

Minneapolis City Council Meeting

November 19, 2004

Mayor Rybak, Present

Council Members Present (12):

Samuels

Johnson

Colvin Roy

Zimmermann

Schiff

Zerby

Lilligren

Niziolek

Benson

Goodman

Lane

Ostrow

(Johnson Lee Absent)

There are twelve council members present.

[Skipped opening business – went right to theater discussion]

Ostrow: Report of standing committees, community development, CM Goodman.

Goodman: Thank you, Mr. President. [Discussion of items on agenda, numbers 1-12.] Item number 13 is insurance coverage for the State, Orpheum, Pantages and Hennepin Stages Theaters for a period of one year. And Item number 14 is the Theater Study Committee recommendations. With that, Mr. President, I will move Item 14 first.

Ostrow: Thank you, CM Goodman. Item 14 has been moved first. On Item 14, CM Johnson. On Item 14, CM Lilligren.

Lilligren: Thank you, Mr. Chair. I would like to move an amendment to Item 14. CMs have it at their desks. I also supplied the City Clerk with some copies. It's adding Sections D, E and F to this proposed action. Summarized briefly, Subsection D would become a direction to city staff to add to their negotiation objectives an annual production of local communities of color art series and to commit to spending a percentage of the marketing budget to attract communities of color and also set goals for involving minority and ethnic

media participation in these outreach efforts. Also Subsection E would direct staff to add to their negotiation objectives the creation of a schedule and a method of financial support for opportunities for local performing artists and companies. And then I also added Subsection F, which is different than the proposed amendment I distributed to Council Members last night. And F is that the city staff should add to their negotiating objectives the creation and funding of a community arts education and outreach program. And I would like to speak to that if I could get a second.

Ostrow: Is there, okay, CM Lilligren's motion has been moved and seconded. On that amendment, CM Lilligren.

Lilligren: Thank you, Mr. Chair. I'm proposing this amendment to build on work that's already been done around our theaters to attract other, all communities in Minneapolis into the theaters and giving them opportunities to perform in these beautiful, publicly-owned amenities here in the city. I'm proposing these to respond to a lot of interest that I've heard through the communities in broadening the base of support and in the audience participation and in the performance participation of different communities throughout the city. And to see that we are deliberately inviting all communities into the theaters, both as audience members and performers. And I'm also offering these because of the concern that I've heard throughout the communities that the possible involvement of some companies with our theaters would limit the opportunities and possibly have negative affects on the performance art, performing arts communities in the city of Minneapolis and I think that this is an opportunity here to involve whoever the investor or whoever backs our theaters from a financial or corporate standpoint, it gives an opportunity to involve them in our local arts community and to make sure that as well as bringing in performances and performing companies from outside the area that we're developing them and supporting them here. So I would urge my colleagues to support, to vote in favor of this amendment. Thank you.

Ostrow: Thank you, CM Lilligren. Is there any discussion on the amendment brought forward by CM Lilligren? Seeing no discussion of that amendment, all in favor say aye. All opposed. That motion carries. I put myself in queue, CM Lilligren. I'm going to hand the gavel to you if I could since I have a motion that I have distributed to CMs that I just, you should all have it before you. I just want to point out the differences between the motion that you have in front of you this morning and the motion that you had yesterday. The postponement that I am moving today would be one cycle rather than a two cycle postponement and it includes within it a staff direction with a date specific of December 3 of 2004 and that would allow this matter to be voted on and decided at our December 10th meeting. So I would make that motion, CM Lilligren.

Lilligren: Thank you. Is there a second. [Second] Discussion on the item.

Ostrow: And I would like to of course speak to it, CM Lilligren.

Lilligren: CP Ostrow, you have the floor.

Ostrow: Thank you, CM Lilligren. I have said before and I will say again that this decision is a legacy decision. I think every single person on this Council and everyone involved in our downtown Hennepin Avenue theaters appreciate the fact that this is a central amenity in our city, it is a great success that is borne of many years of work and involvement by councils long before us, and that the future success of these theaters and maximizing that success is something of extreme importance. I have expressed before and will express again, quite frankly, that I believe that this Council is making a rush to judgment on this issue. While four of our colleagues have served on a Study Committee we have absolutely no findings or analysis that resulted from that study group and I just don't believe that that's the way we should make decisions of this magnitude. In the almost seven years I've been on this Council, I can frankly say we have never made a decision of this magnitude in the fashion that we potentially could make it today. And that's completely apart from the merits. There has been very aggressive lobbying on both sides of this issue. There probably has been lobbying, frankly, that has not been necessarily always that effective because it has been overstated. There's been some strong rhetoric and that's been unfortunate. But we need to focus on the central fact here that the proposal that's before us is a thirty year agreement that ultimately will result in the transfer of these assets and that is a tremendously important decision. I would ask you to look through those points that I have asked be evaluated by our staff and I would suggest to you that we have not received analysis on these issues. I think we need to have analysis on these issues if this request, if the request for proposals is really to be a meaningful one. And if you look at the questions that have been raised, they're exactly the kinds of questions that are raised by these two proposals.

What are the advantages or disadvantages of a unified program for Minneapolis and Saint Paul on the success of the Hennepin Avenue theaters. There is a strong disagreement about that between the two top proposers of this project. I've met with staff, I've met with representatives on the working group, and frankly I have received nothing in those meetings that leads me to believe that that was really evaluated. It was suggested by one of my colleagues this morning that that really wasn't part of the charge of the Committee. Well, if that's not a part of what the Committee looked at, frankly, that's of even graver concern to me. We have two significantly different proposals and it seems to me that we have an absolute obligation to judge which one is ultimately going to be more successful. We need an answer to that question.

The advantages or disadvantages of Clear Channel's association with the incumbent manager in the diversity and frequency of programming. It has been clearly stated that in order for our theaters to be successful, in order for us to continue to get first-run Broadway programming, that Clear Channel needs to be a part of this agreement. That question hasn't been answered. I stand to be convinced either way, but I have not received any evaluation of that. We are by

all accounts the third largest theater market in the country, so I will readily admit some skepticism that it is necessary for us to team up or for the operator to team up with any entity in order to attract Broadway plays to the third largest market in the country. Those are things I would argue absolutely relate to the diversity and frequency of programming, and I think in order for us to make a judgment we need to have answers to those questions.

The long-term legacy of the future of the Hennepin Avenue theaters. What is the importance of an organization exclusively committed to the Hennepin Avenue theaters? That seems to be a very central focus from what I can tell of the study group, that we absolutely need a separate entity for these Hennepin Avenue theaters that is dedicated exclusively to the success of those theaters. That's the premise. I'm frankly unconvinced at this point in time. I think we need more evaluation of that particular point. What is the succession planning that we're looking at? Again we're looking at a thirty year agreement. Make no mistake about it, if we in fact move ahead today, at least if there aren't any amendments to follow. We are talking about a thirty year binding agreement and one of the things I think we absolutely need a look at is frankly we should be basing this decision on what is the best structure and what offers the best long-term success for the theaters. I think every one of us up here agree that the incumbent operators have done some great work in running these theaters. But the reality is we have to make our decision based on the fact that this is a legacy and a long-term legacy and think not just five years or even ten years out, but the long-term future of these theaters.

