

CITY OF LOS ANGELES  
CALIFORNIA

ALVIN Y. BLAIN  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT



DEPARTMENT OF  
GENERAL SERVICES  
ROOM 701  
CITY HALL SOUTH  
111 EAST FIRST STREET  
LOS ANGELES, CA 90012  
(213) 928-9555  
FAX No. (213) 928-9515

ANTONIO R. VILLARAIGOSA  
MAYOR

August 9, 2006

City Council  
City of Los Angeles  
c/o City Clerk  
Room 395, City Hall  
Los Angeles, CA 90012

Attn: Alan Alietti, Legislative Assistant

**STATUS REPORT ON LOS ANGELES THEATER CENTER (LATC) LEASE**  
**(514 S. SPRING STREET)**

On December 21, 2005, City Council instructed the Department of General Services (GSD) to report every 90 days on the status of renovations at the Los Angeles Theater Center to ensure that the renovations are completed in a timely manner (C.F. 03-2748). This is the second quarterly report of the status of the twenty-year lease between the City of Los Angeles and the Latino Theater Company (LTC) and the Latino Museum of History, Art and Culture (LMHAC) at the above referenced facility. This report is comprised of information from the Chief Legislative Analyst (CLA), Cultural Affairs Department (CAD), City Administrative Office (CAO), GSD, City Attorney, and Bureau of Engineering (BOE).

**BACKGROUND**

On December 21, 2005, City Council authorized GSD to enter into a lease with the LTC/LMHAC for the operation of the LATC. The lease was fully executed on January 4, 2006. Under the terms of the lease, the LTC and LMHAC were to renovate the theater and operate the premises as a multi-cultural theater for plays, dance and live music and operate a museum to provide educational and artistic programs for the community. The tenants are responsible for all costs of operation, taxes, assessments, utilities, maintenance and repairs for the facility.

Tenants are to provide a total of \$750,000 in three installments, the first of which was due on April 4, 2006, the second on July 5, 2006, and the third thirty (30) days prior to the first targeted substantial completion date of the renovations to be held in a Building Operating and Maintenance Account (BOMA) by GSD. The "Requisite Amount" of \$750,000 will be held in this account until the end of the twenty-year term. The tenants could use these funds for building operating and maintenance expenses with approval of invoices by GSD but

beginning on completion of the renovations will have to replenish the BOMA quarterly to maintain the requisite amount. Tenants are to notify the General Manager of GSD in writing of all applications, awards and agreements for grants or funding.

## **CURRENT STATUS**

### State Funding:

- ◆ CLA reports that the California Cultural and Historical Endowment (CCHE) approved the LTC for grant funding on March 3, 2006. Grant funding will not be released until a signed Grant Agreement is in place and invoices from LTC are received, reviewed, and approved by CCHE. GSD has not been informed of the status of the grant funding and the process of reimbursement from the CCHE.
  
- ◆ LTC has informed GSD that the current status of projected funding sources, in addition to the CCHE grant, as of 5/25/06:

Foundation grants - \$650,000 to \$850,000

Individual grants - \$85,000

Loans - \$1,500,000

Corporate funding - \$280,000

### Capital Improvements:

- ◆ BOE is developing an appropriate inspection procedure for future renovations completed by the tenant's contractor. BOE has requested being able to review the contractor's building plans.
  
- ◆ The first installment of \$250,000 for the BOMA was received by GSD on April 5, 2006 and was deposited in the GSD Trust Account on April 6, 2006. The next installment of \$250,000 was due on July 5, 2006. As of August 2, 2006, the funds had not been deposited to the BOMA account. GSD has been informed that LTC has obtained a \$1 million line of credit from which \$250,000 would be deposited to the BOMA account and \$750,000 would be used as payment for the renovations. A condition of this loan is an established procedure for reimbursement from the BOMA account for LTC. A procedure for the reimbursement of maintenance and operating expenses from the BOMA account to the tenant has been developed.
  
- ◆ LTC has sent the revised attached copy of General Information and a Preliminary Project Schedule from Cushman and Wakefield to GSD detailing the renovation process. LTC has substituted Cushman and Wakefield for Jones Lang LaSalle as the property and construction manager. Renovations are due to begin by the contractor in September and should be completed by March or April of 2007. Programming will be limited in the building during this period.

Programming:

- ◆ LTC has submitted the attached rental programming activity list from February to June of 2006.
  
