

**CITY OF ALAMOGORDO, NEW MEXICO
SPECIAL MEETING WORKSHOP ON FAMILY FUN CENTER MINUTES
6:30 P.M. FIRE STATION 5
August 21, 2017**

**RICHARD BOSS, MAYOR
JASON BALDWIN, COMMISSIONER
NADIA SIKES, COMMISSIONER
JENNY TURNBULL, COMMISSIONER
SUSAN PAYNE, COMMISSIONER**

**AL HERNANDEZ, MAYOR PRO-TEM
ERICA MARTIN, COMMISSIONER
MAGGIE PALUCH, CITY MANAGER
PETRIA SCHREIBER, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK**

CALL TO ORDER / ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE

Mayor Boss called the meeting to order at 6:29 p.m. Roll Call was taken by the City Clerk. Commissioner Martin was as absent. Clerk Hughs announced there was a quorum present.

APPROVAL OF AGENDA

Mayor Pro-Tem Hernandez moved to approve the agenda.
Commissioner Baldwin seconded the motion.
Motion carried with a vote of 6-0-0.

WORKSHOP

1. Family Fun Center workshop. (City Manager Paluch, City Attorney Schreiber, City Planner Williams)

City Manager Paluch announced this is a workshop for the Commission. She announced that there is an item on tomorrow's agenda for action. She showed a Power Point presentation. She spoke on the history of Basin Lanes. She gave the timeline of all the events that took place up until this point. Over the past three months, we have spent at least 50 percent of our time solely working on the family fun center. I've been working on this since I started as the Acting City Manager. She said over the last year we have negotiated with American Family Entertainment, we have developed multiple options for management, we designed the interior by selecting furniture, fixtures and extras, legal research for funding sources and the three of us, also toured the Starmax facility in Deming NM. (See Power Point in Blue Book).

City Attorney Schreiber spoke on the current status of Basin Lanes. She said White Sands Construction should be completed around Christmas Eve. This is a design build by White Sands Construction.

She said we met with the staff of the StarMax on July 18, 2017 and what we learned from them is the first year or two years of the Family Entertainment Center will be the most profitable for us. It is important for us to capture that profit and to keep it for future repairs or reinvestment. We need to ensure a third party accountant and a third party bank account. There is a need for City oversight by having a City employee act as a liason, a quality control person between the City and whoever comes into to operate it.

She discussed recent discovered things that the building is currently missing. These things include: no dedicated equipment maintenance room, no air conditioning for the maintenance area/bowling machines, no phone system, no wiring for phone system, an inadequate CCTV system, no security system included, party and break rooms have no furniture, no desks, no computers, no chairs, no Point of Sale system included, no employee break room, no employee locker space, inadequate bowler

locker space, no safe for short term money storage, nowhere to count the money, no computer system included, no servers/server "cool" room, no storage space for food, beverages, spare parts, or anything else, no audio/visual system included, no PA system in case of emergencies, no specialty lighting for bowling events/nighttime bowling, no beer delivery system, and in inadequate patio for what the building is.

City Attorney Schreiber presented the details of the proposal for Alamogordo Management (AMG City Attorney Schreiber said other AMG concerns are: there is an outstanding judgment to Luna County from Starmax with interest, debt over \$92,000 and nothing has been paid. Also identified is an IRS debt of \$100,000 that was being serviced at \$100 a month. She said another interesting point is they told us this project is overbuilt and is unlikely to make any money. We asked them why they would want to do this, and they replied that they think they can break even, so there is a concern with them telling us this.) (See Blue Book for Proposal)

City Attorney Schreiber presented the details for our second option with Downtown Venture Corporation (DTVC) (See Blue Book for Proposal). She said the tenant can terminate within first seven years, but they would have to give us 6 months notice and the City would have a similar provision if this wasn't working out. Any fixtures that they purchase will become property of fun center. Mr. Chun repeatedly talked about a cohesive vision for this project. Signage was very important to them, to put signs on White Sands, Highway 70 and all around the area so that everyone is aware, that is coming to this town, we have this amazing fun center please come join us.

