

TOWN COUNCIL STAFF REPORT

Title: Approve MACC Joint Development and Use Agreement with KCCD

Meeting Date: April 16, 2025

Prepared by: Robert Paterson, Town Manager
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Andrew Morris, Town Attorney

RECOMMENDATION:

Authorize the Town Manager to finalize and execute a Joint Development and Use Agreement with Kern Community College District for the MACC.

BACKGROUND:

In August 2024, the Town Council approved the 5-year Capital Improvement Plan (CIP), which included design and construction of the McCoy Arts and Cultural Center (MACC). The MACC project is the result of a partnership between the Mammoth Lakes Foundation, Town of Mammoth Lakes, Cerro Coso/Kern Community College District (KCCD), and private donors, and is intended to be a year-round venue for performing arts events, including live theater, musical performances, film, lectures, conferences, and community activities. The MACC is proposed to be constructed as an addition to the Edison Theater located at 100 College Parkway, on property currently owned by the Mammoth Lakes Foundation (MLF). The Town has generally come to terms with MLF to purchase the overall 8-acre parcel including the existing theater building, and to take over final design and construction and eventually operation of the MACC. This transition from a privately operated theater to a municipal building has been years in the making. To facilitate this transition, the Town will need to assume agreements made between the MLF and other partners including KCCD.

ANALYSIS:

The original agreement between MLF and KCCD centered around the KCCD commitment to provide \$7.5M in Measure C bond funds to the project. These bond funds were approved in 2000 to provide funding to improve facilities within the Town. KCCD agreed to transfer the funding to the Town in order to meet its commitment to the facility. The Town in turn is working to update the existing agreement between MLF and KCCD to better represent the relationship between the KCCD and the Town. The foundational agreement between MLF and KCCD lays out terms that are generally transferable and acceptable to the Town. The key points of the agreement are as follows:

- The agreement will have a 99-year term
- The Town will construct a 250 seat 7500sf theater
- The Town will pay for the design and development with its own funds. KCCD funds are only for construction

- KCCD will review construction contractor pay applications
- KCCD will provide \$7.5 million in Measure C funds
- The Town will pay all future operating and maintenance costs
- The Town will own the facility
- The Town will be responsible for scheduling and programming the facility
- KCCD will be provided free, and priority use where practical. KCCD will request use of the facility at least 60 days prior to use but will not have bumping rights over previously scheduled events. KCCD will execute facility use agreement or similar in accordance with the future programming of the facility.
- KCCD is not permitted to host any classes or educational uses in the facility
- Eastern Sierra Community College (ESCC) will be prominently displayed in the facility as a donor. A portion of the theater will be named in such a way to include ESCC
- The Town and KCCD will develop a separate agreement for use and management of the college parking lot that will support the MACC

In addition to these deal points the agreement will include language related to insurance and indemnification, alterations and repairs, termination, dispute resolution, amendments, assignments, severability and other appropriate legal clauses. KCCD expects to review and approve the draft agreement at its regular meeting in May. At the same meeting KCCD will finalize its bond sales and approve the transfer of funds to the Town of Mammoth Lakes. This agreement represents a decades-long commitment to the community and this facility.

Finalizing and executing this agreement is one step in a long and complicated process to secure the funding and land to complete the MACC. Recently, the Town, its architects and KCCD finalized an understanding with DSA. This confirmation provides the Town with the needed certainty to move forward with the project as designed. In May staff will present the final purchase and sale agreement for consideration, design review at PEDC, bid the project, and hopefully close on the sale. Staff will present a timeline of events and milestones to bring this project to the construction phase.

FINANCIAL CONSIDERATIONS:

The current cost of the project is estimated to be \$16.8M. This agreement is necessary for the Town to secure the \$7.5M in Measure C bond funding. The agreement sets the terms for KCCD's contribution of funding. Without the contribution from KCCD the project would not be feasible.