- ◆ CAD has not received the following reports from LTC as requested:
  - Inventory of Personal Property and Fixtures
  - Goals and Objectives – organizational staff plan with resumes
  - Agreements between LTC and third parties who are authorized by LTC to use the property
  - Policy and Procedure Statement
  - Schedule of Rental Charges to authorized third parties

Insurance Requirements:


- ◆ CAO Risk Management has stated that the LMHAC has submitted all appropriate insurance documentation.

Other Tenant Issues:

- ◆ GSD has started to meet with representatives of LTC on a monthly basis to monitor and provide feedback on construction, programming and other issues. We have met three times. The last meeting was on August 2, 2006.
  
- ◆ The dispute between Will and Company and the LTC regarding Will and Company's presence in the building has been resolved and Will and Company has vacated the property.
  
- ◆ GSD has received a current list of third parties (subtenants) authorized by LTC to use the property as of 6/21/06:
  - Robey Theater Company
  - Playwrights Arena

**FUTURE RESOURCES AND FUNDING**

City staff is still assessing the resources necessary to monitor this contract. The CAO will review the requests and report back to the Mayor and Council with recommendations on any funding requirements.

  
Alvin Y. Blain  
General Manager

## **SECTION I: General Information**

### **A) Overall Project Description:**

The project consists of the renovation of the Los Angeles Theater Center to include renovation of the building lobby, renovation of the four existing theaters, creation of a new museum facility, upgrading all public restrooms on theater and museum levels and other miscellaneous upgrades necessary for the function of the building and to meet all current applicable codes.

### **B) Project Team:**

1. **Project Architect:** Latino Theatre Company and The Latino Museum of History, Art and Culture of History, Art and Culture have retained John Sergio Fisher Architects (JSFA) for the renovation of the building. The contract has been executed. Schematic design drawings are complete, and design development drawings are underway. Progress drawings have been issued to the contractor to assist in construction scope development and pricing.
2. **Project Management & Facility Management:** Latino Theatre Company and The Latino Museum of History, Art and Culture of History, Art and Culture have retained Cushman & Wakefield for the project management overseeing the renovation project. Cushman & Wakefield has also been retained for facility management services. The contract for project management services has been executed. Weekly meetings occur to track progress of the overall project, including design development drawings, project budget, lease and CCHE grant requirements.
3. **General Contractor:** Latino Theatre Company and The Latino Museum of History, Art and Culture have retained Pankow Construction's Special Projects Division, through competitive bid for fees and general conditions, for the construction and renovation of the building. Pankow has received a Notice to Proceed and contract negotiations are currently in progress. Pankow is attending weekly project meetings, conducting site visits with potential subcontractors and reviewing progress drawings. Pankow is currently working closely with JSFA to clarify construction details in order to finalize preliminary construction pricing.

### **C) Meetings with City and State Officials:**

1. JSFA has met with a representative from the City of Los Angeles Department of Building and Safety to establish requirements to bring the building up to current code compliance. Requirements established in this meeting are being incorporated into design development and construction drawings.

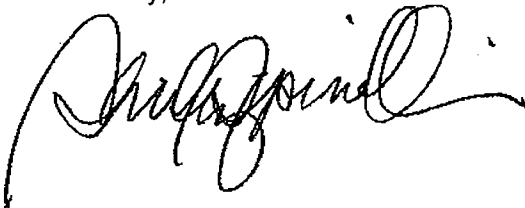
### **D) Project Schedule:**

1. **Building Operation & Maintenance Account:** Latino Theatre Company has established a Building Operation & Maintenance Account and has satisfied the first deposit requirement.
2. **Property & Fixture Inventory:** An inventory has been created for The Latino Theater Company's review and agreement of ownership.
3. **CCHE Grant Approval:** Latino Theatre Company has received approval for a CCHE Grant for the renovation of the Los Angeles Theater Center building. Final requirements for the contract submission requirements are scheduled to be sent to CCHE within the next few weeks.

4. Submission to City General Manager: Latino Theatre Company and The Latino Museum of History, Art and Culture will submit to the General Manager architectural and engineering plans, budget estimates and timelines within the month of July 2006. The project architect, project manager and general contractor will assist in the compilation of this material submission.
5. Construction: Construction is scheduled to begin approximately August or September of 2006. Construction duration is expected to be 6 months or less, with construction being completed in early 2007. Demolition and construction will be scheduled around the theaters with theaters being closed no more than the 120 day requirement of the lease.