She then showed a comparison of the proposals for Alamogordo Management Group and Downtown Venture Corporation.

City Planner Williams spoke on four options including pros and cons.

He said as far as the City do nothing and wait to sell building. Because the way the bond was issued, there is no problem repaying it. It will be paid back regardless. It would give us time to reconsider options, to potentially go out and advertise. We still have to do some investment to improve some of the shortfalls of the building to include a security system and some other things, just to make sure it stays in good shape. The only pro that we could come up with is literally it takes the pressure off. I don't know if that is necessary the best answer.

He said if the City had to operate this, either from an oversight position or straight out operate the whole thing, the city would retain all the expense, all the liability, but would have full control of the operation. If the City chose this route, the city would have hire and train now. The City would retain all the profit, therefore, the investment would be paid back quickly. He said Starmax or Luna County has offered to help train. The pros of this are: the City holds all the cards, we have potential for significant revenue and any revenue can go right back in capital investment and fixing design shortfalls. The cons are: the City ends up paying for everything, the City does the investment in initial labor, assumes the cost to open the doors, the City retains 100 percent liability and whether it is successful or a failure, it is all on the City, what we don't want is a Starmax 2.0.

He said in AMG's proposal they would start off as a managing consultant to the process. The pros are: we would be having someone come in and be able to manage or at least get started, and they have a recommendation from White Sands Construction. The con is: it still becomes an expensive option and based on unpredictable past performance from AMG, there would be concerns.

He discussed the Downtown Venture Corp proposal. He said it was impressive from introduction forward. It was all focused on whole environment and experience. It was all about turning it into a destination. The other thing that was clear was the intent to invest beyond the bowling alley and an entertainment center. The Pros are: they were very eager to discuss a lease to own, Downtown Venture Corp is a company that does this for a living, and upgrades from a good attraction to a premier attraction. The con is that this option, is the most costly.

He gave the Staff's recommendations, in order of preference:

Option 4 accept proposal from Downtown Ventures.

Option 1 do nothing until we can regroup and tackle.

Option 2 If push comes to shove, I think we have enough research invested for the City to run.

Option 3 accept proposal from AMG.

City Manager Paluch spoke on how they can pay for this. What we are proposing to the Commission is to use funds from Fund 105, which is the economic development fund. She read Statute 5-10-3. She said both City Attorney Schreiber and herself have spoke with Randy VanVleck, NMML Counsel, who agrees that Fund 105 can be used for the Family Fun Center. What would happen is we would enter into a LEDA agreement with Downtown Venture Group, and we would supply them the necessary money needed for the government capital. They would in turn, agree to certain stipulations in that contract, those stipulations have not been developed yet until the Commission told us this is the direction they would want to go. This has been done in other communities in similar service industries projects across the state. Our Economic Development Plan does allow for this as well. We also spoke with Juan Torres, Director of Finance Development Programs for the State of New Mexico, and he did not see an issue with using LEDA funds. Additionally, Finance Director Hall spoke with Chris Muirhead, our bond Counsel, and Eric Kerrigan who agreed that using Funds from 105 for this would be legal. Fund 105 is the local option gross receipts tax (1/8 of 1 percent). It can be used for Infrastructure/Improvement, Economic Development (Job Creator) and Retail (in certain situations only). However, we do not qualify to use it for retail. The Family Fun Center is a service that we are providing to the community. The fund itself generates approximately \$800,000 per year. The Current balance is approximately \$7.2 million dollars, and to date the interest that we have accrued is approximately \$506,000. The proposal is to use interest to fund operating capital loan. That is the fortune of this proposal from Downtown Venture Group that would be repaid to the City. The 1.5 million from fund 105, this money would be used for all the additional things that we do inside the building. This money would not be repaid, but everything that goes into that building belongs to the City of Alamogordo.

