contract is awarded (the "Review Period"), all Proposers and their surrogates are prohibited from communicating in any manner with any Glendale City Council member and City employee involved in the RFP process unless expressly authorized by this RFP. This prohibition means that Glendale City Council members and City employees involved in the RFP process will not hold any meetings, conferences, or discussions via email, telephone, in-face, any form of social media or otherwise, with any Proposer during the Review Period. Provided, however, proposers and their representatives are not prohibited from making oral statements or presentations in public to one or more representatives of the City during a public meeting, and proposers may write to the City Council as a whole *after* City staff written recommendations are published in anticipation of a public meeting.

The 1,413 seat Alexander Theatre opened in 1925 and served as a Vaudeville house and movie palace. It continued to serve as a preview house for major Hollywood studio films through the 1950s.

In 1992, the Glendale Redevelopment Agency purchased the Alex Theatre and invested over \$10 million to transform it into a performing arts center and ultimately an anchor for the City's downtown and Art & Entertainment District. It was purchased with the intent of providing historic preservation of the resource, delivering a cultural facility and performing arts venue to Glendale residents, and serving as an economic engine for the downtown. In 2015, the City of Glendale completed a \$6.2 million Capital Improvement Project which expanded the Alex's operational space and brought it up to market standards.

Over the next 20 years, there is an estimated \$5 million in necessary capital improvements.

The Theatre is currently permitted to sell alcoholic beverages, though there is no kitchen on site.

To be eligible to respond to the RFP, responding organizations must have experience operating, maintaining, and managing a theatre, be familiar with historic resources, demonstrate financial stability and be community focused. Priority will be given to those responders that have experience with local governments.

### **Goals**

The Alex Theatre is a historic resource that the City of Glendale wants to continue to maintain and preserve through the selection of an operator through this RFP. 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.

### 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 Theater.
- 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. City has not determined a set management fee or other financial or payment structure for the successful Operator. 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 ownership regarding personal property.
- Personal Property: The City is open to recommendations from the Proposer on terms related to ownership regarding personal property.
- 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: 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. City is open to proposals based on other models.
- Public Use of Theatre: 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 goals:

- 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 clients, events, and performances with great frequency as to act as an economic catalyst for the downtown.
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- 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.

**Proposers must point out any variations to these terms within their proposal and shall detail the reasons for such proposed variation.**



Proposal submittals must include, at a minimum, the following information and follow this general outline:

**1. Cover Letter**

Provide a cover letter that gives an overall introduction to the Proposal and which is signed by an individual authorized to bind the proposing entity.

**2. Executive Summary**

Provide a summary that demonstrates the Proposer's knowledge and understanding of the City of Glendale, the Alex Theatre, and the Proposer's ability to accomplish the goals outlined. The executive summary shall also clearly indicate what financial responsibilities should be retained by the City or newly undertaken as a City obligation.

**3. Program Approach**

Provide a detailed description of how the Proposer will achieve the objectives outlined in the Scope of Work section, and which demonstrates including the Proposer's ability to ensure the financial stability and sustainability of the Theatre, to ensure the Theatre will continue to serve as a cultural resource for the community that attracts quality entertainment clients and audiences, and to ensure the Theatre will act as a catalyst for the downtown. The description should include, but is not limited to, providing the following:

- Prototype of calendar.
- Policy regarding rates, including discounts or subsidies for non-profits organizations.
- Staffing Plan.
- Plan for revenue generating activities, including rentals, ticket sales, fees, concessions, fundraising, sponsorship sales, licensing, and other strategies to maximize earned and/or contributed revenue.

**4. Prior Experience and References**

Provide a detailed description of the Proposer's qualifications and experience that demonstrates the Proposer has the resources and experience necessary to meet the requirements of this RFP, including:

- Experience relevant to the Scope of Work outlined in this RFP, including details of performance success related to bookings, audience attendance, and revenue growth.
- A calendar of bookings at other venue(s) managed by the Operator in the past five years.
- Description of key individuals on the team, their background experience, and their role and responsibility during the term of the agreement.
- References that will document the Proposer's qualifications and experience managing a public venue, with experience with municipally-owned venues preferred.

**5. Annual Budget**

Provide a preliminary budget that demonstrates how the Proposer would operate and maintain the Theatre in compliance with the City's stated goals. The annual budget should also include the proposed management fee and any other financial contributions expected from the City.

**6. Facility and Capital Investments**

Provide a detailed description of any facility or capital improvements the Proposer believes are necessary to successfully operate the Theatre and describe why these improvements are necessary. Indicate the anticipated cost and timing to implement such improvements and whether City funding would be required.

Provide a description of any ongoing City funding of capital or major maintenance projects through the duration of the agreement. Alternatively, if the Proposer does not require the City to invest capital funds in major maintenance or capital projects, describe how the Proposer plans to ensure all necessary maintenance and capital projects are undertaken for the long-term sustainability of the structural, systems, and other building components. The former Lease Agreement is attached as **Exhibit 4** and contains a previous Capital Improvement Plan.

**7. Rate Card**

Provide a draft rate card and/or policy that details any proposed discounts or subsidies that would be offered to nonprofits, community groups, or other designated categories.

**8. Conflict of Interest Declaration**

Complete and submit a Conflict of Interest Declaration attached to this RFP as **Exhibit 1**.