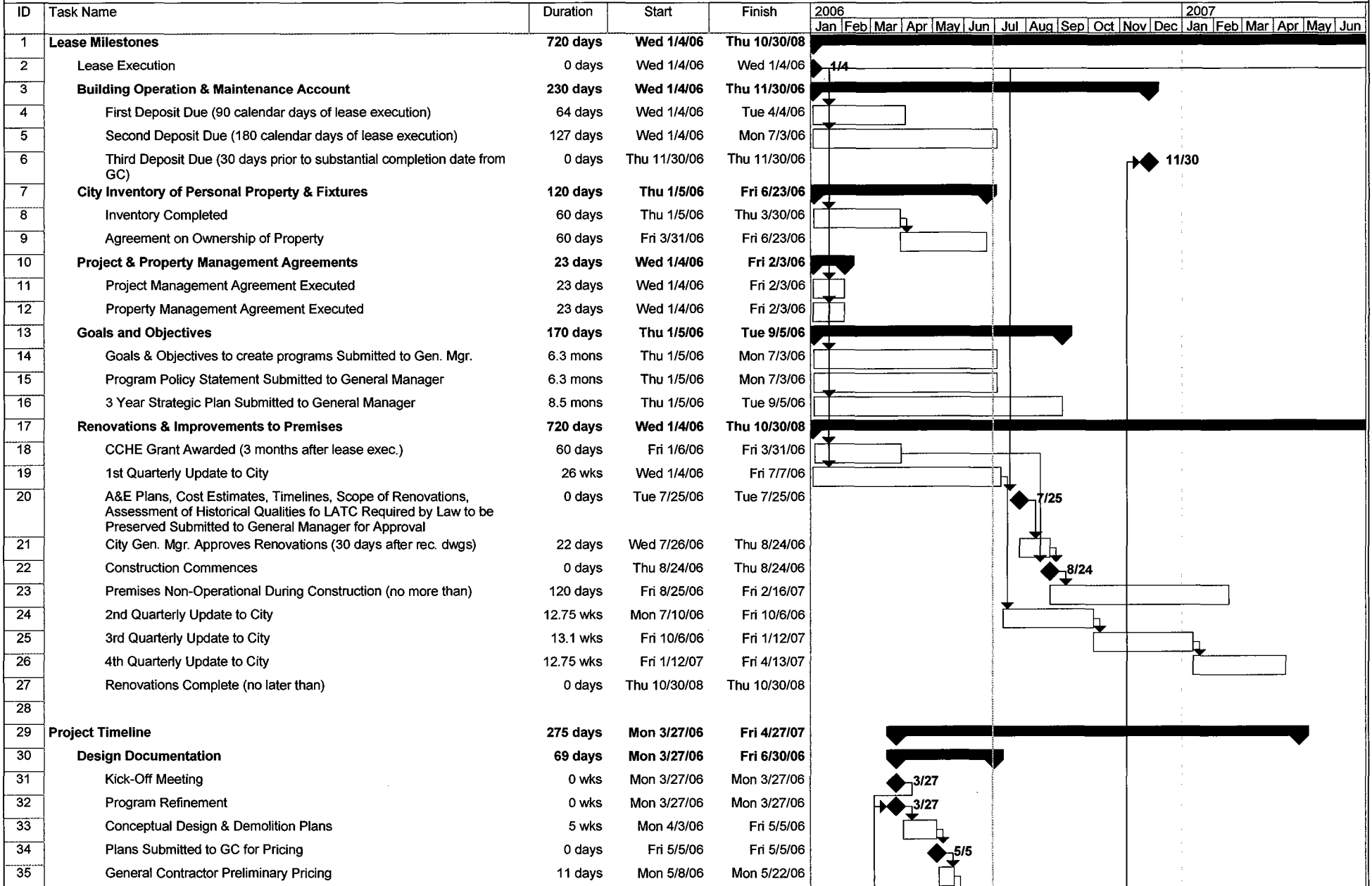
This report is will be followed by quarterly reports to the City of Los Angeles to document progress on the renovation of the Los Angeles Theater Center for the Latino Theatre Company and The Latino Museum of History, Art and Culture.

Sincerely,



Shirley Spinelli  
Managing Director  
Cushman & Wakefield of California, Inc.

