

CITY OF COOS BAY URBAN RENEWAL AGENCY
Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
October 1, 2013	

TO: Chair Daily and Board Members

FROM: Rodger Craddock, City Manager *psc*

ISSUE Ownership of the Egyptian Theatre

BACKGROUND

On April 1, 2006, the Egyptian Theatre was purchased by Agency; and on July 21, 2006, the Agency signed a management agreement with the Egyptian Theatre Preservation Association (ETPA) to allow the Association to manage and operate the Theatre on behalf of the City and the community. The ETPA successfully managed and operated the Theatre until its closure due to dangerous structural conditions of the building in March of 2011.

After the closure of the building, the URA has actively partnered with ETPA to raise the necessary funds to correct the structural issues and reopen the Theatre. In addition to managing a successful capital campaign, the ETPA has used the time since the closure of the Theater to improve their already successful organization through Board training, updating their organizational bylaws, creating a business plan, and most recently holding a Board Workshop as they prepare for the reopening of the Theatre.

There has been an ongoing discussion since the URA purchased the Theatre about the possible transfer of ownership to the ETPA. The last such discussion occurred on September 14, 2013 during a daylong ETPA planning workshop which was also attended by members of the Egyptian Theatre Steering Committee and me. The consensus of the ETPA included their desire to own and operate the Theatre and to seek permission to enter into negotiations with the URA in an attempt to identify mutually agreeable terms and conditions of a possible transfer of ownership within three years. The three year window was chosen to give the ETPA time to reopen the Theatre, obtain operational milestones, and to eventually take back over the operational and maintenance expenses of the Theatre. Below you will find a summary of the discussion from the workshop on September 14th:

"...Long-term goals were next discussed and the biggest issue is the potential take-over of the Egyptian Theatre from the City. A fair amount of discussion ensued and the group came to the conclusion that they did in fact want to work towards taking over the theatre property. The notion of a phased take-over was discussed in regards to ETPA tackling the bills currently being handled by the City (insurance, utilities) with a potential 3-year process to make both parties comfortable with both capacity to succeed, as well as continued interest. This topic will need to be worked out in much more detail in the coming months, with a possible road map being generated with milestones for each organization including a scaled take over of expenses, hiring of some staff and reserves in the bank..." (Egyptian Theatre Board Retreat Summary).

ADVANTAGES

The ETPA has a proven track record of not only managing the Theatre operations but performing routine facility maintenance as well. The future transfer of this assist of the City/URA creates additional capacity for the City/URA to provide for the necessary maintenance of other facilities owned and operated by the City/URA.

DISADVANTAGES

None identified

BUDGET

While the ETPA paid the bulk, if not all of the operational and building maintenance expenses between 2006 and 2011, the URA has paid and continues to pay the property insurance. Currently, the cost of property insurance for the Egyptian Theatre for FYE2014 is \$11,263. It is assumed that ETPA would accept financial responsibility to maintain property liability insurance in addition to future operational and capital cost once they own the facility.

RECOMMENDATION

If it pleases the URA, allow staff to begin negotiations with the ETPA on an agreement for the future transfer of ownership of the Egyptian Theatre to the ETPA.