



Legislation Text

File #: 17-561, **Version:** 1

RESOLUTION Approving a General Fund Loan and Authorizing the City Manager to Execute a Loan Agreement of \$400,000 from the City of San Leandro to Dan and Gina Dillman, Owners of the BAL Theatre, to Assist in Refinancing the BAL Theatre, and a Forgivable Loan Agreement of \$100,000 from the City of San Leandro to San Leandro Curtain Call Performing Arts to Support Ongoing Renovations

WHEREAS, the Historic BAL Theatre is located at 14808 East 14th Street in the City of San Leandro, California, Alameda County Assessor's Parcel Number 077E-1593-008; and

WHEREAS, the BAL Theatre is a unique and valuable cultural asset in the City of San Leandro where live music and theatrical performances take place, and movies are shown; and

WHEREAS, the City Council finds that promoting the performing arts, music, and cinema builds and promotes the City's culture, which is vital to the public health and economic vitality of the City; and

WHEREAS, one of the City Council's goals is to support and implement programs, activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride; and

WHEREAS, the City Council finds that approval of this financial assistance package comports with this goal; and

WHEREAS, the BAL Theatre is owned by Dan and Gina Dillman and leased to San Leandro Curtain Call Performing Arts, a non-profit corporation; and

WHEREAS, on July 6, 2016, BAL Theatre representatives requested financing to assist in the refinancing and renovation of the BAL Theatre; and

WHEREAS, on October, 19 2016, the City Council Facilities and Transportation Committee recommended staff work with the BAL Theatre's representatives to draft a proposed funding agreement and that the draft be taken to the City Council Finance Committee for review and discussion; and

WHEREAS, on May 2, 2017, the Finance Committee recommended staff work with representatives of the BAL Theatre and Curtain Call Performing Arts to create a two-part package of financial assistance to assist with 1) a December 2017 balloon payment of \$400,000 and 2) a forgivable loan agreement to assist with renovations; and

WHEREAS, on October 3, 2017, the City Council Finance Committee recommended that the

City Council approve the two-part package of financial assistance for the BAL Theatre; and

WHEREAS, the two-part package of financial assistance includes a General Fund Loan (Exhibit A) between the City of San Leandro and Dan and Gina Dillman for \$400,000 from the General Fund's Economic Uncertainty reserve to assist in refinancing the BAL Theatre, and a \$100,000 Forgivable Loan from account 010-14-010-5890 (Exhibit B) between the City of San Leandro and Curtain Call Performing Arts to support ongoing renovations; and

WHEREAS, the City and representatives of the BAL Theatre negotiated the terms of a secured promissory note for the General Fund Loan Agreement to be executed by Dan and Gina Dillman to evidence their obligation to repay the two loans, as well as a deed of trust to provide the City with a security interest in the real property.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

1. The Recitals above are true, correct, and made a part of this resolution; and
2. That said agreements substantially in the form presented are hereby approved and execution by the City Manager is hereby authorized; and
3. That the City Manager is authorized to make non-substantial revisions to said agreements, subject to the approval of the City Attorney; and
4. That original executed agreements shall be attached to and made a part of this resolution.