If these theaters are going to be sold, how do we make sure that there is in fact a fair market price paid for these theaters. I frankly am concerned that the proposal that currently is before us essentially is a transfer of these theaters for the amount of the bonds that remain outstanding. I think we need before we commit to that to know what is the value of these assets and make sure that the public gets in fact a fair price for these theaters, whoever they might be sold to. We are talking about a one cycle delay. Three weeks. We have one cycle delays on issues from garage variances to \$20,000 allocations to land sales. We have one of our colleagues not present today who was on this working group. It seems to me eminently reasonable for us to have a one cycle delay and let's have a written report analyzing these issues. Let's have a full and complete discussion as a council about an issue of this magnitude before we make the decision. In any event, regardless of how we resolve this issue, for us to proceed on an issue of this magnitude without this Council doing its due diligence, without having a transparent public discussion of the merits of these proposals, would be a serious mistake by this Council, and so I implore you to support this motion to postpone. We can make a final decision three weeks [from] today, a decision that will follow I hope a much more comprehensive and thorough discussion of the merits of these proposals.

Lilligren:

Thank you, Council President. Further discussion on the Ostrow motion to postpone. Mr. Mayor.

Rybak: This is a long-term and legacy decision and I think as we discuss it we should follow the lead of CP Ostrow in setting a tone that is respectful, a tone that I think is different than the tone that's been set by some folks who have lobbied this issue which I've frankly been very disappointed at. I do think that it's a long-term discussion. I very much respect the fact that people can arrive at different issues. But toward the question of whether we should delay this or not, let's remember how we got here and as we do that I believe clearly it is time for us to make the choice today.

Remember how we got here we have to go back to the fact that I was one of the, if not the strongest advocate, for opening up this process and shining some light on it and making sure that we had a long-term look at these issues. And toward that end we collectively agreed to put together a group that would spend an enormous amount of time looking at these issues. And we collectively agreed on the member of that group. That group included from my office Eric Takeshita, my senior policy aide, who was deeply involved in many issues, and yet we took the time that it took to really clearly understand this issue. So during the time that I was putting together a budget and we were looking at pension reform and dealing with many, many other issues, we took the time that we all committed to each other that we would take. And during that time the group was able to arrive at a recommendation. People knew that and we knew that this was coming toward that end. I was moved by the fact that the report from the Committee was a little thin. However, when that Committee delivered two inches of documents to every single CM, every single CM has all the information that is needed. We do delay things around here and appropriately so when there is new information that needs to be brought to the fore. But I believe the information we have is there. Remember also the facts that toward this issue of delay or not, what we are doing here today is not awarding a contract. We are saying that we are going to begin negotiations and that is a very important issue. There are issues in those negotiations that we need to push more fully on. As I articulated last time, I am going to continue to move very clearly toward the idea that we have a long-term legacy management that is a civic responsibility that addresses the issues that CM Lilligren's resolution addressed. That needs to be done and that is what you negotiated with. There are other issues in that too that I'll cover in the final conversations. But the point is we have had the time, we agreed on a process, we have a significant amount of information and we are ready to move. So I urge folks to say that today, no matter where you are on this issue, sometimes you have to stand up and make a decision and it is time to do that.

Lilligren: Thank you, Mr. Mayor. Further discussion on the Ostrow motion to postpone. CM Benson.

Benson: Thank you, Council VP Lilligren. I agree with CP Ostrow that this is a legacy decision and I think given the fact that it is such an important decision, we have spent an important amount of time deciding how to handle this issue. Over a year ago we formed the Theater Study Task Force and that group met

numerous, numerous times to understand both our contract as it presently exists and this industry. It was a grueling schedule of meetings that included staff and four CMs. I don't recall ever having an issue that has been so thoroughly examined, so thoroughly debated, so thoroughly discussed amongst this Committee as this issue. We didn't do this on the recycling contract, we didn't do it on the Sears building, for God's sake, the second biggest building in the State of Minnesota, not this kind of grueling schedule of meetings. And it was an intense set of meetings that we had to reach this unanimous recommendation from the CMs who sat on that committee. So I think it's not quite fair to characterize this as a rush to judgment. This has been over a one year process that we've been working on this to come up with a recommendation and make a determination as to who best would run these theaters. And I think that's really the question today. We've been diverted, CM Ostrow obliquely referred to it as an aggressive lobbying campaign, I think our intention and the intention of our constituents have been diverted by some side issues. Really the issue that we're trying to decide here is who will provide the best diversity of programming in these theaters, and who is going to preserve these theaters best for future generations. And that's what we should be making up on our minds about today when we're reaching this decision.

As to who's going to provide the best diversity of programming in the theaters, I think past performance is the most indicative sign of how you're going to perform in the future. And in that regard there is just no competition. The current operators, Hennepin Theater Group and the Hennepin Theater Trust, have clearly outperformed any of the competition with regard to this measure. We have seen programming at this theater on the Broadway series alone that far surpasses any of the others who we might have considered to run these theaters. We saw the premiere of the Lion King. We're seeing performances this year such as Movin' Out, Little Shop of Horrors, Patti Lapone (sp?) Matters of the Heart and Sweet Charity, all programming that either preceded the Broadway premiere or shortly followed the Broadway premiere. On the other hand, for example, the Ordway has presented programming that either never did appear on Broadway or appeared there some time ago, Dinah Was, Fosse, On the Record, Say Goodnight Gracie, My Way, Peter Pan, Dr. Doolittle, programming not nearly as competitive on a Broadway scale as what we have seen the current producers at our theaters bring to the downtown theater scene here in Minneapolis. But that's just one aspect of the programming. That's just the Broadway series. The rest of the programming indeed has been truly impressive with its diversity of scale and, again, I think that's our prime consideration. Who is going to bring the most diverse, best programming to these theaters.

Additionally, I will note for my colleagues that we received a letter from the Twin Cities Actors Equity Association concerning support for and discussion of each of the possible theater operators. And the Actors Equity, that's the actors union group, came out with a strong recommendation for the Historic Theater Group, Hennepin Theater Trust, to manage these theaters based on

their past relationships and what they have observed with regard to the programming offered in the theaters operated by the three potential operators. So I think that, too, should be a strong sign as to whom we should support. Additionally I have to say I've been very disappointed with the lobbying effort that we have seen on this regard, a lobbying effort that generated an apology note from the Ordway Center for the Performing Arts from their Board Chairman, I believe, Mr. Lilly, and from Sarah Harris, a Board member, indicating that they have truly passed I think the bounds of what ought to be seen in a lobbying effort in this regard. And yet those lobbying efforts continue. It hasn't been truthful, I think it's been truly disingenuous what we've seen on that behalf, spreading rumors such as that the theaters are going to be sold to Clear Channel which clearly was never the case. And that lobbying effort continues despite the fact that we received this apology. And so that's been disappointing, I think, because though I think the Committee took it upon itself and took its obligation, the charge that it received from this Council very seriously, to go out and dispassionately look at which group would provide the best programming, which group would provide the best legacy for these theaters, the lobbying effort, I think, has broken down into something clearly distant from a dispassionate view of what would best serve this city and I think that's been the most disappointing view or the most disappointing aspect of what we've seen here today.

