



## **PUBLIC HEARING**

**Held by the Greenbelt City Council Wednesday, October 18, 2000**

**For the purpose of receiving comments from the public regarding the possible acquisition of the Greenbelt Theatre by the City**

Mayor Davis started the meeting at 8:05 p.m. It was held in the Multipurpose Room of the Community Center.

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

STAFF PRESENT WERE: Michael P. McLaughlin, City Manager; Robert A. Manzi, City Solicitor; and Kathleen Gallagher, City Clerk.

There were more than 100 people in attendance, most of whom were members of the Friends of the Old Greenbelt Theatre (FOGT). Reporters included Diane Oberg, the Greenbelt News Review, and Amy Boyes, the Gazette.

Based on material that was also distributed in a handout, Mr. McLaughlin gave a historical overview of the theater and of Roosevelt Center. Like the recreational facilities that were included in the original community by the government planners, the theater was part of the social and entertainment amenities that were intended to enhance the quality of life available to the original residents. Though successful for many years, the theater has struggled for the last two decades, at some times being used for other purposes and on one occasion going dark. Since 1991, it has been run by Paul Sanchez, who restored it to use as a movie theater. Although the revival of the theater has been well-received by residents, Mr. Sanchez has said for a number of years now that the theater has at best been a break-even proposition. He recently has indicated that he may have to cease operations. In response to a possible closing of the theater two years ago, the City partnered with the theater for a limited time to conduct a "Save the Theatre" campaign that was modestly successful and which resulted in the formation of the Friends of the Old Greenbelt Theatre (FOGT). The City is also involved because in 1991, it entered into a special assessment agreement that included financing for the renovation of the two original buildings in the Center. The owners, the Christakoses, began to fall behind on payments to the City on the loan in 1997. Last year, the City initiated legal action against the owners, who indicated their interest in selling the theater to the City in April of this year. At that time, because of the constraints on the City's finances, Mr. McLaughlin did not feel he could recommend that the City pursue the possible acquisition. The City has subsequently received unexpected revenues of \$300,000, with the result that it has become appropriate to at least pursue discussion, and Mr. McLaughlin and Mr. Manzi conducted some preliminary discussions with the owners.

Mr. McLaughlin said that the owners are willing to sell for forgiveness of their delinquent payments and a reduction of future payments owed. In addition, approximately \$20,000 per year

would be required to subsidize the theater operation, however, based on the presumption that the theater cannot operate at a profit on its own. Mr. McLaughlin believes that the theater brings social vitality to Roosevelt Center, making an important contribution to the fabric of the community that was recognized even 60 years ago. City ownership would also reduce the operating-cost pressure on the theater by reducing the need to make a profit. The theater also adds economic vitality to the Center, bringing people in from the outside and providing a presence during evening and weekend hours when other businesses do not. In addition, the theater is a major presence in Roosevelt Center, which has become a focus for preservation efforts on the part of the City, including the recent restoration of the Center and the theater marquee, and the ongoing conservation work on the Mother and Child statue.

Mr. McLaughlin added that the City has not discussed the potential purchase with the current owners and that other possibilities might also be considered, including partnering with the Arts Center, seeking sponsorship for ongoing operating funding, use of the space for performing arts and as a home for the Arts Center, or changing the operation to a theater/café. Arguments against the acquisition might include that the forgiveness of debt and subsidy are nevertheless real costs; that the theater should cease operations if it cannot make a profit and the City should not intervene; and that this intervention could set an undesirable precedent in terms of intervention by the City in other operations.

In response to the Mayor's request, Mr. McLaughlin said the \$300,000 surplus was the result of the City's receiving more than anticipated in revenue from the state. This information was not known at budget time last year. About \$200,000 was received in additional income tax revenue, \$40,000 in admissions and amusement taxes, and \$60,000 in hotel/motel taxes.

Mayor Davis also asked Mr. McLaughlin about some citizens' concern about the loss of the theater to the property tax base. He said he could not say at this time precisely what that loss would be but that in some cases, e.g., Green Ridge House, a payment in lieu of taxes has been made. He noted that when operating, however, the theater generates \$10,000-\$20,000 in admissions and amusement taxes, and the operator does pay rent to the landlord, which could be continued.

Prior to opening the floor to public comment, Mayor Davis said she also wanted people to understand that if the City were to buy the theater, major renovations and repairs would be required, which would also necessitate an investment. She asked that speakers come forward first who were representing groups.

Gwen Vaccaro, 8-D Hillside and proprietor of the Pleasant Touch in Roosevelt Center, presented a petition from the Roosevelt Center merchants encouraging City acquisition. The petition was signed by all of the merchants who could be reached.

Andy Carruthers, 2-M Gardenway, read a statement on behalf of FOGT. He cited the benefits the theater brings to the community and said that there are physical and structural problems with the building that cannot be addressed without radical intervention. He supported keeping the theater open and retaining the current operator, Paul Sanchez, who himself owns many of the theater's fixtures, as well as being very familiar with Greenbelt and having long experience with theaters

and with the Greenbelt Theatre particularly. He said the City should not be too intimately involved with the day-to-day running of the theater. He pledged the ongoing support of FOGT.