**Latino Theatre Company & The Latino Museum of History, Art and Culture**  
**Overall Project Schedule**



Project: Latino Theatre Company  
 Date: 02/03/06, Revised: Thu 6/29/06

Task



Milestone

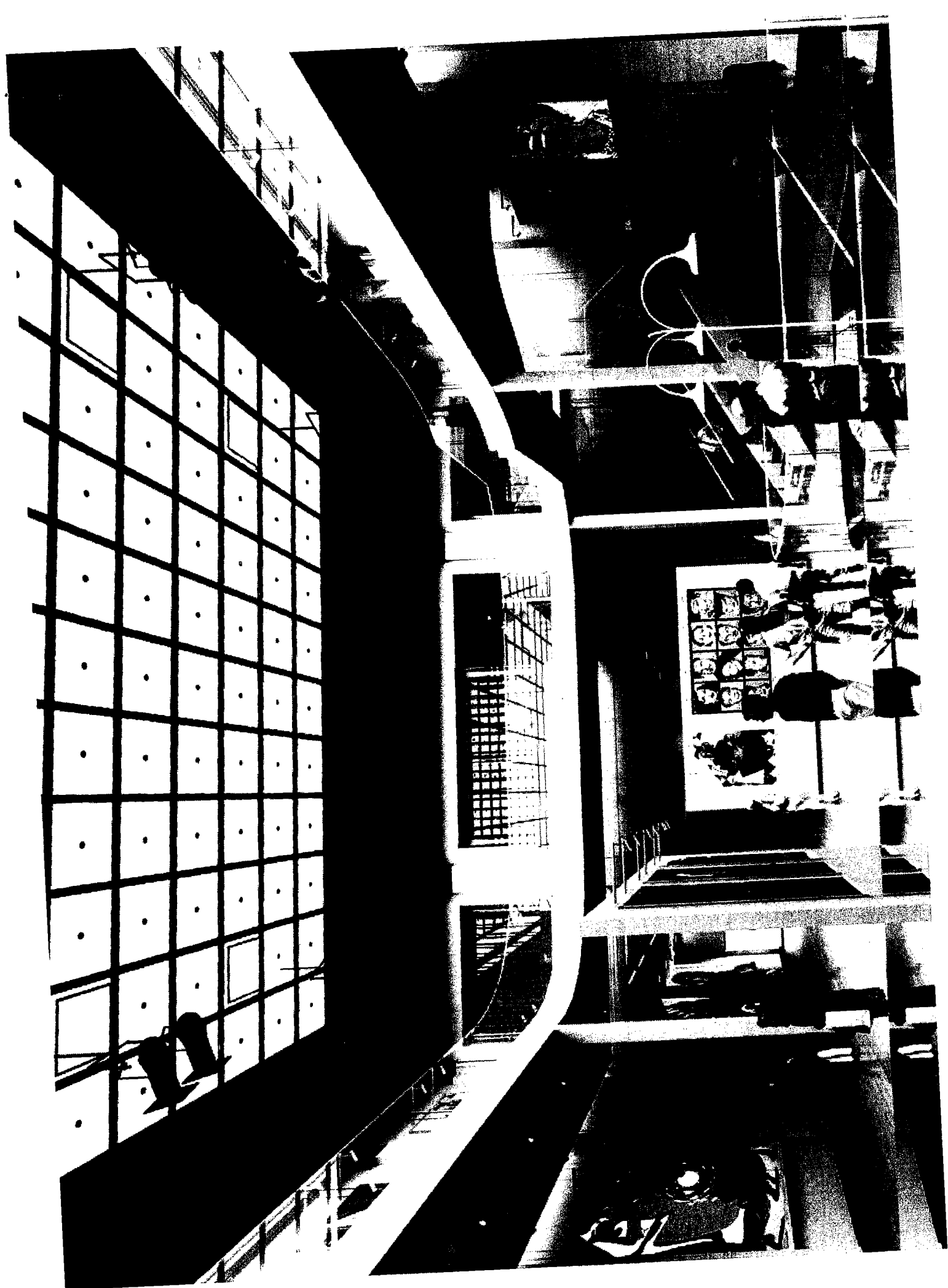


Summary









**LATC Rental Activity  
February – June, 2006**

February 26, 2006 - MACHO MEN - Theatre # 1

March 8th 2006 -VAGINA MONOLOGUES -Theatre #2

March 18,2006 -HEAT - Theatre #2

March 30,31, Apr.1,2,6,7,8,9,13,14,15,16 - THE TREE - Theatre #3

April 1, 2006 - SKETCH COMEDY -Theatre #2

April 8, 2006 – SEIU LOCAL JANITORS UNION MEETING - Theatre #1

April 28,29,30 May 5,6,7, 12,13,14,21 - THE BACHELORETTE PARTY-  
Theatre #2

April 28,29 -TRUE WEST - Theatre #4

May 6, 2006 -MACHO MEN -Theatre #1

May 13,14, 20, 21 - GUYS AND DOLLS- Theatre #1

May 20 -REVOLUCION PREMIER - Theatre #2

June 10 - SNOW WHITE- Theatre #2