So I understand that it's difficult to make a decision. I understand that for those of you that didn't work through this process for over a year that you are now coming in to being asked to make a decision that is a difficult one. Let me just tell you from my vantage of having sat through these meetings and having questioned and observed the presentations of all the presenters, that I am completely comfortable that we will be best served by going with the HTG/HTT proposal here today. And that there truly is no need for further delay on this matter. So I would ask you to reject CP Ostrow's motion for delay.

Lilligren: Thank you, Council Member. Further discussion on the Ostrow motion to postpone. CM Zimmermann.

Zimmerman: Thank you, Mr. Chair. I have a couple of concerns and one is, the question is CM Benson brought up the diversity and frequency of programming, and I think it is clear that the group who is managing our theaters on Hennepin Avenue have done a great job of diversity in the kind of programming that is there. I think the bigger question in my mind is the real role of Clear Channel in this and we keep hearing, no, we're not selling the theaters to Clear Channel, but and then I hear that Clear Channel is a partial owner of the groups that we are going to be creating or having here to manage it. And so I really want to get this clear. And I think if we're talking about the question of the diversity and frequency of programming, I have gotten communiqués from a number of people that I have some faith in that would suggest to me that in other cities where Clear Channel has become a major player in the control of the theaters similar to these that in fact it is at that point that the diversity goes away and the

programming, and it becomes more and more focused, and I would like another couple of weeks for people to show me that that in fact is not true. And if it is not true, fine. If it is then I would have serious concerns. So I guess I'm just asking that in order for me to feel very comfortable about this that I would like another couple of weeks to be convinced that what I have heard is not true. Thank you.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion to postpone. CM Schiff.

Schiff: Thank you, Mr. Chair. I think CM Zimmermann raises a good question that should be answered but I just want to remind us all that we are not voting on a contract today and that many of the questions that have been voiced that I understand some CMs haven't had time to review all of the documentation and haven't studied it as closely as others who worked on the work group, but these kinds of questions can only be answered when there's actually a rough draft of a contract in front of us, and we ask ourselves what relationship are we going to allow between all of these entities. Now people are talking about their fears, their fear that Clear Channel will take it over. Well, it's only going to happen if we let it. I would suggest we shouldn't negotiate a contract that allows Clear Channel to take over all three theaters. But let's get to that point. We're going to actually sit down at the table and start talking about the details. This motion today was on the agenda for us to begin negotiations. It doesn't lock us into any particular arrangement. It doesn't open the door to anything other than a series of talks to get something on paper. I share all of CM Ostrow's concerns that we want answered now. However, I just suggest that you can't really get answers to these questions until you've started to negotiate with somebody and you've told them what the parameters of those negotiations are you've told them what you want to ensure.

On the issue of diversity and frequency of programming, you know that is, I'm really happy to hear my colleague CM Zimmermann say that he thinks that a great job has been done today because I couldn't agree more. The current arrangement has allowed us to have a far greater diversity of programming than the alternative. And the alternative here is a proposal for a regional monopoly, one entity seeking control of the four largest venues in the State of Minnesota, the only four venues that are capable of putting Broadway touring productions on the stage. That is the real travesty. That would be the real shame if we were to allow that to happen. We currently have diversity of programs of some of the productions we've had in the past year. Wanda Sykes, Dave Chappell. Now, I heard people say that Clear Channel censors their artists. I'd like to see proof that Wanda Sykes or Dave Chappell can be censored. Smokey Joe's Café. Twelve Girl Bands. B_____ Roberto, one of my favorite singers from Brazil who I got to see. Frankie Beverly and _____. Mary J. Blige who I also saw. Bobby McFerrin, Savion Glover, Erica Badue, not to mention investing in the Penumbra Theater's Black Nativity production with a local cast and a local production team. We also did a local production of Hair with local artists.

And then there's the sponsorship of the Qantas Celebration by W_____ Institute that they supported in 2001, 2002, 2003, 2004 at the Pantages Theater. This is the diverse productions and the diverse scheduling that we need to protect. And that's why if you I think just unbelievable that we would hand over our three biggest jewels to one group, one entity, whether it's non-profit or for-profit, to control all the programming. We would lose that diversity to be sure. The Def Poetry Jam cast yesterday performed at South High School in my Ward and complimentary tickets went out to the students and the teachers. And a thank you note came from Christina Elias, a Spanish teacher at South High, saying how inspired the performance was. It was phenomenal and I was inspired to write a new poem. This is what we need to keep because this works. So I won't begrudge anyone who votes for a delay and certainly we should all spend time to get our questions answered. But if this delay is really just an effort to guarantee a regional monopoly for one entity I would think that would be a real shame and we would really lose a lot.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion to postpone. CM Zerby.

Zerby: Thank you, Mr. Chair. Well, I appreciate the motion by CP Ostrow and particularly also appreciate the Mayor's comment about the respectful tone with which it is offered and I think the discussion has proceeded. (?) My concerns that are addressed by the Ostrow motion are some of the less clamorous pieces of this, but particularly that part dealing with the long-term financial situation here. Looking at E in President Ostrow's motion, establishing the capability to meet the current and long-term debt and capital improvement needs through operating and presenting profits, user fees and other private funding. Fundraising capacity and track record of the proposers. Long-term financial security offered by the proposals for minimizing the City's long-term exposure for debt, capital improvements and maintenance. Advantages and disadvantages to the lease and sale options and longer or shorter term agreements on meeting the goal. And if there is a sale contemplated, the manner in which we will be assured of a fair market value for the theaters. Now those are complex questions. I realize that a very capable group of people has looked at these and put an incredible amount of work in for a long time. And there have been hard lobbying and I really am trying to abstract this from the personalities. This is not a matter of personalities to me. I think it's a fair statement, and the Mayor indicated that the report that came out while it does contain a conclusion is in his words a little thin. What it does not contain is an analysis and a distillation of the financial aspects of this. Now we have gotten two inches, and in fact I think I've got closer to four inches of documents on it, and if necessary I will wade through those myself through the next couple weeks, make my best judgment on the finances, but in doing that it would be very helpful to me to have a reasoned analysis of the finances by our staff people in a written form, not just sitting down in the office and kicking it around, but in a written parsed-out form. And I think that would be helpful for

all of us so that we could have a reasoned discussion up here and arrive at the right conclusion.