Craig Rich, 9248 Springhill Lane and president of the Fraternal Order of Police, commented that although he was not opposed to the purchase of the theater as such, he was concerned that the complete salary study for City employees was still forthcoming.

Pat Kennedy, 8007 Craddock Road, displayed the front page of the issue of the News Review reporting the 2% salary increase to City staff and asked how the City could be considering this acquisition in light of the salary situation while also not wanting to raise taxes. He said Roosevelt Center is a bad location for a theater, and he cited problems with other theaters in the area, including in Columbia, Silver Spring, and Baltimore (the Senator); he said the Key in College Park could not survive despite having a much larger residential population within walking distance and a much more visible location than the Greenbelt Theatre. He said he has serious questions about the marketing ability of the current operator, though he does not think anyone could make a success of a theater in this location. He suggested talking with the Bethesda Cinema Café and spoke strongly in favor of the cinema café as the only model for survival. Mayor Davis noted that David Moran, Assistant to the City Manager, had provided Council with a memo regarding cinema cafés and said this would be considered along with other options.

Mr. Roberts noted that he had been the lone dissenter when the idea of a theater café was raised previously and Council acted to have state law changed to enable it. He said he would continue to object to this suggestion.

Alexander Barnes, Sr., 6 Maplewood Court, said the City's purchase of the theater should be looked at as the provision of a service, not unlike the swimming pool and other recreational facilities.

Dick Brown, an Artist in Residence at the Community Center, stressed that Greenbelt's tradition is one of social activism and government involvement. To demonstrate his commitment to the survival of the theater, he said he was personally committing \$500 tonight as a donation to keep the theater open through the end of the year. He challenged the audience to contribute. Mr. Putens accepted the challenge, as did others, and a hat was passed around the room for contributions throughout the evening.

Mike Lanier, of the Police Department and 37 Court Ridge, said that as a taxpayer he thought the City had higher priorities than the purchase of the theater. He noted that every year the City departments have unfunded critical needs and asked if these had been evaluated in light of the \$300,000 in unexpected revenue. He also stressed that City salaries have been determined to be low for the area and that this has affected the City's ability to recruit and retain, especially in critical areas like police dispatching. Mr. White offered assurance that the City's pay study was not being put off because of the investigation of the theater purchase.

Jorge Bernardo, who is not a resident but made a film in Greenbelt, said he thought the theater could be more financially viable than it is by, among other things, using it in the daytime and finding other uses.

Pat Brent, 18-H Ridge Road, asked for clarification on the spending of the \$300,000. Mr. McLaughlin said the receivable that would be forgiven under the proposed plan would become an expense of about \$150,000. Ms. Brent added that as president of the board of the New Deal Café, she opposes the idea of turning the theater into a cinema café or the issuing of a liquor license for that purpose. Mayor Davis asked if the New Deal had considered the possibility of being the theater café in question. Ms. Brent said that while she was not speaking for the board, she thought that would be a possibility only if alcohol were not served.

Mayor Davis reminded the audience that a change of ownership to the City might require major renovations to the building: sprinklers, bathrooms handicapped accessibility, etc. In addition, if the City owned the property, residents would expect the City to maintain a higher standard. Mr. White agreed that a higher standard would be expected, but he also noted that many of these costs would be "one time," unlike ongoing budget costs such as salary increases. Mr. Putens added that some of these costs might be susceptible to grant funding.

Mary Camp, 65-E Ridge Road, asked if it were not the case that collected rent would compensate for lost real estate taxes. She observed that the theater is an attraction to people coming in from the outside, as it had been to her when she moved here.

Sheryl Griffith, 6-C Hillside Road, said the City should acquire the theater but agrees with those who have said the present operator does not understand marketing.

Kelby Brick, 8148 Mandan Terrace, agreed with those who think the theater has not been managed as well as it might be. He suggested captioning for people with hearing loss as one niche market the City could look into, saying this would draw from a wide area, including Virginia and the Eastern Shore. He said he sees no reason for the City to reduce future payments from the owners, however, and that the forgiveness of the past debt, together with the cost of the needed renovations, is a high enough price for the City to pay.

Stephanie Sellick, 7400 Dartmouth Ave., College Park, comes to Greenbelt for the movies and dinner at Beijing 15-20 times a year. She said the theater provides a draw to other businesses and that she would probably have no other reason to come to Greenbelt.

Kevin Denney president of the Friends of the Old Greenbelt Theatre and a Bowie resident, thanked the audience and Council for their contributions. He said they had tried all sorts of possibilities in terms of programming—some work and some don't—and he asked Greenbelters to come to the theater and bring others with them.

Larry Hilliard, on behalf of the Greenbelt New Year Committee, said he hoped the theater would be one of their venues and a concession opportunity again for New Year's 2001.

Walt Anderson, Greenhill, Place, said he and his wife are long-term residents and support acquisition.

