



MINUTES OF THE CITY COUNCIL WORK SESSION held Wednesday, July 24, 2002 for the purpose of discussing the management of the Greenbelt Theatre.

The meeting began at 8:05 p.m. It was held in the Multi-Purpose Room of the Greenbelt Community Center

PRESENT WERE: Council members Thomas X. White, Rodney M. Roberts, Edward V. J. Putens, and Mayor Judith F. Davis

STAFF PRESENT WERE: Michael P. McLaughlin, City Manager; Robert Manzi, City Solicitor; Joe McNeal, Assistant Director of Recreation; Nicole DeWald, Arts Coordinator and David E. Moran, Assistant to the City Manager

ALSO PRESENT WERE: Sheldon Goldberg, Barbara Simon, Eileen Peterson, Bob Haupt, and Sylvia Lewis; Susan Jones, FOGT; George Burton, boy scout; Virginia Beauchamp, News Review and Maniko Barthelemey, The Gazette

Mr. Manzi provided an update on the theater acquisition. He noted that the only remaining item needed was a condominium plat survey. Once this and other documents are filed, the City could go to settlement.

Mr. McLaughlin summarized the materials in Council's booklet. He noted that the City needed to be careful in this operation because the bond for the renovation might be taxable. Mr. Manzi explained that if the City took a percentage of the rent, this would probably be an acceptable arrangement.

Mr. White asked if there had been conversations with Mr. Sanchez. Mr. McLaughlin responded that Mr. Sanchez had asked about the status of the acquisition, but no specific conversations about management had occurred. Mr. White urged that City staff initiate discussion with Mr. Sanchez to learn what he believes should be included in an agreement/lease between the City and the theater operator.

Mr. Roberts stated that in previous discussions Mr. Sanchez had provided a figure of what he needed to make enough profit to operate the theater. Mr. McLaughlin indicated that this figure was available in the files.

Mr. Putens asked about lease term. Mr. Manzi responded that the term could be whatever the City wanted. Mr. Putens asked about the ability to conduct a financial audit of the theater operation. Mr. Manzi indicated this stipulation could be included in the lease.

Mr. McLaughlin referenced the issue of admissions and amusement tax. He also noted the \$2,000 reduction in the Christacos assessment.

Next, Council reviewed the proposed Operating Agreement. Mayor Davis expressed concern about the first-run clause. Mr. Manzi indicated this was just a statement he had included. Mr. Haupt indicated that first-run films had never worked because of the fees that must be paid to the film distributors. He indicated that the theater had found a successful niche with certain second-run films.

Mr. White suggested consistently using the term "operating agreement" throughout the document. He also questioned the value of item 4 (renovations). Mr. Manzi responded that these are usually included in this kind of document. Mayor Davis favored removing these items from the Operating Agreement and referencing them in the Lease.

Mr. White noted that with a shared-use facility, certain routine maintenance items like cleaning, repairs, and utility costs would need to be worked out. Mr. Roberts believed the interior should be the tenant's responsibility and the exterior should be the City's.

Mr. Putens asked about sub-letting. Mr. Manzi responded that this was included in the lease.

Mayor Davis summarized that changes to the Operating Agreement would include that item 4, and the first-run references would be removed and items would be added regarding financial audits and shared-use issues.

Mr. McLaughlin asked Council for guidance on the term. A majority of Council favored a one-year term with a continuation provision.

Next, Council discussed the proposed lease. Mayor Davis expressed concern about the reduction in rent for non-theater uses.

Mayor Davis asked about the renovation plan. Mr. McLaughlin indicated that he would recommend seeking an expert who specialized in theater buildings, but would also do significant work "up front" working with the community, etc.

Mr. Putens suggested an executive session with Mr. Sanchez to discuss specific details and another work session.

Mr. White suggested that staff have a dialogue in general terms with Mr. Sanchez about the transition. Mayor Davis suggested a transition plan.

Mr. White stated that the City needed to be ready when we get the keys. He suggested a chronology and checklist.

Next, there was discussion of the renovation. Mr. Roberts favored a renovation that would not make any changes to the facility (moving walls, etc.). Mr. White agreed and stressed that the historic integrity of the theater must be maintained.

There was discussion about the City staff oversight of the theater. Mr. McLaughlin stated that given existing staff and operations, the Recreation Department was best suited to give oversight. Mr. White suggested the possibility of hiring additional staff

with theater expertise, and also suggested that possibly Mr. Sanchez could handle these arrangements.

Information Items

Mr. McLaughlin briefed Council on a possible tree removal at a unit in GHI. Council discussed the issue with Ms. Lewis. Several Council members were concerned about the removal and suggested alternatives.

Mr. McLaughlin reported that the bee research component at the Beltsville Agricultural Research Center had been saved.

Mr. Moran reported that the Grand America Hotel was the headquarters hotel for the upcoming National League of Cities convention.

Mayor Davis reported that Fire Chief Blackwell had visited the City offices to meet with Mayor Davis. She also announced that the ERHS pom squad had been invited to Japan to give a performance.

The meeting ended at 9:35 p.m.

Respectfully submitted,
David E. Moran
Assistant to the City Manager