Now we're told that and I appreciate CM Schiff's comment, well, we're not awarding a contract today. That's true. But being around here for a few years now, it's very often the case that you've got to block out the parameters where you're going or the next thing you know you have taken a step and then another step and then the die is cast. And that is just the way the dynamics work around here. So I think to say we can't take a couple of weeks to have this analyzed, get the help from our staff, make our own judgment on it, and do it again in a way that is open to the public both here, in the media and in discussions with out constituents so that everybody understands fully what's going on and it's laid out there in a transparent fashion is simply, I mean to say we can't take a couple weeks to do this seems to me to be just uncalled for. I mean there's no reason not to do this and this has nothing again with any of the personalities. It's simply what is in the long-term best interests of this City.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion to postpone. CM Colvin Roy.

Colvin Roy: The advantage of waiting until now to speak is that most of my points have already been made, for which I thank CM Schiff. I believe after having been through several large legacy-type decisions here as a CM of the last few years that we can, if we take the time that's being asked for some additional CMs will have some additional information but that the answers to most of the questions that have been written here as a part of CM Ostrow's resolution still will not be in front of us. Those answers have to come as part of a confidential negotiation. That is just how details are finalized. That's how you hammer out exactly who is going to do what. We have a scope laid before us by three different entities who responded to the RFP but that's an outline that we will not be able to fill in the details until we have the negotiation. So I think that it's to believe that we'll have answers to these questions in three weeks before negotiations have even begun is illusory and that's my reason for not supporting the motion today.

Lilligren: Thank you, CM. Further discussion on the motion to postpone. CM Johnson.

Johnson: Thank you, Mr. Chair. I just have to, as CM Colvin Roy said, it's good when everybody else talks because you can skip about 90 percent of what you want to say. But I was sort of stunned when I heard the CP talk about being unconvinced that one of the issues that we dealt with in the RFP was the importance of an organization exclusively committed to the Hennepin Avenue theaters on preservation of long-term legacy, that he'd been, that he was unconvinced that that was a necessary thing for our City, and I just, that just stuns me, because I truly believe that that is exactly what we should be looking for in this future look for our theaters. When we had the presentations from the individuals who responded to the RFP, my colleague CM Johnson Lee who is away on City business, we had a slide show and one of the slides was Hennepin

Avenue from I think 1970. And she isn't from here. She hasn't lived her you know her whole life like I have. And she said, is that Hennepin Avenue? And I said yup, that's what it is. That's what it looked like. And look at it today. Now if we don't think that that's important to our City and that that should be a part of what we want to get out of this theater arrangement, this future going on of this industry that has been a revived industry, think about if someone came into a city and brought an industry back that had been a huge industry in the twenties and thirties in this city but really died out, there was nothing going on, and revived it. Hundreds of people have jobs because of the revolution that has happened on Hennepin Avenue. And so I can't disagree more, or I guess I would say I'm just stunned by the thought that that wouldn't be something that was crystal clear in what we're trying to get out of these theater contracts. So again I would just urge my colleagues not to postpone. I think we need to get going with this. I appreciate the CP not putting this on us on December 23rd but I will point out that we also have to deal with the budget in the next cycle and truth in taxation hearing and it just it seems to me offers a continuation of a lot of this disinformation that's been going on. So I would urge my colleagues to vote against the postponement.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion to postpone. Second speech, CP Ostrow.

Ostrow: Thank you, Mr. Chair. We don't delegate our decisions and I frankly think we really need to think long and hard. CM Goodman spoke yesterday about people serving on task forces and maybe they don't want to do that anymore. I frankly think we need to think long and hard about how we set up these task forces. I frankly believe that my expectation was a reasonable one, and that was that the Task Force would come back, make recommendations, would have a thorough written report of why it concluded as it did, and in fact had that been done absolutely I would want to give that a great deal of weight. It has to be one or the other. If in fact what the Task Force accomplished was merely four CMs arriving at an agreement in terms of where they are but there is no documentation or analysis about the basis of their conclusions and if the message coming from it is the other nine of us should basically make our own judgment, that's fine. I think we have to make our own judgment anyway as CM Johnson pointed out yesterday. I have done a great deal of reading and research, frankly. I have read through the two inches or more, I've read through each of the RFPs, and I have some thoughts on this issue. At this point those thoughts frankly are not informed much if at all by the work of this Committee. At this point the public's understanding of this issue is not at all informed by the work of this Committee. I don't believe that's the best way or even a good way for us to try to make decisions. And I frankly reject the notion that when we agreed who was on this Committee that somehow we agreed to delegate a decision of this importance to those that are on the Committee. I would argue that's not anything we can ever responsibly do, and so if that's the understanding when these task forces are set up we better stop setting them up because our constituents are rightly going to hold us accountable for the

decision we make, and for us to suggest that we appoint our peers and other staff members and we defer to their judgment, that is not something that I would argue any elected official can responsibly do.

Now to CM Johnson's point, absolutely that is an issue that I believe that this group was going to look at, whether or not it was how critical is it to have an organization that is exclusively committed to the Hennepin Avenue theaters. The Ordway proposal shouldn't have even be accepted or reviewed, frankly, if that was as much as a given as Council Member Johnson is suggesting because that's the very premise of this debate, the very premise of this discussion. And the reason the Ordway came forward was their argument that I would argue has not been discussed at all in a public realm and has not been evaluated at least from anything I have heard from the people I've talked to and any of the documents provided by our staff, their premise that in fact a regional approach to these theaters would be advantageous to the Hennepin Avenue theaters. If there was an agreement and a consensus before the discussion even took place that in fact we needed an organization exclusively committed to the Hennepin Avenue theaters, then there really wasn't any discussion on that central premise because the main competition so to speak would have been out of the running from the very get-go. We frankly grant these kinds of continuances almost as a matter of courtesy. This is a decision we all agree is a legacy decision and it just frankly amazes me that there would be so much opposition to this kind of request on a decision of this magnitude. It seems to me we ought to continue this. Let's make a final decision on December 10th and you know why there would be so much opposition to this is just something that is very surprising to me.

On the point that CM Schiff and others have made, we don't have, we need to set what the parameters of an agreement are before we go ahead and have negotiations. To just have something as sketchy as it is now without the full discussion we need to have and just suggest that it will be worked out in negotiation, I think that is a major, major mistake.

And finally, frankly, to make this decision in this short order without the kind of public conversation and public discussion of the basis for it unnecessarily leads to cynicism and skepticism in the public. We don't need that. It's unnecessary. Let's have a full and open discussion about the merits of our decision. We can do that in three weeks.

Lilligren: Thank you. Further discussion on the motion to postpone. CM Samuels.

