

**APPROVED**

REPORT OF GENERAL MANAGER

NO. 09-219

**AUG 12 2009**

DATE August 12, 2009

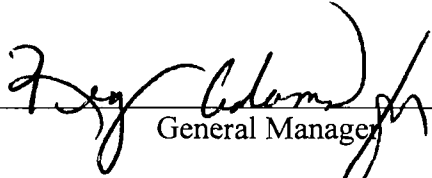
**BOARD OF RECREATION  
and PARK COMMISSIONERS**

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GREEK THEATRE – CONCESSION RENT AMORTIZATION FOR PUBLIC SAFETY IMPROVEMENT

R. Adams _____	J. Kolb _____
H. Fujita _____	*F. Mok <u>fm</u>
S. Huntley _____	K. Regan _____
V. Israel _____	M. Shull _____

  
 \_\_\_\_\_  
 General Manager

Approved                     

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board approve Nederlander-Greek, Inc., to credit amortization in the amount of \$75,451.70 for the installation and replacement of public safety items at the Greek Theatre Concession.

SUMMARY:

The Greek Theatre was officially dedicated in 1929 and has been providing entertainment and cultural events to the public ever since. The award-winning open-air amphitheatre is host to an average of 56 shows annually, with an average annual attendance of 245,232.

The Concession has been operated by Nederlander-Greek, Inc. (Concessionaire) under Concession Agreement Number 245 since May 21, 2002. In 2008, the concession generated \$22,750,207.00 in gross receipts and paid \$1,650,031.00 in rent to the Department.

The Department and the Concessionaire share the responsibility of ensuring that various equipment items are maintained in proper working order and if not, that the items are repaired in a timely manner. The Concessionaire has identified the following items to be repaired or replaced in order to address public safety concerns:

1.	Install a hydraulic vertical wheelchair lift.	\$ 66,570.00
2.	Replace and paint fire sprinkler heads that have corroded:	6,405.75
3.	Reprogram the fire sprinkler tamper switches:	<u>2,475.95</u>
	TOTAL	\$ 75,451.70

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As the items are Department-owned fixed equipment, it is requested that rent amortization be authorized in order to allow the Concessionaire to repair and replace the items. The Concessionaire will provide invoices and receipts in order to verify the cost of the improvements and staff will inspect the repair and replacement of the items prior to the Concessionaire deducting the amount from the rent.

Ten percent (10%) of all rent paid by the concessionaire is deposited into the Concessions Improvement Account. This report approves the rent amortization of ten percent (10%) of the total rent amount owed each month up to \$75,451.70. The remaining ninety percent (90%) will continue to be deposited into the General Fund in order to avoid a revenue short fall.

FISCAL IMPACT STATEMENT:

There is no negative impact to the Department's General Fund.

Report prepared by Robert N. Morales, Senior Management Analyst II, Administrative Resources Section, Finance Division