

## Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
9/13/2017	1	City Council	approved	Pass

***Cathedral City Downtown Foundation***

**MEETING DATE: 9/13/2017**

**TITLE:**

**Grant to CV Repertory Theater**

**FROM:**

Tami E. Scott, Administrative Services Director

**RECOMMENDATION:**

Staff recommends the Cathedral City Downtown Foundation authorize a grant to the CV Repertory (CVRep) Theater for the adaptive reuse of the theater to assist in the development of a Regional Playhouse.

**BACKGROUND:**

CVRep entered into a Purchase Option Agreement with the City Urban Revitalization Corporation on July 18, 2016 to acquire the former IMAX, now Desert Cinemas, Theater. CVRep has paid in two installments the agreed upon "Option Consideration" payments totaling \$50,000 and has until May 1, 2018 to exercise its option to enter into the agreed upon Purchase and Sale Agreement. It is now the desire of CVRep to exercise its option agreement by the first of the year so the appropriate renovations may be completed in time for the fall 2018 season.

**DISCUSSION:**

The building envelope of the former IMAX, now Desert Cinemas, theater was constructed like an auditorium that included some corner steel support columns but predominantly metal studs, drywall and soundproofing to operate as a movie theater. Any other use of this space other than a movie theater, or as we call it, an adaptive reuse, will cost upwards of a couple of million dollars in

renovations due to the limitations of the current construction. Needless-to-say, this dramatically reduces the value of the building due to the cost of such improvements.

For CVRep to reconstruct the space to be utilized as a theater playhouse to include a stage, under stage green room, dressing rooms & bathrooms and more importantly steel support structures for lighting and rigging, requires a considerable capital contribution, which CVRep has been successful at; however, the building structurally falls short of being able to complete these improvements without additional financial assistance. CVRep would still be paying full price for the sale of the building from the City Urban Revitalization Corporation, but a grant in the amount of \$550,000, from the Cathedral City Downtown Foundation, is being recommended to complete the remodel and reconstruction of this space. In exchange, the City of Cathedral City would have naming rights on the building and in all published materials CVRep produces for their shows, events etc. This would allow adequate funding to complete the phase one improvements during the spring/summer of 2018 and open for the 2018 fall season. By moving forward in this direction, CVRep would close escrow in January of 2018, shortly after the Palm Springs Film Festival and we would close down the operations of the Desert Cinemas Theater at that time, while CVRep moves forward and prepares their tenant improvement plans and subsequent renovations.

**FISCAL IMPACT:**

We would be shifting an operational subsidy from the current Desert Cinemas Theater to a one-time grant to CVRep in the amount of \$550,000 from the Cathedral City Downtown Foundation. No City general fund money is involved.

**ATTACHMENTS:**

None