Samuels: Thank you, Mr. Chair. This is a tense decision here and very important. Actually CM Ostrow makes some good points and also he makes the point that this is a decision to delay, not necessarily to make a decision, to make a choice. And so it seems a relatively benign motion. But I'm going to have to oppose that amendment somewhat reluctantly because I have, I feel that I have over the last few days had a good sense of what the options are and what the best

decision is. I had both the Ordway and the Hennepin groups in my office. They gave it their best shot. I heard their arguments and in addition to that I've had many emails and phone calls. Basically the arguments for the Ordway from the public have been along the lines of a certain amount of fear of a large corporation, some of the misinformation has been believed, and so that also has kind of prejudiced me against that option because so many of the arguments have been mistaken. On the other hand the arguments for Hennepin Theater Trust have been based largely on the economics of it, the history of their performance, and the viability of their organization. I myself have some fears about a big large corporation coming into town with big clogs and stomping on everybody but I've worked for large corporations before so I know that they also have some virtues. It depends on the deals you make and who is going to oversee the operations. I think that we have a chance in the next few days, or in the next many days we have the upper hand in the negotiations. We can decide whether or not Clear Channel will be involved. And we can decide what limitations are going to be put on their participation and we can decide that they will never own any part of the theaters. We can also decide what amount of involvement they must have in the community. We can decide that this group must include minority and people of color in their operations, in their attendance, in their outreach, in their development of talent in the city. And I must say that I'm really quite persuaded by the players who sat on this Committee on behalf of the Council. I know CM Benson is kind of a tough as nails guy. He's also an artist so he brings a nice balance. CM Goodman is always watchdog of the City's interest and ferociously so. CM Johnson is a penny-pinching [laughter] guardian of our budget. And CM Lee is ferociously protective of the minority interests of our community. And so while I don't say I can any way divest my decisions to them, I don't delegate the decision but I certainly delegate some trust to them. And it's such a diverse group I can see them having great fights about anything in the City and for them to come down together on this I must say I'm significantly impressed by that.

Also I got a couple calls from people in the City who are, there's one project at North High, I think it's called Project Hope, and the director got in touch with me and said that Hennepin Theater Group issues thousands of tickets to their program, it was an extremely impression program. Not only do they give tickets away. They have volunteers picking their kids up at their homes and this is a project for minority kids that is extremely successful. Not only do they pick the kids up in cars but they also take their families to the theater. Not only do they do that but they provide daycare or childcare for children so the families can enjoy the shows. So it suggests to me that even though the Ordway does seem to have an advantage in this area of community engagement, that Hennepin Theater Group is moving in that direction and has moved in that direction and that can be enriched on negotiation of the details. So I've been overall just convinced that we can get a sound and [end of side 1 of tape] agreement with this group and we can get concessions where needed from Clear Channel and we can protect the City's interests and for sure I think they've proven that above everything else that they can perform economically

and make a viable go of this over the next thirty years based on their history so far.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion to postpone. Second speech, CM Zerby.

Zerby: Thank you, Mr. Chair. I know it's difficult to keep the focus on the motion that is in front of us, which is simply a motion to postpone one cycle. And I've tried diligently to stay away from arguing the merits of these cases. And I must confess, you know, I may be tainted. I did spend some growing up years in Saint Paul and I don't think that is, across the river is out of sight in terms of what's good for the region or even what's good for Minneapolis on occasion. But you know we need to honor the past. I am old enough, I've been around, I remember Hennepin Avenue probably before most anybody in the room, and I appreciate very much what has been done there. But the crux of the question that's in front of us is not do we honor the past, the crux is as fiduciaries of this City what is the best way in the future to preserve the viability and vibrancy of the City and specifically Hennepin Avenue and specifically the theaters. That's the issue. What is going to produce the best for the City and the operation of those theaters. And it really has not been demonstrated financially over the long term which of these proposals is best. I mean I think we can dig it out but there is, as CP Ostrow averted to, a real question as to whether or not a regional approach with a non-competitive approach to these theaters would be better for the long-term viability of the theaters versus the fractured, competitive, across-the-river approach that we have now. That's simply a fact. And until we analyze that carefully, and these are resting again basically on how many fannies can we get in those seats over how many years, and we haven't really had a good detailed analysis by dispassionate advocates for the City, not for one or the other contending groups of lobbyists, on that point. I mean I do appreciate the time that has been spent. Like CM Samuels and I'm sure many of my colleagues I've sat with both of these groups, I've sat with our staff, but we have not had a good detailed analysis, long-term analysis with the kinds of financial questions and those in turn rest on basically how many people do we get in those seats. And we should have that in due respect for our due diligence for the people of this City. And all that the CP's motion is asking is for one cycle delay to look at that. Pure and simple. We're not trying to decide today which of these is the better proposal. Simply should we look at it more carefully.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion to postpone. CM Goodman.

Goodman: Thank you, Mr. Vice President. I'll just first say that those of you who know me well know I've had quite a week personally and emotionally, so I apologize in advance if my level of emotion spills out into this conversation. I will try to keep it under control. Quite frankly I'm really saddened by the debate over these magnificent treasures that we call the theaters on Hennepin Avenue. We

should be here celebrating the success of the theaters, its operators, and patting ourselves and previous councils on the back for the decision that they made to pull these theaters through a very difficult time and invest in them so that they become something that the community can be proud of and that people can look back on and bring their children to for years to come.

What makes me the most I think upset personally is that there are so many good people on both sides of this issue. My constituents are far and deep involved, from David Lilly on one end to Fred Krohn on the other. And so many good people care about the future of the city but come to a different conclusion about what Hennepin Avenue is about and how these theaters can best be programmed and maintained. And I'm not sure that everyone on the Council has had the opportunity to see the way that this has personally pitted friend against friend, neighbor against neighbor, and constituent against constituent, all because of the difference of opinion about how we should move forward. That in my opinion is in and of itself a reason to move forward today. The suggestion that's been made that elected members of the Council would want to sell our theaters to Clear Channel or allow control, which is the new tagline, of our theaters to Clear Channel is ridiculous. It's not plausible and no one believes it. People are calling me saying, are you still the same Lisa Goodman that I knew when I voted for you the first or second time? How could you have sold out, especially after this election? I haven't sold out. I'm the same person. I come to a different conclusion than others have come to over time. And I'm not going to apologize for that. I have worked on this issue for well over a year and I think that I would not have had the ability to manipulate this entire panel of people working on the issue, and I think that we're just in a position where we disagree. But to suggest that any of us on the panel or any people on the Council would want to sell the theaters to any for-profit organization is false. To suggest that any of us would want to allow a for-profit operation to have control, for whatever that means, is not explaining exactly how the theaters are run. And to say maybe most offensively to me that this is not about local ownership and control is ludicrous. Everyone who operates, books, manages and works on the theaters now is local. I don't hear people complaining about the current operation so I'm unclear as to why we think that we would be using local control.

This has really turned into the kind of situation that most people in this last election said out loud that they deplore – a campaign of negative tactics. And for that, quite frankly, I'm disgusted. There has been not only incorrect information spewed all over the place, but as of two nights ago phoning to DFL delegates and MoveOn.org contributors suggesting that Minneapolis City Council is going to hand over control of the theaters to the corporate behemoth Clear Channel and then there is a whole slew of negatives about Clear Channel after that. My assistant Doug Kress received one such call last night and I forwarded you today voicemail that I received this morning from yet another constituent who was basically push-pollled and debated with the phoner that this wasn't true based on what they had read. I just think that this telling of half-

truths and the campaign of misinformation is yet another reason why we should not postpone this decision, because all this does is force us to address the incorrect information. And that doesn't do well for either side of the debate. It has not been something that has been perceived positively, but it's a reason why we need to put an end to the rumor mill right now.

