



Staff Report

File #: REPORT 18-0685, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of November 13, 2018**

**UPDATE FROM THE COMMUNITY THEATER SUBCOMMITTEE
AND RECOMMENDATION TO EXECUTE A FACILITY
NEEDS ASSESSMENT**

(Community Resources Manager Kelly Orta)

Recommended Action:

Staff recommends that the City Council:

1. Approve the Community Theater Subcommittee's recommendation to give authority to the City Manager to execute a facility needs assessment of the Community Theater facility, including analysis and conceptual cost estimates of two scenarios:
 - a. A major renovation of the Community Theater to transform it into a regional performing arts center; and
 - b. A conservative renovation to upgrade the Community Theater, taking into consideration its current users and maintaining the community focus of the facility.
2. Appropriate \$30,000 from the Capital Improvement Fund for a newly created Community Theater Capital Improvement Project (CIP).

Executive Summary:

Since 2015, the City has studied and analyzed the Community Theater in an effort to enhance the visitor experience, expand programming, and review alternate ways to manage the facility to make it more financially sustainable. As a result, the Parks, Recreation and Community Resources Advisory Commission created a Community Theater Subcommittee (Commission Subcommittee) dedicated to this task.

Following extensive analysis, the Commission Subcommittee recommended that the City solicit proposals for the management of the facility, issuing a Request for Proposal (RFP) in April 2017. Following selection of the top proposal, the Commission Subcommittee recommended that the City begin negotiations with Allen Sanford of Sanford Ventures, prompting the creation of a City Council Subcommittee. Before a formal meeting to negotiate was scheduled, Sanford communicated with each City Council Subcommittee member his reluctance to move forward with the Community Theater project at that time. After considering a variety of options on how best to proceed, the City Council Subcommittee determined that a facility assessment of the Community Theater was necessary to determine the current state of the infrastructure as well as varying options for future

improvements.

Background:

The Community Theater has been a City-owned facility, managed and operated by City staff since the property was purchased from the Hermosa Beach School District in 1978. The City does not produce any shows in the Community Theater, which is a facility for rent that hosts a variety of productions such as live-stage performances, movie screenings, award presentations and other events for guests of all ages.

The City Council determined the Community Theater to be a high priority during its Strategic Planning in 2015. In response, the Parks, Recreation and Community Resources Advisory Commission (Commission) established the Community Theater Subcommittee at its regular meeting on April 5, 2016 to include Chairperson Robert Rosenfeld and Commissioner Jani Lange. Following several months of study and analysis, the City Council, at its regular meeting on October 26, 2016, approved the Community Theater Subcommittee's recommendation to issue a Request for Proposal (RFP) seeking an outside organization program and manage the Community Theater. Staff worked with the Community Theater Subcommittee as well as the Commission to draft the RFP, which was issued in April 2017; a total of three (3) proposals were received. After analysis of the proposals including several rounds of interviews, the Community Theater Subcommittee made a final recommendation for the City to begin negotiations with the top proposal from Sanford Ventures. The City Council approved this recommendation at their regular meeting on November 14, 2017 and created a City Council Subcommittee with negotiating powers at their November 28, 2017 meeting, to include Mayor Jeff Duclos and Mayor Pro Tem Stacey Armato.

Analysis:

Due to the complexity of the RFP and the depth of analysis necessary for the Commission Subcommittee to select the top proposal, it took several months from the time the proposals were submitted to when the Subcommittee selected the top proposal. Sanford began working on multiple projects in the interim, and therefore unavailable to proceed with his proposal. In addition, the Commission Subcommittee determined that the other two proposals received through the RFP process were not suitable options as they did not contain the same vision as the Subcommittee, and required varying levels of daily City staff facility management. This left no viable proposal to consider.