Mayor Boss asked if the 1.5 million included the deficiencies in design. City Manager Paluch said yes, that is what the intent of the 1.5 million. City Attorney Schreiber said it is important to know that there would be a not to exceed number. We are going to be very clear that there will be no additional. City Manager Paluch explained the City Planner handed out a cost estimate/cost breakdown as well as copies of the power point presentation for the Commission to take home. (See Blue Book for handouts)

Commissioner Payne asked if the half a million dollars would be paid back to the City. City Manager Paluch answered yes. Commissioner Payne said that is from the interest that would replace that interest and the 1.5 million is from Fund 105 and it will not be paid back. City Manager Paluch said we get to keep all of it and then there are stipulations in that LEDA agreement. They would have to have so many employees, they would have to submit all of their financials, and there are different stipulations that they would be required to do.

Mayor Pro-Tem Hernandez asked if they would have this handout for tomorrow's meeting. He said we have already spent 5.9 million dollars. He said he has concerns on the LEDA. We are supplying the money to provide the jobs, so what is he supplying. According to LEDA he has to have a substantial investment, at this point he has no investment; it is 100 percent City investment. If that is the case then it does not qualify for LEDA. He wanted to know if we had contacted Otero County Economic Development Council (OCEDC). He said he is not ready to support this tomorrow night, but I want to make sure we put our best foot forward especially if we are going to spend another million and a half of people's money. They trusted us when they gave us this money to begin with, it is just sitting there again. We could use it for a lot of different things, but I want to make sure that we are on the up and up and that we are doing the best thing. I believe that we stepped in this too fast. Now we are going to say that we are doing the same thing that Luna County did, we should have done a little more research then. That was the direction that we were taking then, as a Commission, we were trying to get the best

project for the money. At that point, we knew that 5.9 million dollars was not going to be enough to build this project. He does support this project and does think that the City needs to move forward, but cannot spend a million and a half dollars without actually looking at all this information. I need some time to look at this.

City Attorney Schreiber said Mr. Chun currently has four projects of this type going right now, he needs a commitment by the City by August 31st or he will not be able to move forward. The reason for that is he would drop one of those projects to take ours on.

City Manager Paluch wanted to point out the negotiations with Mr. Chun are not over. Like Mayor Pro-Tem Hernandez said earlier, he has is not putting into it and at this moment, it is all the City. The three of us have had a lot of conversations about what we need to require and go back to the negotiating table. Negotiations are still open with Mr. Chun up until the 31st of August.

Mayor Pro-Tem Hernandez said according to 5-10-10 of LEDA, it clearly states that you must put in a substantial amount and at this point I don't see that he qualifies and that concerns me. It is a slap on the wrist from the authorities, but it is a slap on the wrist that I don't want to take on my side.

City Attorney Schreiber said that was an oversight on my side, but there will be a capital investment from Mr. Chun. It will take that to get this off the ground from him, but we don't have that figure. We really have not gone that deep in, we really wanted to get the Commission's thoughts on where we go from here. We have these available options we need to know which one to dig in on. I feel we have enough to move forward on any of these options. City Manager Paluch said at this point we needed to come to the Commission, because there was so much more that needed to put into that capital investment and I didn't feel that we could continue down that path thinking that there is that 1.5 million we needed to put into it and not get something back from the Commission. At that point, we needed to see if this is even a possibility, and if is not a possibility and that is what is decided tomorrow evening, then staff will move forward with coming up with an idea that does not include putting additional capital into the building.

Mayor Pro-Tem Hernandez said he thought this is the best option but they do not have all of the information. I cannot make a decision without having all the information. I would really hate for you to come back to me next month and say this didn't work out. We have already spent 5.9 million and now we are asking to spend one million and a half.