The goal remains the same. The goal is what's good for Minneapolis. Not what's good for the regional theater or statewide theater or the five state region theaters. Our goal is not to figure out how to bolster the principal tenants at the Ordway or to help non-profits at the Ordway. Our goal is about Minneapolis and what's best for Minneapolis and the theater district, and that's because this decision is critical to all of the people who own, operate and work in businesses on Hennepin Avenue. Every time those theaters are lit, thousands and thousands of people come into downtown to eat at Café DiNapoli, to shop at shops on Hennepin Avenue, to stay overnight in our hotels, all of which help create a 24-hour environment and the kind of city that we want to see our downtown flourish into and continue to move forward on. Ultimately what I believe is that the incumbent's track record is transparent, that their commitment to this City is intense as outlined by the endorsement of the Minneapolis Downtown Council and many members of the Downtown Minneapolis Neighborhood Association. Their response to the request for proposals is in principal the direction that the Committee thinks is best for the future of the theaters. This is the direction that the Committee feels most comfortable with and that involves a conversion of the bonds from non-taxable to taxable which will allow the incumbent to assume all capital debt over time, currently estimated at \$1.5 million, but surely to escalate as the lives of these three theaters grow older. In addition to that, the involvement of Clear Channel provides a debt service guaranty. Although the incumbent has never missed a debt payment on the bonds, it provides a guaranty that we won't see a default on the bonds.

And lastly I want to say that much has been said about the process. This was a good process. It was also a process that every single person on this Council voted for. Everyone. You can't say now, I wish you would have done this, or I would you would have done that, or I wish you would have acted one way or another, if you didn't participate in the process. This is the same process, by the way, that we used to choose Mortenson for the Convention Center and to choose Mortenson and Pelli for the Library. [inaudible] In closing, I'd like to urge folks to vote against the postponement. I will speak to these additional motions by CM Ostrow after we move into the next phase of this discussion. Thank you.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion to postpone. Seeing no further discussion and anticipating a close vote on this, I will ask that the clerk please call the roll on the Ostrow motion to postpone.

Clerk: CM Samuels.

Samuels: No.

Clerk: Johnson.

Johnson: No.

Clerk: Colvin Roy.

Colvin Roy: No.

Clerk: Zimmermann.

Zimmermann: Yes.

Clerk: Schiff.

Schiff: No.

Clerk: Zerby.

Zerby: Aye.

Clerk: Lilligren.

Lilligren: No.

Clerk: Niziolek.

Niziolek: Aye.

Clerk: Benson.

Benson: No.

Clerk: Goodman.

Goodman: No.

Clerk: Lane.

Lane: Aye.

Clerk: Ostrow.

Ostrow: Aye.

Clerk: There are five Ayes and seven Nays.

Lilligren: That motion fails. At the request of the CP I will do the disposition of this item. Item 14 as amended is properly before us. CP Ostrow.

- Ostrow: Thank you, Mr. Chair. Since we clearly are going to get to the merits of the action today, I have two motions to frame the negotiations. The first motion I'm bringing everyone should have in front of them is that any agreement shall be subject to renewal by the Council at intervals of not more than ten years.
- Lilligren: Is there a second? [Second] That motion is properly before us. Discussion on the Ostrow motion.
- Ostrow: Thank you, Mr. Chair. One of the things, frankly, that is of most concern to me is as I said earlier that we are entering into a thirty year agreement. I have had an opportunity to talk to staff and I understand some of the basis for this and it goes to some of the questions that I hoped we would have more analysis on that were included in the motion that was just rejected by the Council. And I'm fully aware of the rationale for this having to do with the payment of the bonds and the structure of the deal that is being suggested. I quite frankly, though, am just not comfortable with a thirty year agreement. You know just in terms of, one can only imagine how this industry is going to change, how the parties may change, and any number of things that may change over the next thirty years let alone the next ten years. Frankly my initial feeling was there should probably be a limitation to five years. I've expanded that to ten in recognition of some of the unique issues here having to do with the maintenance of the theater, maintaining consistency in the management of the theater, but I simply believe that for this Council to embark upon a thirty year agreement is just excessive and is not good public policy so I would ask for your support on the motion.
- Lilligren: Thank you, CP. Further discussion on the Ostrow motion. CM Schiff.
- Schiff: Thank you, Mr. Chair. I must say I'm absolutely confused by the motion in front of us and I think that the motion has been brought forward by a misunderstanding of what we're voting for. To correct the previous speaker, we are not voting today to enter into a thirty year contract. That is just not true. What we're voting today is to enter into talks about the possibility of entering into a contract. Two different things. Maybe it will be thirty years. Maybe it will be twenty-five. Maybe it will be five. But to arbitrarily pick a number ten right now and throw that onto the process as binding is something that we've never discussed. Maybe it's good, maybe I'd prefer five, maybe I want to go back to the way we're doing it today, every year we'll go and renew the contract. So I encourage people to vote no on this and stay focused on what we're actually voting on today, and that's to enter into talks.
- Lilligren: Thank you, CM. Further discussion on the ten year renewal motion by Ostrow. CM Goodman.
- Goodman: Thank you, Mr. Vice President. This proposal is, basically shows the lack of knowledge of what the response to the RFP actually is. First of all this proposal basically flies in the face of the goal that we set up, which is to provide a long-term workout plan for the legacy of the theater. If the CP wants to do it in ten

year intervals we could have had a master use agreement thirteen months ago. That is exactly what, this is a deal breaking motion because essentially what it's saying is, we don't like the long-term workout plan, we want you to do it in ten year intervals. If we do it in ten year intervals then we're not going to have an assumption of the bonds from non-taxable to taxable. No entity in their right mind would convert the bonds from non-taxable to taxable without a guaranty that at the end of the term they would be participating in operating the theaters. However, CM Schiff is completely correct. If the CP feels so strongly that the goal that we passed that he voted for was not the goal that we should move forward on and we should move forward on a master use agreement, then vote to have a master use agreement. It would fly in the face of everything we've already said in terms of what we want to do as it pertains to a long-term workout plan. But that can be negotiated. I'm sure the Hennepin Theater Trust, the History Theater Group and Clear Channel would be happy to allow the situation to go on indefinitely, I guess, in ten year intervals as a mater use agreement as long as within that master use agreement we get rid of so many of the onerous things that have made it almost impossible to make the theaters more successful. And those of us who have studied this issue endlessly are aware that our current master use agreement forces a partnership with a for-profit presenter, denies them the ability to improve and invest in capital, and puts all of the responsibility for debt service on the City. So if you'd like to revert to a plan like that, vote for this today. But it will fly in the face of the goals that the study committee, our staff and the CMs on that committee all strongly believe in, which is a workout plans needs to involve a long-term solution.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion. CM Benson.

