

FOX OAKLAND THEATER, INC.

a California nonprofit public benefit corporation controlled by the City of Oakland

BOARD OF DIRECTORS MEETING Monday, December 7, 2020 , 3:00 p.m.

MINUTES

1. Roll Call

Meeting called to order at 3:00 p.m.

Board Members present: **Alexa Jeffress (President), Hui -Chang Li (Secretary), Kelley Kahn (Director), Brendan Moriarty, Anthony Reese**

Quorum was achieved with five members present.

Betsy Lake (Director) arrived after roll call was conducted.

2. Public Comment

(1 minute per speaker)

Lisa Sherman-Colt, Executive Director of the Oakland School of the Arts (OSA), provided comment regarding the faulty HVAC system and its impact on OSA's activities at the Fox Theater.

3. Approval of October 2, 2020 FOT Board Meeting Minutes

ACTION ITEM

Presenter: Hui-Chang Li

Moved by Hui-Chang Li, seconded by Anthony Reese Motion was approved by consensus.

4. FOT Financial Status (Exhibit A)

INFO ITEM

Presenter: Hui-Chang Li

Hui-Chang Li updated the Board that the FY19-20 audit is still currently underway, with a draft expected by the end of December 2020. Operating reserves have mostly remained constant at about \$5.2 million, which also includes the \$4.4 million one-time reserve payment that will be made as part of the asset transfer. The amount also includes the remaining OSA rent reserve, which is now down to \$259,000, and is projected to be exhausted by June 2021. Billboard revenue is expected to only cover the minimum obligation for 2020-21, and OSA has been notified to expect to begin paying out-of-pocket starting in June 2021. Following the asset transfer and in accordance with the bond expenditure agreement, \$3.4 million of the \$4.4 million payment will be retained by the City to apply towards Fox Theater's capital reserves.

5. Fox Theater Asset Transfer from ORSA to City

INFO ITEM

Presenter: Hui-Chang Li

Hui-Chang Li updated the Board that the City Council approved the staff recommendation of the FOT Board resolution on December 1, 2020. The item required a second hearing to receive ordinances, which is assumed to be approved. Following the second hearing, the item will need to be approved by the Countywide Oversight Board, which will likely be scheduled on January 20, 2021. Following Oversight Board approval, the transaction should be implemented 30 to 45 days after January 20.

6. Property Management

6a) Enter into Property Management Agreement with Colliers

ACTION ITEM

Presenter: Anthony Reese

Staff Recommendation :

Authorize approval and execution of a Property Management Agreement with Collier's International Real Estate Management Services (CA), Inc. to serve as the Property Manager for the Fox Oakland Theater in an amount not to exceed \$6,200 per month, or \$74,400 per year plus a 3% interest increase on each anniversary date, for a term of 5 years, which may be extended for two additional terms of 5 years each, consistent with the terms of the request for proposal issued on March 13, 2020, as described in the Resolution ([Exhibit B](#))

Alexa Jeffress moved to approve and execute a Property Management Agreement with Collier's International to serve as the Property Manager for the Fox Theater. Motion was seconded by Kelley Kahn and approved by consensus.

6b) CCIG Property Management Agreement Extension

ACTION ITEM

Presenter: Hui-Chang Li

Staff Recommendation :

Authorize staff to negotiate and execute an Amendment No. 13 to the professional services agreement with California Capital & Investment Group ("CCIG") to continue providing property management services at the Fox Theater until the earlier of January 31, 2021 or 30 days after the execution of the property management agreement with Collier's International Real Estate Management Services (CA), Inc.

Anthony Reese introduced an amendment to the above staff recommendation to now recommend:

Authorization for staff to negotiate and execute an Amendment No. 13 to the professional services agreement with California Capital & Investment Group ("CCIG") or alternate arrangements to continue providing property management services at the Fox Theater until the later of February 28, 2021 or 30 days after the execution of the property management agreement with Collier's International Real Estate Management Services (CA), Inc.

Betsy Lake requested the extension of the Agreement for services be limited to an hourly basis, but not to exceed the current rate of \$8,550/month, specifically to assist and facilitate the transition of property management services to Colliers.

Betsy Lake moved to authorize staff to negotiate and execute an extension of the professional services agreement or alternate arrangement with CCIG. Motion was seconded by Brendan Moriarty and approved by consensus.

6c) Capital Improvement Needs: Waterproofing and Roof Repair

ACTION ITEM

Presenter: George Durney

Staff Recommendation :

Authorize approval and execution of an agreement with roofing material and services proposal with Garland/DBS, Inc. to provide roofing material and services in the amount of \$476,281, plus a 15% contingency in the amount of \$71,442, for a total amount not to exceed \$547,723, as described in the Resolution ([Exhibit C](#))

Brendan Moriarty moved to authorize approval and execution of an agreement with Garland/DBS Inc. to provide roofing material and services. Motion was seconded by Betsy Lake and approved by consensus.

6d) Capital Improvement Needs: HVAC Repairs

INFO ITEM

Presenter: Anthony Reese

Anthony Reese provided an update on needed HVAC repairs for Fox Theater. Current lease terms state that FOT Inc. is responsible for HVAC repairs in the common areas. Staff will conduct investigation to determine if those systems are segregated to allocate repair costs accordingly. Anthony was advised to work with staff in the Public Works Department and the FOT Inc. HVAC engineer contractor to determine if the system should be repaired or replaced. Following determination, staff will solicit bids for repair/replacement and present for the Board's review.

7. Schedule for Upcoming Meetings

Hui-Chang Li corrected a typo to the tentative schedule, shown revised below:

The following is the tentative schedule for upcoming quarterly FOT Board meetings in 2021:

- Monday, March 1, 2021, 3pm
- Monday, June 7, 2021, 3pm
- ~~Monday, August 2, 2021~~ Monday, September 13, 2021, 3pm
- ~~Monday, November 1, 2021~~ Monday, December 6, 2021, 3pm

8. Other Items to Discuss

9. Adjournment for Closed Session

Pursuant to California Government Code Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

- a) Property:** Fox Theater, 1807 Telegraph Ave, Oakland, California (a portion of the ground floor of the wrap around buildings off Telegraph, along 18th Street and 19th Street, as well as the second and third floors)

FOT's Negotiator : Brendan Moriarty, Anthony Reese, Jordan Flanders, and Naree Chan

Negotiating Parties: Oakland School for the Arts

Under Negotiation : Price and terms of payment for the lease of the property.