Commissioner Baldwin said he shares the same concerns with the LEDA funds, and with the initial investment. The \$500,000 that we would have to pay back would be a portion of his initial investment. This would be added into LEDA's description or requirements as far as initial investments. My mind was put a little at ease when you explained that it is \$500,000 that he would be repaying himself. He had a concern with option 3, if for some reason we had to take it over we would be essentially growing the City's employees by 10 percent. That would be a tough pill to swallow, when there are so many people needed in so many other areas. These recurring costs are too much to even think about for the city hiring 30 to 40 employees, not when we have so many other issues.

Mayor Boss said historically City Governments, State Governments and Federal Governments have difficulty operating things that private enterprise does.

Commissioner Baldwin spoke of his experience with G&L Golf and the success they had. He spoke of the environment at Desert Lakes Golf Course and said it's the whole package, they have created. He said one of his biggest concerns is LEDA money. We as a Commission have talked about LEDA funding since I've been on the Commission. We have always been told no, and then all of a sudden, pretty much anything we want to do with LEDA funds is available. I would like to offer some caution moving forward. If we are clear to use LEDA funds and we decide to go down that road. I would like to see more control of how much money we can spend of LEDA funds annually, so this does not become a go to fund to get anything we want for the City. I would like to see some kind of maximum cap unless

we have some kind of super majority agreeing to it. There is 7.2 million dollars in LEDA funds right now. We had approved and are committed to an advertising project that was not really in there as well. We have committed funds of roughly \$500,000 to come out of there.

City Manager Paluch said she spoke with Mike Espiritu, CEO of OCEDC, and she asked him if he had a firm number that he needed. If you recall the Commission did not take a vote when he did his presentation. He will need to come back with a firm number. I do not know if it is the full \$500,000 or not, he did not communicate that to me when we spoke. That money is not set aside at this point. Commissioner Baldwin asked we are thinking it is eventually going to be committed. City Manager Paluch answered yes, if the Commission votes on it.

Commissioner Payne asked how much money goes into that fund each year. City Manager Paluch said it is approximately \$800,000 a year. Commissioner Payne asked when the last time we used LEDA funds for anything was.

Finance Director Hall explained what the City does with LEDA funds. She said it is for the contracts we have out there, if the companies meet the requirements of the contract, for example, they are able to maintain a certain amount of jobs, there is a job audit that is completed and there is a calculation that is done, then they could potentially earn incentives. We have paid out incentives to companies. I want to say it has been about \$50,000 to \$70,000 over the course of the past couple of years.

City Manager Paluch said that we also need to remember that there is another project on the horizon with the Steel Pellet Mill. We met with the Representatives from that company and they are interested in money from that fund as well.

Commissioner Payne said just to be clear, potentially by the end of this Fiscal Year, we could make up half of that 1.5 million. City Manager Paluch said yes, close to. She liked that Downtown Venture Corp was actually going to pay the City to lease. I am a little concerned with AMG, because they said they would give us the profit, but then they say they think they can break even. Commissioner Baldwin said the idea is, they think they can make money off the management.

City Manager Paluch said she liked the fact that Downtown Venture Group is investing in this community. They are saying that they want to be here for a long time. She was distressed when she heard AMG say this business will not succeed. Downtown Venture Corp came for two full days, toured around, ate our food, they have lots of ideas. They want to open some restaurants. Mayor Boss said it sounds like they have successful history behind them, where you can not say that about the others. City Attorney Schreiber said there is a passion, to see the passion that we have for the community be reflected on someone else who wants to come in and make the community better.

Commissioner Payne asked if he is considering other businesses as well. City Manager Paluch said yes, he had a lot of different ideas and different ways he wanted to invest in the Community. He talked about Mesa Village and running cross promotions with Allen Peters. He has a vision for Alamogordo that goes beyond just this building. City Planner Williams said in his two days of research, he stopped at the bowling alley in Las Cruces. He spent an evening at the Starmax facility looking at it, knowing that there is a construction connection with theirs and ours. He went above and beyond, figuring out what exactly it is that he is looking at. Literally overnight produced the proposals with that much preparation and yet he walked in with enthusiasm and excitement that was quite contagious.