Benson: Thank you, Mr. Chair. Just to say with regard to this, CP Ostrow. I was probably the hardest sell on the committee for divesting the City's not rights to be involved but necessity of being involved at every stage of the process. You know right now the City is so involved that we are part of the counting of money and disbursing of money and I frankly kind of like that. And throughout the entire process I was indicating that, boy, isn't there a way that the City can stay that involved in the process and that we can micromanage as much as we have been, and I was, that was a hard thing for me to get around, the idea that we would be divesting ourselves of this control. But I think in the end what persuaded me was on a whole host of measures the City is attempting to divest itself from being involved in the day-to-day operations and therefore expending a lot of money in being involved in the day-to-day operations of things, such as the health department and other things, where we're trying to cut back our involvement just out of budget necessity. And this evolved into the idea that we were going to basically get out of the theater management business and we wouldn't be so involved in the day-to-day activities and that evolved into the goal that was presented by the theater study group committee that the Council passed. And I think CM Goodman has explained how intricately involved they are. But I understand your position. I did not want to get out of this business

either, really, especially upon learning more about the agreement that we presently have and the involvement of the City and the current agreement. But I think it is the best thing and it really, this does align itself with the other goals that we've set forth as a council with regard to management in other departments. And so as I say I might have been more sympathetic to this without really equating it with the other things that we've done as a council, moving the City forward with regard to how we manage our activities here.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion for a ten year renewal. CM Colvin Roy.

Colvin Roy: Thank you, Mr. Chair. Clearly we are sliding over into discussion of the merits as we examine each one of the motions that have come forward. I just hope that anybody listening to this discussion over the details of this serious decision doesn't lose sight of the fact that we have such an exciting possibility to move the risk of these investments off the taxpayers in a way that gives the taxpayers and the future taxpayers, all the citizens of Minneapolis, a solid plan for maintaining these wonderful assets for the public and in a public entity, with ownership by a public entity, a nonprofit, however, not the City of Minneapolis. On the specific point of the idea of a ten year renewal, it's my understanding from the discussion that I had with our professional CPED (?) staff that the contract or agreement, whatever name is given to that agreement, I guess after discussions out at the Metropolitan Airports Commission in recent times I'm more careful about the use of the word contract, but whatever agreement we are going to be negotiating is not going to say this is what will happen over the next thirty years, 'bye see ya, and then thirty years from now we talk about transferring transferring ownership of those buildings, those beautiful assets, to another entity. It's going to be an active relationship that won't include counting the money but maybe you can get a part-time job there, CM Benson, if you really want to count the money. We won't be in day-to-day operations but it is going to be an active relationship with the City still. There is nothing to suggest so far, and I hope that one of the people who has spent so much time over the last thirteen months will correct me if I'm wrong, one of the study group members will correct me if I'm wrong, but it is not going to set up an agreement that we then pay no attention to or have no control over. There will be points along the way to check the performance. Actually there will be benchmarks to be reached for many different measures. Paying off the bonds is one of the big ones. It's absolutely one of the big ones. But there will be other measures that are to be met by, well, whoever is our partner, whoever signs this agreement. So I don't see the value, as a matter of fact I see a very negative value in this particular motion because it's setting out something before negotiations have begun that, it's so difficult to just take one piece in a complicated negotiation and say we're going to do this piece. It can't be more than ten years. And then, well, what do we give up for that. You know if we're asking for that from our side of the negotiation, what do we give up in terms of flexibility, in terms of being able to check in on what's going on. I'm just not concerned that this City will sign off on an agreement that puts us in a place

where we pay no attention and can have no control over it for thirty years. It will be very active. We will be watching the performance and, no pun intended, we will be watching the you know achievement of the benchmarks that we set and there will be a way to intervene to protect these assets if the winning party is not performing, is not delivering maybe is a better word for me to use in this context, is not delivering on the various benchmarks that we've set. So I understand, I think, why this has been brought forward and I appreciate that CM Ostrow is attempting to put some measure of control in a decision that he's not comfortable with apparently right now, and I'm only basing this on your previous statements this morning, but I don't think that this is a positive move. I think it would be a negative move. It would hamper us and, in fact, I think the negotiations are going to achieve more, they have the potential to achieve more of what you might have intended, CM, in terms of measurements, in terms of making sure that not only is the risk moved off the taxpayers but the diversity of programming is met and the education efforts are expanded and that the non-profit that's a part of the proposed partnership grows in its ability to fundraise, grows in its stability and strength of focus.

Lilligren: Thank you, CM. Further discussion on the motion. Second speech CP Ostrow.

Ostrow: Thank you, Mr. Chair. Well, a couple of points. You know, I just have a hard time seeing a Council in the year 2030 having a discussion about how they wish that there was a direction they want to go because of the manner in which either of the entities that we're talking about have evolved. And that's what we're talking about today. We're talking about ultimately that in the year 2030 people up at this dais would have a conversation that would say, well, that group of folks back in 2004 made that decision. That's not anything that's subject to any review or discussion. I don't think it should come as any surprise that I have some discomfort with that. With all due respect to the folks from Clear Channel, quite frankly, there's no guaranty that Clear Channel will be around in 2030, and we already have language and we will maybe get to this at a certain point, but language that CM Lane brought that relates to the assignability here of this, but you know given the very aggressive world of corporate mergers and buyouts and everything else that we have, if we are basing this agreement on the premise that the same entities are going to be around thirty years from now from today and that's kind of a lynchpin of our financial plan, I don't think that's going to work. It seems to me that we ought to be able to have as a precondition of any agreement after the ten year period of time that there would need to be a guaranty on the payment of these bonds. We're not going to, if this is on a ten year interval we're not going to reach an agreement that is not going to ensure that those bonds are paid as a part of any agreement we might enter into in the future.

To the point that several have made that we need to embark on negotiations at this point, I think I just fundamentally disagree with some of my colleagues on that issue. If we don't know the term of this agreement, if we don't know whether or not we're going to convey title, you know, some of these things are

basic and central enough that I think it's incumbent upon us to give staff direction on where we want these negotiations to go. I think we're setting ourselves up for some real problems down the road if we just have an open-ended discussion. And I think this is a central enough premise of any agreement we would reach that the Council should make a statement now that it's not comfortable with an agreement for more than ten years.

Lilligren: Thank you. Further discussion on the Ostrow motion for ten year renewal. CM Zimmermann.

Zimmermann: Thank you, Mr. Chair. Well we are talking here about entering into a thirty year agreement with an organization that's two years old and we're here on this motion simply asking that at least every ten years we stop and evaluate it. If in fact the agreement is proceeding along lines that people envisioned and everything is hunky-dory, then we review it and say everything is great and keep moving. But if on the other hand the chain of events down time take a turn no one can possibly conceive of at this point, there is an opportunity to say, whoa, we got off track on where we thought this was going to go. Let's reevaluate it and change course and get it back on what we want. Now if indeed as some CMs are suggestion that this is not necessary because we're already going to be having ongoing discussions throughout the life of this agreement, then what difference does it make if we go ahead and say formally we're going to review it every ten years since we're going to be reviewing it constantly as we go? So it's hard for me to understand how there could be any objection to this very simple and prudent measure of just having a little reality check so that we are not bound in a thirty agreement with no escape clauses if no possibility of amendment if we find that something goes terribly awry.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion. Mr. Mayor.

