

FOX OAKLAND THEATER, INC.

BOARD OF DIRECTORS MEETING December 2, 2019

MINUTES

1. Roll call

Meeting called to order at 3:10pm. Members present were Adam Benson (Chief Financial Officer), Hui Chang Li (Secretary), Alexa Jeffress (President), and Jens Hillmer (Director). Quorum was achieved.

Others present: Kelley Kahn (Staff) and Eric Simundza (Staff).

2. Waiver of notice and consent

3. Approval of Minutes for August 13, 2019.

Moved by Alexa Jeffress, seconded by Hui Chang Li, and approved by consensus.

4. Board resignation and elections

- a. Jens Hillmer is resigning as Board Director.
- b. Confirmation of board members – The City Administrator, Sabrina Landreth, will be asked to confirm the recommendation to add Kelley Kahn to the Fox Oakland Theater Inc. board to replace Jens Hillmer. Ratification of Kelley Kahn moved by Adam Benson, seconded by Alexa Jeffress, and approved by consensus.

5. Approval of Quarterly Meeting Schedule. In 2020, board meetings will be held on the first Monday of the last month in each quarter at 3pm:

- a. Monday, March 2nd, 2020 @ 3pm
- b. Monday, June 1st, 2020 @ 3pm
- c. Monday, September 14th, 2020 @ 3pm
- d. Monday, December 7th, 2020 @ 3pm

6. CCIG Termination letter – CCIG sent a letter to the City/FOT on November 6, 2019, notifying that it would terminate its property management services for the Fox Theater on December 31, 2019. As this did not provide adequate time for staff to find a replacement manager, staff approached CCIG to request more time and CCIG agreed to continue services for at least 6 more months if their monthly payment is increased from \$5,500 to \$8,550. Staff recommended the board authorize a 6-month extension to CCIG's Property Management Agreement and

allow month-to-month extensions thereafter through December 31, 2020, for \$8,550 per month, starting January 1, 2020. Moved by Adam Benson, seconded by Alexa Jeffress, and approved by consensus.

Staff will seek to get this new Agreement executed before the start of the new year.

7. Update on RFP to replace CCIG. Staff is preparing an RFP, targeting release in February 2020, and hiring of new property manager by June 2020. Adam Benson instructed that in advance of the RFP and replacement of CCIG, the FOT accounts currently held with Bank of America should be moved to Union Bank, the City's current bank.
8. Den Activation. APE sent a letter in August stating their intention to aggressively start promoting, marketing and advertising the Den as a stand-alone event space, available for private events, effective September 1. They also planned to partner with Visit Oakland to target certain conferences and new companies and use the Den for pop-up activations of local businesses. Staff requested their marketing materials as well as monthly reports about the progress of their campaign activities and whether they result in more activities at the Den.

Kelley Kahn suggested that in addition to Visit Oakland, APE should work with Downtown BID to hold popup events, and use the space for arts groups (e.g., Ubuntu). Adam Benson suggested that APE be required to hold a mandatory number of private events at the Den. Staff will hold a meeting with APE prior to the next FOT board meeting.
9. Update on OSA Lease. Staff will be meeting with OSA on December 4th to discuss a lease extension, which will extend existing rent of 940,000 per year through the end of the billboard license agreement in April 2026. OSA has been in talks with the Port of Oakland to extend the billboard revenue sharing agreement and should also have an update on their Charter Renewal application. If the billboard license agreement is extended, staff recommends extending the lease term past 2026.
10. FOOF Loan. Staff is working with City Attorney to call a default action on the \$1.3 million Friends of Oakland Fox (FOOF) loan. This loan is owed to ORSA (not FOT) but because APE is the guarantor, this could impact future lease negotiations with APE.
11. Update on Fox Theater Asset Transfer. A draft Oversight Board Resolution regarding the Asset Transfer was sent to DOF on September 10, 2019. DOF objected to the portion of the one-time payment of \$3.5 million that would not flow to the taxing entities. On October 10, 2019, FOT revised its proposed one-time payment from \$3.5M to \$4.4M, while holding that the share of the one-time payment not flowing to the taxing entities and retained by the City is set by the

Bond Expenditure Agreement. Further clarification was provided by email on November 1, 2019.

12. Update on Waterproofing Investigation. Staff received bids for a waterproofing investigation from Architectural Resources Group and Wiss, Janney, Elstner Associates (WJE). Staff has chosen WJE based on detail of proposal, expertise of the firm, and familiarity with the Fox Theater project. The results of this study will inform further roof work. In the interim, patching will continue as needed.
13. Fox Oakland Theater Inc to withdraw from membership of ORNMTC 2 LLC.
Moved by Alexa Jeffress and seconded by Hui-Chang Li, and approved by consensus.
14. Adjournment at 4:15 pm.

DRAFT

Hui Chang Li, Secretary

[to be signed when approved by FOT Board]