**9. Management Agreement**

The current Management Agreement for the Alex Theatre and the City's Professional Services Agreement which contains certain minimum requirements that will become part of a new management agreement to be negotiated. The selected Proposer will be required to enter into a management agreement and will be required to meet specified insurance requirements, including provision of certificates of coverage and endorsements. The City's current management agreement for the Alex Theatre and the City's current professional services agreement and insurance requirements format are attached to this RFP as **Exhibit 2**. Proposers shall disclose whether they are unable to meet any of the requirements in the City's professional services agreement, and what if anything, the Proposer would modify in the City's existing management agreement structure and the reasons for such modification.



## SELECTION CRITERIA

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Evaluation of the Proposals will be based upon the following criteria:

- **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.

## EVALUATION TEAM

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The RFP review committee may schedule interviews and/or presentations with short-listed proposers. Based on the outcome of the review committee's evaluation of proposals, a recommendation may be submitted to the Glendale City Council for consideration of award.

An award of contract occurs when the contract is approved for execution by the Glendale City Council. City Council selection of a proposer with whom the City enters into contract negotiations, or a review committee recommendation of an award or a recommendation by any other party does not constitute an award of contract. The City expects, but does not guarantee, that the decision on selection of a firm will be made by the Glendale City Council on or about the date indicated below.

Please note that any questions about this RFP must be submitted in writing to John Bandek at [jbandek@glendaleca.gov](mailto:jbandek@glendaleca.gov) by **February 4, 2021**.

## RFP SCHEDULE, SUBMISSION DEADLINE AND REQUIREMENTS

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RFP Release	<u>December 16, 2020</u>
Deadline to RSVP for Pre-Bid Conference	<u>January 28, 2021</u>
Virtual Tour to be Posted On RFP Site	<u>January 29, 2021*</u> <i>*This accommodation has been made due to COVID-19 public health orders. Advanced viewing is recommended prior to Pre-Bid Conference. In addition to posting online, all those who RSVP for the Pre-Bid Conference will be sent a direct email with a link to view the video.</i>
Pre-Bid Conference	<u>Monday, February 1, 10 am to Noon, 2021**</u> <i>**Conference will be Virtual. Attendees will be sent a link following the RSVP.</i>
Written Questions Due	<u>February 4, 2021</u>
Responses to Written Questions Issued	<u>February 11, 2021</u>
Proposal Submission Deadline	<u>March 18, 2021 at 5 p.m.</u>
Proposal Review and Possible Interviews/Presentations	<u>Week of March 29, 2021</u>
Recommendation Submitted to Council	<u>April 13, 2021</u>

Interested individuals or organizations must submit a concise written proposal that follows the RFP outline. Individuals or organizations desiring to respond shall submit proposals in sufficient detail to allow for a thorough evaluation and comparative analysis. Proposers must submit one electronic PDF copy to John Bandek at [jbandek@glendaleca.gov](mailto:jbandek@glendaleca.gov).

**Proposals must be received no later than 5:00pm on March 18, 2021. A confirmation email to ensure receipt is strongly encouraged.**

\*Pre-Bid Conference: Due to the COVID-19 pandemic, the Pre-Bid Conference's is now a **virtual event**. Individuals and organizations interested in attending the Pre-Bid Conference need to RSVP to John Bandek via email at [jbandek@glendaleca.gov](mailto:jbandek@glendaleca.gov), no later than 5 pm on January 28, 2021. A link to the conference will follow once you are

registered. A video of the Pre-Bid Conference as well as a virtual tour of the Alex Theatre will be made available for individuals who could not attend the Pre-Bid, though it is still recommended that you inform the City in advance of your interest to submit to ensure you get any future notifications regarding this RFP. The videos will be posted on the [RFP page](#).

## ACCEPTANCE/REJECTION OF SUBMITTALS

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The City may, in its sole discretion reject any and all submittals for any reason. The City may reject incomplete submittals or those lacking adequate information to allow effective evaluation of the submittal.

In addition to the written proposal submission, the City may select certain Proposers to make an oral presentation and be interviewed by a selection committee composed of City staff. Oral interviews will be arranged with the individual identified in the proposal to receive notices.

## NOTICE REGARDING DISCLOSURE OF CONTENTS OF DOCUMENT

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All responses to this Request for Proposals (“RFP”) accepted by the City shall become the exclusive property of the City. Responses to this RFP shall remain exempt from public disclosure until negotiations with the winning proposer are complete. At that time all proposals accepted by the City shall become a matter of public record. Each element of a proposal which a Proposer desires to be non-disclosable as a public record must be so designated; provided, however, non-disclosure cannot be guaranteed. Blanket statements or non-specific designations of “Trade Secret”, “Confidential” or “Proprietary information” are not sufficient to protect documents submitted in response to this RFP from public disclosure, and such blanket statements or non-specific designations shall not bind the City in any way whatsoever or prevent disclosure. If disclosure of responses to this RFP is required or permitted under the California Public Records Act or otherwise by law, the City shall not in any way be liable or responsible for the disclosure of any such records or part thereof.

## EXHIBITS

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- [Exhibit 1 – Conflict of Interest Form](#)
  - [Exhibit 2 – City Professional Services Agreement and Insurance Requirements](#)
  - [Exhibit 3 – Previous Operator Management Agreement](#)
  - [Exhibit 4 – Previous Operator Lease Agreement](#)
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