

TOWN COUNCIL STAFF REPORT

Title: Authorize Purchase and Sale Agreement with Mammoth Lakes Foundation to purchase real property located at 100 College Parkway.

Meeting Date: July 3, 2024

Prepared by: Rob Patterson – Town Manager

RECOMMENDATION:

Staff recommends the Town Council authorize the Town Manager to execute a purchase and sale agreement with Mammoth Lakes Foundation (MLF) for the acquisition of real property located at 100 College Parkway.

BACKGROUND:

For the past several years the Mammoth Lakes Foundation, Town of Mammoth Lakes, Mammoth Lakes Recreation and numerous other individuals and non-profits have worked to bring forward the Mammoth Arts and Cultural Center (MACC). This project envisioned several elements including the ongoing use of Edison Hall, a new Performing Arts Theater, an outdoor amphitheater, and potential for artists in residence space. The project has been scaled back over time to meet the financial realities of construction and operational costs. The Town and the Foundation have continued to work together to bring a viable facility to completion. The work has been supported by Mammoth Lakes Recreation (MLR) using Measure U funding, and commitment of funding for the future project. The efforts of the Foundation and Town over the last two years have moved the project forward and we are moving towards a planned groundbreaking for the project this summer (2024).

The performing arts component of the project was re-envisioned to construct a new performing arts auditorium connected to Edison Hall. The use of Edison Hall reduced the need for additional ‘back of house’ space in the new facility. The layout provides for a 242+/- seat performing arts auditorium (or the theater). The concept does not include the full “fly” space for a full theater concept but is designed to accommodate a mix of users and types of performances. MLF is proceeding with the necessary remodel of Edison Hall, scheduled for completion in late September 2024. The final design and construction drawings for the new space are completed with construction estimates matching the identified funding. The Town will be managing the construction of the new facility. The layout of the facility will require additional coordination with other project work and partners to accommodate traffic flow and parking.

To achieve the planned project the Town and MLF have been in negotiations for the Town to acquire approximately 8 acres of land. The site includes the planned Theater project, a childcare facility, the amphitheater, a dog park, a 40-space parking lot, and a new restroom. With the exception of the amphitheater, all other projects are under way as Town capital

improvement projects on this space. The acquisition of the land is crucial for the success of these existing projects as well as the construction and operations of the MACC under Town ownership.

ANALYSIS:

The negotiation for the purchase of the property, 7.94 acres located at 100 College Parkway, has a number of important elements that will provide additional funding for the MACC construction as well as provide for ongoing operations of MLF in their primary role of education and student scholarships. The attached Purchase and Sale Agreement with related exhibits, contains a detailed description of each of these elements, the process for any conflict resolution, and legal remedies for each party. There are elements of the agreement that have significant risk to the Town, like the requirement to build the MACC, no matter the construction cost, or longer-term elements, up to 50 years for MLF's use of space in Edison Hall. The Town staff and representatives from MLF have been negotiating to work through differences and ensure their respective party's position as well as agreeable remedies are clearly defined. There are no aspects of the agreement that remain unresolved to the satisfaction of each party.

The summary below is not intended to contain the legal language around each element but intended to highlight key deal points of the purchase and sale agreement for ease of understanding.

1. The purchase price for the land is \$4,500,000.
2. MLF will contribute \$3,500,000 to the Town to be used to offset MACC construction costs.
3. The Town shall assume the agreement with Kern Community College District (KCCD). KCCD has agreed to contribute \$7,500,000 to the construction of the MACC.
4. MLF will continue the Edison Hall improvements until completion. This project is expected to be completed by September 30, 2024. In the event the project is not completed by this date, the Town has the right to waive the completion of the improvements and work with MLF to determine the value of the incomplete work on the improvements and deduct that value from the purchase price.
5. In the event that Item 4 is executed, the Town shall have the obligation to complete the improvements to the Edison Hall.
6. The closing date of the purchase will be not later than 30 days after the completion of the Edison Hall Improvements or after a mutual agreement has been reached on the value of incomplete work, reducing the purchase price.
7. The Town shall assume MLF's contract with HMC Architects for the design of the MACC.
8. The Town is required to construct the MACC as a conventionally constructed structure, not a tensile fabric structure as part of this agreement.

9. MLF shall have specific use rights to Edison Hall for continued operations of their core activities. These use rights are in consideration for the value the Town receives from the transaction, both land value and contribution to MACC construction costs. The specifics of these use rights will be outlined in a separate lease agreement between the Town and MLF. A brief summary is listed below:
 - a. Exclusive access to two office spaces and non-exclusive use of one additional office for the term of 50 years.
 - b. MLF shall have non-exclusive access to all common areas located on the property.
 - c. MLF shall have exclusive access to the MACC for up to six weekend days or evenings, and six weekday or evenings, to accommodate activities which support education and arts.
10. The name of the facility shall be “Dave and Roma Arts and Cultural Center” and a “donor wall” to commemorate significant contributions made for the construction or ongoing operations of the facility, will be included on an interior wall.
11. The Town shall maintain the current zoning of the property or grant a similar option to MLF on adjoining property remaining in its possession, any zoning adjustments that increase the use and value of the property.

CONCLUSION:

This transaction represents a great benefit for our community with the construction of these vital assets. The Town considers this site to be a community hub that will greatly enhance the experience of both residents and visitors. For those benefits, the Town will be entering into financial obligations to operate the facility in the future. MLF will no longer be involved in the operation of the facility and will continue its core mission of education in our community. The mission and activities of MLF have demonstrated their commitment to the success of these endeavors and their generous contributions in this agreement have made this a reality.