When determining how best to proceed since negotiations with Sanford were no longer an option, it became apparent that having a facility needs assessment, including conceptual cost estimates, would further assist in providing a clearer picture of the current infrastructure and renovation options for facility enhancements. These are crucial elements to the future success of the facility and would further assist the City in future negotiations with partnering organizations should that continue to be the desired goal for the facility. Additionally, staff received comments from at least two companies interested in submitting a proposal during the initial RFP process stating that they were uncomfortable doing so without knowing more information about the current infrastructure and

potential renovations necessary to improve the facility.

To gain cursory-level insight into this type of analysis, staff contacted several companies specializing in theater facility assessments to establish informal cost estimates to assist in determining potential budgetary requests. The companies contacted have extensive experience with theater facilities of various sizes and would be able to provide a comprehensive analysis of the current state of the facility as well as recommendations for two alternative (2) scenarios, including:

1. A major renovation of the Community Theater to transform it into a regional performing arts center; and
2. A conservative renovation to upgrade the Community Theater, taking into consideration its current users and maintaining the community focus of the facility.

Both scenarios would include conceptual cost estimates, itemized for each recommendation. The importance of having both scenarios as part of this analysis is that it provides an alternative lens into the potential renovation of the facility while providing realistic cost estimates for future budgetary allocations. Further, this also provides an opportunity to gain valuable insight into the current state of the facility as well as its future potential depending on the desired direction and available funding opportunities. The City Council Subcommittee is committed to continuing to raise awareness of the facility and looking at opportunities to renovate the facility through various funding options. The proposed facility needs assessment provides the foundational support to consider substantial facility upgrades. Staff is confident that a comprehensive study could be conducted between \$25,000 and \$30,000.

Therefore, if approved, the City Manager could authorize this assessment (per HBMC 3.12.035) to formally take place, which will help guide the City Council Subcommittee on determining next steps in the study of the Community Theater.

General Plan Consistency:

The relevant policies from the City's general plan, PLAN Hermosa, include:

- Governance Goal 5. Small beach town character is reflected throughout Hermosa Beach.
 - 5.7 - Visitor and resident balance. Recognize the desire and need to balance visitor-serving and local-serving uses as a key to preserving character and the economic vitality of the community.
 - 5.8 - Public private partnerships. Pursue the use of public-private partnerships to implement projects and efforts that maintain character and benefit the community.
- Land Use Goal 7. Adequate space and appropriate integration of community and school facilities that support physical activity, civic life and social connections for residents of all ages

and interests.

- 7.7 - Private recreational, cultural, and health care facilities. Encourage compatible development of private recreation, cultural, educational, institutional and health care uses along corridors and districts.
- Land Use Goal 11. A proud and visible identity as an arts and cultural community.
 - 11.2 - Creative expression in the built environment. Encourage the infusion of creative expression within the City's built environment to create a memorable urban landscape that respects the past and builds for the future.
 - 11.5 - City leadership in public art. Embrace a leadership role in facilitating public art and public art partnerships with City Departments, private developers, and arts and cultural organizations.
- Land Use Goal 12. A mix of cultural facilities that support and encourage the community's vibrant range of art creation and presentation.
 - 12.1 - Existing City venues for art. Maintain City-owned recreational facilities with consideration of their existing and potential use as venues for art creation, exhibition and performance.
- Parks & Open Space Goal 1. First class, well maintained, and safe recreational facilities, parks and open spaces.
 - 1.1 - Facility upgrades. Improve and update park and open space facilities on a regular basis.
- Parks & Open Space Goal 3. Community parks and facilities encourage social activity and interaction.
 - 3.2 - Social and cultural events. Design and program parks and open space to accommodate unique social and cultural events to foster connectedness and interaction.

Fiscal Impact:

Estimates for completion of this assessment are approximately \$30,000, which will be appropriated, upon Council approval, from the Capital Improvement Fund to create a new Community Theater CIP. The estimated balance in the Capital Improvement Fund is \$420,783.

Attachments:

None

Respectfully Submitted by: Kelly Orta, Community Resources Manager

Noted for Fiscal Impact: Viki Copeland, Finance Director

Approved: Suja Lowenthal, City Manager