Commissioner Payne said we didn't really vote to build the family fun center, we voted to award the contract to build the family fun center. We said 5.8 million and I think we stayed within that.

Mayor Pro-Tem Hernandez said he needs time to take this in, for instance, one of the proposals that Mr. Chun is that he would take care of the building. I take care of lots of buildings, and when a lessee is responsible for taking care of a building, that is what they are going to do, not take care of the

building. When they have an expensive cost, they are just going to let it go, let it go and let it go. He said this proposal looks great, but I don't know that I can just sign here. I need time to go over it.

Mayor Boss told Mayor Pro-Tem Hernandez that Mr. Chun is potentially willing to buy this building. He is saying I am going to build this thing and I am going to buy it, he's going to want to take care of it. Mayor Pro-Tem Hernandez said he is saying that you have till the 31st or I am out of here. I need time to go over it and make sure that staff does not come back to us and say that it is not working. City Manager Paluch suggested having a Special Meeting at another time to give everyone time to digest the information.

Mayor Pro-Tem Hernandez said they need at least four Commissioners and I don't see four Commissioners saying no we are not going to do this, unless something comes up. I have all the information as far as LEDA funds are concerned. I just need the rest of those numbers. I don't have a problem with this and I don't see that any other Commissioner has problems with that.

Commissioner Baldwin said time is a big issue with me. Commissioner Payne reminded everyone that this meeting was supposed to happen last week. Commissioner Baldwin said I don't mind having a meeting tomorrow night and discussing this openly in public, so the public will know if we need another week to make a decision.

City Manager Paluch said she will be out of the office, but there are more than enough Commissioners to make a decision next week.

Commissioner Sikes said she is a real skeptic. There have been people come before us who love our community and want to invest in our community and they are very enthusiastic and excited and we have been burned a few times. So, I go into this very skeptically. She asked where Mr. Chun is from. City Manager Paluch said he is from Los Angeles and his company did put in an original proposal with Stardust Lanes. Commissioner Sikes said the Commission feels like we have dragged our feet on this. When you look at the fact that we are spending 5.6 million dollars and when you look at that timeframe, there was not a lot of time that elapsed between the initial voting on the proposal and all of the RFPs going out. She is really interested in what the public has to say. She agreed with Mayor Pro-Tem Hernandez that she feels that they are backed up against the wall when someone tells us that they have three other projects to work on and they need to know about this one so that they can drop one of their other ones. This is something that is extremely important to our community. This is something that we need to take our time with. I think we were made out to sound like bad guys before when we took our time. I think that the elephant in the room is the fact that things are still missing. How does that happen, where were the checks and balances along the way. I know that hindsight is 20/20 and we don't know how to build bowling alleys and we should have hired a bowling alley consultant to build this. If we are going to take 1.5 million dollars out of public funds, then we are going to take our time and make a decision that is good for everybody. She would like to see a presentation from Mr. Chun. She would like to see his real dedication to the community. She understands that if he plans on buying it, then he's probably going to take care of it, but Mayor Pro-Tem Hernandez has a valid point. Most people who own it from the very beginning do not take care of it very well. We need to have something in place that we are watching what they are doing and where we have the authority and ability to go in and make sure that it is being taken care of.

Mayor Boss said every thing you said are valid concerns, but one thing that you can not leave out of the equation is that time is of the essence. We are at a point in construction that somebody needs to be here to do this. It will get to a point where we have sheetrock on the walls, then we can't get into the walls.

City Manager Paluch said one of things that we would like to follow up on is having a Liaison between the City and the operators. They would be a quality control person. It would be a really good idea for the Commission to get behind, and that is where maybe some of those maintenance concerns could be fixed.