Konrad Herling, 11-B Ridge Road, encouraged the purchase of the theater but also asked Council to go beyond that and look at ownership of the whole Center. He suggested holding a

charrette on the Center, as well as taking advantage of the offerings of the National Trust for Historic Preservation. The Mayor noted there was also a charrette on the Community Center before its renovation.

Kiki Theodoropoulos, 45 Court Ridge, asked if the theater would be dark during the City's renovations and whether the renovations could be more limited if there were non-profit, rather than City, ownership. She also expressed concern about the City's controlling, for example, the selection of movies to be shown. Mr. McLaughlin responded that these were very good questions but at a step beyond the preliminary stage at which we're currently operating. Mr. White said the City should not be directly involved in the operation of the theater and cited the senior daycare center at the Community Center as a model. Mayor Davis also noted that if the Smart Code measure is passed by the state, renovations could be undertaken at a slower pace. She emphasized, however, that major renovations are known to be needed to remedy long neglect and that some evaluations have not even been undertaken—for example, mechanical systems such as heating, and an environmental inspection.

Virginia Moryadas, 11-J Ridge Road, commented that it may be that the City will end up with the theater one way or the other: that if the City does not buy and renovate it now, the City may end up owning it later in even worse condition. What about the safety of the other tenants in the building, she asked, if the theater continues to deteriorate? She said her primary concern right now was not programming but the viability of the structure itself.

Peter Kelly, 48 Lakeside Drive, said he saw in this situation potential for the City to fulfill a function similar to that of the federal government in the founding of Greenbelt: namely, that the government could make the theater viable and then turn it over to a cooperative or other ownership to maintain.

Garuth Chalfonte, 39-A Ridge, urged that the New Deal Café be considered in any discussions of turning the theater into a cinema/café, since he would not want to see "one light go out so that another light could go on."

Kelly Ivy, 43 Lakeside Drive, supported the purchase by the City, but asked where this audience was during considerations at budget time.

Lee Shields, 8-C Plateau Place, a Greenbelt Pioneer, spoke in favor of the purchase, noting that City-owned buildings do not have to be financial successes to bring benefits to the City. He cited the Community Center and the Museum as examples, saying that "these things have other value" to the City. He was opposed to the idea of a cinema café, saying that this is merely a contemporary trend.

Bob Miller of Bowie said he has lived in the area for 10 years but could not locate the theater until about a year-and-a-half ago. Now he and his family come regularly.

Eileen Peterson, 28 Crescent, suggested that something Council could do immediately was to work on getting better signage from major roads to assist people to locate the theater and the Arts

Center. Mayor Davis said Council has been talking about improving the "gateways" to the City and that making decisions about the level of signage is always a problem.

Dennis Jelalian said movie theaters all over the area are having financial problems and that the Greenbelt Theatre has not been profitable since the 1960s. He encouraged City purchase but believes the theater can survive only as a multi-use facility. He said new stage lights, a TV projector, and additional sound equipment are needed.

Barbara Stevens, 46-A Ridge Road, spoke in favor of continuing the present operator. She said that with few exceptions the films have been very well matched with the Greenbelt audience and that the City should not lose his experience and start over with someone else.

Paul Sanchez, the current operator of the theater, spoke to say he was not sure how much financial help would be needed to keep the theater open past the projected mid-November closing date.

There was further discussion of purchase of the Center versus purchase of the theater. Mr. White emphasized that the current focus is on the theater. Mr. Roberts said Council has looked at the Center as a whole in the past but at the moment it is only the theater that is being offered. Mr. Turnbull said that Council should nevertheless not eliminate any options at this point. Neil McConlogue, 7-J Crescent, said the City should push this possibility, even if Mr. Christacos is not a willing seller. He emphasized that as the owner of the Center, the City would collect a lot of rents and that these could be added to the equation.

Yvette King, 406 Ridge Road, #9, spoke of her experience with theaters around the D.C. area and said it would be "very sad" for such an important piece of theater history as the theater to fade away.

Bob Schnable, 7400 Dartmouth, College Park asked if the theater was a designated historic site. Mr. McLaughlin said it was not. The speaker noted that if the City owned the theater, it would not be eligible for tax incentives reserved for renovations to historic buildings undertaken by private ownership.

Mr. Turnbull asked how Council will proceed and urged that the process move forward as quickly as possible so that neither momentum nor opportunities would be lost. Mr. White said the Public Hearing had served its purpose and that the support shown tonight will move Council forward, but more staff investigation is needed for Council to be able to evaluate the finances and other matters. Although part of discussion can take place in public meetings, some of it will necessitate closed sessions. For Council to negotiate strongly and move forward, more information is needed. Mayor Davis asked that the City Manager propose a schedule at Monday's regular meeting of Council, and she also asked members of Council to forward any specific requests for additional information to the City Manager. She emphasized that while it would be necessary to meet in executive sessions to discuss legal and other matters regarding acquisition, no action would be taken out of public view.

Mayor Davis thanked all those who came to the meeting, e-mailed their comments, or were watching the meeting from home.

The meeting was adjourned at 10:40 p.m.

Respectfully submitted,

Kathleen Gallagher