



MINUTES
SPECIAL CITY COUNCIL MEETING
TUESDAY, AUGUST 28, 2012, 6:00 P. M.
SAN DIMAS COUNCIL CHAMBERS
245 E. BONITA AVENUE

PRESENT:

Mayor Curtis W. Morris
Mayor Pro Tem Emmett G. Badar
Councilmember Denis Bertone
Councilmember John Ebiner
Councilmember Jeff Templeman

City Manager Blaine Michaelis
Assistant City Manager Ken Duran
City Attorney Ken Brown
Assistant City Manager for Community Development Larry Stevens
Director of Public Works Krishna Patel
Director of Parks and Recreation Theresa Bruns

1. CALL TO ORDER

Mayor Morris called the Special City Council Meeting to order at 5:00 p.m.

2. ORAL COMMUNICATIONS

a. Members of the Audience

Alta Skinner, Festival of Arts, commented that the Festival of Arts is excited to have a restaurant back in the Walker House.

Ralph Thomas, Historical Society, commented that the Historical Society echoes the Festivals support for a restaurant in the House.

David Harbin, commented that if there is a concern that a restaurant is seen as the primary user and the other users are secondary, he thinks that would be okay.

3. STUDY SESSION – City Council discussion and direction regarding a food proposal for the Walker House

City Manager Michaelis reported that staff has been working with a proposer for a food operator at the Walker House. He introduced Vince DeRossa.

Mr. DeRossa introduced himself and commented that he views this as an opportunity to make San Dimas a destination point.

Assistant City Manager Duran provided an outline of the proposal as described in the staff report. He described the suggested upgrades to the property and financial assistance requested of the City for the upgrades. Mr. Duran summarized that there are two primary issues for the Council to consideration, the

type and extent of upgrades suggested and the City's financial assistance for them. He added that staff is seeking discussion and direction from the Council on the two issues.

In response to questions by Councilman Bertone, Mr. Duran stated that the specifics on the amount of rent to be paid had not been discussed yet and that the patio would still be available for community uses.

Councilman Badar commented that the City provided Costco with financial assistance and he sees this as assisting another business wanting to open in town.

Mayor Morris commented that he has big concerns with the proposal. He added that he would not have chosen to do a full restoration of the building just to turn it into a bar. He questioned the financial pro-forma with such a high reliance on bar revenue.

Councilman Bertone commented that he likes the concept and would vote right now to go forward if it were not for the \$150,000 City financial commitment.

Mr. DeRossa responded to some of the comments that were made. He described his plan for the various revenue streams including lunch, dinner, lounge happy hours, special events, in-house and off-site catering. He added that as an illustration, if the Agreement were the same terms as the prior operator the City could be paid back for the investment in 3 to 4 years. He described his vision of the lounge as to enhance the food service and not a bar.

Councilmembers Templeman and Bertone both agreed that a lounge is an important component of this type of restaurant.

Councilman Templeman commented that he does not see the proposed changes as being that significant. He added he does oppose adding water features outside, or music capabilities and feels adding TV's to the lounge is okay as long as they are not visible from the street. He added he doesn't mind investing money as long as the City is in control of the changes.

In response to a question Mr. DeRossa gave a background of his food service experience. He also answered more specific questions regarding his proposal.

In response to a question Mr. Michaelis commented that what has been requested is a 5 year lease with two additional 5 year options and that either party would have some type of termination clause.

Mr. DeRossa commented that he is concerned about the comments regarding the lounge and clarified that he does not want a bar that would be a problem. There was discussion regarding the amount of floor area dedicated to the lounge and revenue projections for the lounge and the overall pro-forma.

Councilman Ebner commented that this type of restaurant could be a turning point to make San Dimas a destination for night activity. He added that in the past he felt that he was not inclined to have a restaurant dominate other users but he has changed his mind and willing to modify his vision.

There was more discussion between the Council and Mr. DeRossa regarding the lounge, including live music and the pro-forma of the lounge.

Councilman Bertone asked if there was a way for the City to guarantee return of their contribution for the improvements. Mr. Michaelis responded that there may be a way to obtain a deposit up front but most likely it should be considered an investment in the building.

There was further discussion regarding the concepts of the proposal, types of improvements and desire to open for holiday season.

Mayor Morris raised concern that there could be an issue regarding the Redevelopment Agency and their ownership of the building in light of the dissolution of the Agency. There was discussion on the potential for this concern.

After further discussion there was a consensus of the City Council to move to the next steps in negotiations with Mr. DeRossa. Mr. Michaelis commented that staff work on details of an agreement with Mr. DeRossa and prioritize improvements.

Mayor Morris suggested that more firm numbers on the construction costs are needed. It was also suggested that maybe the improvements could be done in phases. Mr. DeRossa agreed that the dining area improvements could be done in phases but his desire is to be able to begin outside catering operations in November to take advantage of the holiday season. He added he would like to have a full agreement in place before he starts operations. There was discussion regarding the short time frame to work out the details and get an agreement in place before November, however it was agreed to work toward that goal.

The City Council also directed staff to pursue the acquisition of the liquor license from Marstellars.

Walter Smith, San Dimas resident, commented that he has been a restaurant consultant and doesn't think a happy hour is necessary and he doesn't think all the issues could be solved in three weeks.

Ken Salsman, commented that he sees this as a popular concept for young people.

4. ADJOURNMENT

The Study Session adjourned at 6:45 p.m.

Respectfully submitted,

Ken Duran, City Clerk