Commissioner Turnbull asked if Downtown Venture Corp has a plan or an idea set for some of the building shortfalls.

City Planner Williams said the Capital investments start up estimates were left with a contingency. The added numbers are the integrated audio/visual system, those are things that I picked up on Mr. Chun's visit. The numbers that Mr. Chun is proposing are not unrealistic, they are pretty close to what he is proposing. He continued to explain the handouts, and his initial estimates with other proposals

Commissioner Turnbull asked if Downtown Ventures talked about how they would fix things that needed to be fixed. City Planner Williams answered yes. He explained some of the ideas in the layout that Mr. Chun was thinking of doing. He was already looking at answering some of those questions. He is already working with an Architect to give us some proposals, if we chose to move forward with him. City Manager Paluch said there are 16 taps in this bar. That is a lot of space for kegs in the back. City Attorney Schreiber said what he was looking at too, was making this kitchen work, and to add more concrete to the patio to make it bigger and more usable and making it a better experience for people. It is really a function of what we have in there.

Mayor Pro-Tem Hernandez said he expected to come in and hear a number of two million dollars, and I didn't have a problem with that because that is what we have to do. Again, there are a lot of unanswered questions and with that he can't support it. He needs to know everything is covered, so that we are not back here again. He said a lot of things can happen when you open those doors.

City Attorney Schreiber said it would be my intent to work closely with all of our available Counsel that make sure that all the agreements in place, are protecting the City the best, we must do it correctly. We will only have one shot at those LEDA funds. Mayor Pro-Tem Hernandez said Mr. VanVleck has no dog in this game.

Commissioner Baldwin said City Planner Williams is one of the things that we have not had up until this point. If City Planner Williams was not here, we would probably have fifty more questions. I believe the City is moving in the right direction in trying to pay great attention to all the details. City Manager Paluch said the three of us have been spending an enormous amount of our time on this.

Commissioner Payne said we have got to make some forward progress in the City. She said there will be a contract that says he is obligated to pay back that half a million dollars. Obviously, there is not going to be contractual agreements in place to build other businesses in the City, but I would take him at his word. She said they have to do something regardless, because it is really going to halt the building process if we do not decide on this. Mayor Boss said it will not halt the construction, but it will be more costly to us later. She said there are some decisions that we do need to make regardless. For the record, she said she would have never known of a point of sale system.

City Manager Paluch said one example of decisions that have the Management team has to make is the beer tap system. There is more than one way to install a beer tap system. She said having someone on board that can determine where they want to run those taps. To run those taps you will have to drill through the wall, but also into the freezer. City Planner Williams said this latest proposal from Downtown Ventures is a week old. The numbers are not as pristine or as accurate as we are going to get if that is the path that we choose to go. Mayor Boss asked City Planner Williams if he estimated high. He answered yes, conservative. From our prospective, the piece that we are hoping to walk away with is at least a path to start walking down to come back with something that is more finalized.

City Manager Paluch said we don't know what the public comment is going to be tomorrow. If the Commission would like to have another Special Meeting the following Tuesday, I think that is very possible and that does not mess with the timeframe. That gives us the opportunity to gather a few more numbers and answer some more questions.

Commissioner Baldwin said option 4, is the way he would like to go. He said this is a really hot topic. This had to go through the election process and it was discussed at length. One of the things I enjoyed the most about the Commissioners that were elected is they talked about a vision for Alamogordo, they talked about a quality of life, they talked about bringing things into Alamogordo that had a positive effect. I always supported this project with the exception of writing lessee or contractor down there. Without it being run by the City those are the two demands I really had, as long as we do not go that direction we'll be doing ok. He said they are seeing things happen in the City, that we have not seen happen in a long time. We are spending money on advertising. I see us making decisions on quality of life, and we are putting a lot of money back into our Parks. It falls in line with the vision of OCEDC, the chamber and the vision of what people prefer to see in Alamogordo. At times we are very reactionary; this is one of the things we have done in a very long time that is proactive. I hate the fact that we are going to have to spend more money, it's not what any of us intended to do. He is very excited for this to happen, and he really wants this to be an amazing thing for Alamogordo.

Commissioner Payne said people are talking about it out in the Military community, and if they are talking about there, they are certainly talking about it here in town. She asked if they agreed to option 4, if there would be a provision to terminate the contract if he did not stick to the guidelines. City Attorney Schreiber said there will be several ways, we always have the option to terminate the lease, which would be in there. With a Project Participation Agreement with LEDA funds there are also ways that we can corral things back.

Mayor Pro-Tem Hernandez said even with that, you look at AMG he has outstanding debt. I am not disagreeing with you, there are options out there, but our chances of collecting are 50/50. He said I was prepared to spend two million, as long as we have all the answers. I need to make sure that we are complete in this. He said I do not have a problem with allowing your guys to go into an agreement with Mr. Chun, based on all the things come back the way they are supposed to, then at that point we vote yes or no.

City Manager Paluch said they will reach out to Mr. Chun tomorrow and try and get some answers. I don't know if we'll have all the answers by tomorrow, but you may want to take all of next week anyway. We will certainly keep moving forward with getting information. Mayor Pro-Tem Hernandez said we are about 4 months out on construction. I would like to know what the business plan is. The next question is going to be when they are going to open. If we can get the rest of the funds to White Sands Construction, I would like to know when they could complete the rest of the shortage areas. He said originally they said December, January, or February for opening. He supports this, but would like to see a set plan.

City Planner Williams said one of the things that we have to keep in mind is; even if we complete the building Christmas Eve, there is a time that you have to train employees or finish the fit and that is going to take about 120 days.

Mayor Boss asked City Planner Williams if training wouldn't take place while we were entering into an agreement. The training could start so they could be ready sooner rather than later. City Manager Paluch said it takes a while when you hire. They cannot train in an unfinished building. They do not have a POS system and until this POS system is installed then they can not train on how they are going to serve, where they are going to serve, how they are going to order things. Mayor Pro-Tem Hernandez said that does not take three months. City Manager Paluch said no, Mr. Chun did say that he already has a Manager lined up for this facility and he/she would be out here on-site next month. He gives more conservative answers, then trying to rush something.

Commissioner Payne asked how long Mr. Chun has been doing this. City Attorney Schreiber answered for five years. His first project X Lanes was built in an industrial building, much like a jail, it is two blocks off of Skid Row. Everyone said that should not have been profitable or successful, but it actually has become a destination for downtown Los Angeles.

Commissioner Sikes asked if that was all his money. City Attorney Schreiber said he is in a Corporation. Commissioner Sikes said it is not a similar agreement of what we are going into. City Manager Paluch answered no. Mayor Boss asked if Mr. Chun had won an award. City Manager Paluch said he won an award for X Lanes itself. City Attorney Schreiber said I want to say it was for one of the top bowling facilities in the Country. Commissioner Baldwin said he gives back a lot, and he does a lot of fundraisers for good causes. Mayor Pro-Tem Hernandez said some of those awards is just a matter of putting an application in. Mayor Boss said it is still an award. Mayor Pro-Tem Hernandez said I understand that, but it is what it is. Commissioner Baldwin said he is young, relatively successful. His X Lanes is part of another Corporation. He is the guy that runs everything and he is very active in the community.

ADJOURNMENT

Mayor Pro-Tem Hernandez moved to adjourn at 8:09 p.m.

Commissioner Turnbull seconded the motion.

Motion carried with a vote of 6-0-0.





Mayor Richard Boss

ATTEST:



City Clerk Rachel Hughes

(Prepared by Eric Barraza, Deputy Clerk)

Approved at the Regular Meeting held on September 12, 2017.