Rybak: I understand the sentiment of this motion and it's possible, although I would find it disappointing that the negotiators could say the best contract they come back with is ten years I wouldn't be very happy about that. But I want to speak against this motion because what I think it does is tie the hands of the negotiators and I think ultimately limits our ability to leverage both private and personal capital, both of which we need very much for this agreement. Often and usually in a negotiation you can get more money out of a private partner if you have a longer term, and that is the point here, that the negotiations I hope will be able to use the fact that we want a long-term agreement to leverage a larger amount of money. In the case of the human capital we need here, one of the things I'll speak to when we get to the merits of the motion is the need to develop a very strong, empowered board that has a legacy vision, long-term. And to do that you need also the long term, not the idea that this would be pulled after a certain amount of time. Now I think the issue here is really that we need to direct the negotiators very clearly and I already have that this contract needs to have clear stated performance measures. We measure not only at the ten year mark but every year and in fact every day. We need to make sure

that this contract says, here are the performance measures. If you meet them, that's good. If you don't, there is a reason to cancel the contract. That's a clear performance measure in a contract. If you live up to it, you do; if you don't, you don't. And that's the sort of negotiation that we need to have. So I speak against this and say that what we should do to accomplish the spirit of this, which I hear it to be that we need to have some performance measures, that someone can't simply sign a contract and then come back in thirty years and say, how did I do? We need to absolutely have clear performance measures, give that direction to the negotiators, but don't tie their hands. Give them the leverage they need to be able to leverage both the private and the financial capital we need to pull this off.

Lilligren: Thank you, Mayor. Further discussion on the Ostrow motion for a ten year renewal. CM Benson, second speech.

Benson: Thank you, Mr. Chair. I just want to make sure I'm clear because listening to CP Ostrow and CM Zimmermann I'm afraid I haven't been clear, which is entirely possible today. The attempt that was made here was to decide whether or not we were going to try to divest ourselves of risk. So, do you want to get rid of as much risk as possible or don't you? If you want to get rid of the risk of these bonds into the future, then in my view you cannot adopt this motion limiting it to ten year intervals, because nobody's going to pay off those bonds in ten years and anybody's who is going to assume the obligation of paying off those bonds, and let me remind you, I thought that was our goal, even though it took a lot of convincing for me to say let, that should be a paramount goal above retaining control. I thought our goal was divesting ourselves of risk. So if that's your goal you can't sit around every ten years and say, oops, I want to change my mind now. I'm going to take back the obligation to repay those bonds. I don't think we want to do that. We want to divest our risk. We do not want to have the obligation to pay up those bonds anymore, and in order to do that anyone who assumes that responsibility to totally repay the bonds is not going to be able to do so, I don't think, in the course of ten years. So I just don't see how those, that goal of getting rid of our risk, can be accomplished if this motion by CM Ostrow is passed today.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion. CM Zimmermann, second speech.

Zimmermann: Thank you. Well, CM Benson does bring up a good point and in fact is our primary goal here our divestment of risk, and I guess I would argue, no. Certainly we do want to minimize our risk and so on, but certainly in this whole discussion our primary goal is, cannot be the divestment of risk but in fact is to try to find a manner of creating a viable, vibrant theater program in the city of Minneapolis that encourages local artists, that has a world class theater district. There's a number of goals, the list is unending, and if our only goal is to divest ourselves of risk, you know, this to me kind of is the sort of thinking of no new taxes kind of mania that is going on in this country. You know looking only at

some very narrow financial questions rather than what is the public policy in terms of theater, theater production, theater availability, and in our city. So I guess I do not share with others that this is such a significant goal, the divestment of risk.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion for a ten year renewal. Seeing none once again I will ask that the Clerk please call the roll on this motion.

Clerk: CM Samuels.

Samuels: No.

Clerk: Johnson.

Johnson: No.

Clerk: Colvin Roy.

Colvin Roy: No.

Clerk: Zimmermann.

Zimmermann: Aye.

Clerk: Schiff.

Schiff: No.

Clerk: Zerby.

Zerby: Aye.

Clerk: Johnson Lee. Niziolek.

Niziolek: Abstain.

Clerk: Benson.

Benson: No.

Clerk: Goodman.

Goodman: No.

Clerk: Lane.

Lane: Aye.

Clerk: President Ostrow.

Ostrow: Aye.

Clerk: Acting President Lilligren.

Lilligren: No.

Clerk: There are four Ayes and seven Nays.

Lilligren: That motion fails. Community Development Item 14 as amended by Lilligren is properly before us. CP Ostrow.

Ostrow: Thank you, Mr. Chair. And then I have one other amendment that I would move, and it's before all of you. It states prior to any transfer of ownership of the Hennepin Avenue Theaters the City shall obtain an appraisal and ensure that fair market value for the theaters is or has been paid for the theaters.

Lilligren: Is there a second? [Second] The Ostrow motion is properly before us. Discussion. Council President Ostrow.

Ostrow: Thank you, Mr. Chair. If we in fact proceed with a thirty year agreement, and frankly I would argue that given the discussion we've had today that's clearly where we're headed. You know certainly there will be negotiations but that's the central premise of the proposal that's been brought forward is for a thirty year agreement. Essentially what that agreement does is it is an agreement to convey the theaters in thirty years so long as the conditions of that agreement are satisfied. And certainly the condition of that agreement that is most clear is the complete repayment of those bonds. For all practical purposes, once we would move ahead with that, equitable title of these theaters really passes to Historic Theater Trust because the City is, basically has a contractual obligation to convey those theaters at the conclusion of that thirty year period. And all this motion does is state that we need to know what the value of these theaters are before we convey them. Certainly the Historic Theater Trust is envisioned as a vibrant non-profit and that is a good thing, but whether we're talking about a non-profit or a for-profit or any other entity when the City is conveying assets of the value of these theaters, we really need to have the fair market value for these theaters paid, and so that's the intention of this motion and I hope it has your support.

Lilligren: Thank you, CP Ostrow. Further discussion on the Ostrow motion. CM Benson.

Benson: Thank you, Mr. Chair. Well, would CM Ostrow yield for a question since [inaudible]

Lilligren: Point of information, CM Benson.

Benson: CM Ostrow, are you saying we would determine the value at the end of thirty years after there's been a capital investment plan put into place so the theaters have been upgraded after the bonds have been repaid, or are you saying we determine the value today at this point in time? I'm not exactly sure how your scheme works and since this wasn't raised yesterday I don't know how we would get those questions answered.

Lilligren: Point of information, CP Ostrow.

Ostrow: [inaudible] I'd be happy, and again quite frankly I would rather have this been addressed as a result of the postponement that I was hoping we would have, but I won't beat a dead horse on that. I'm putting it into this motion given the failure of that motion to succeed. It was one of the questions that I raised in the motion to postpone. I think it's the former, not the latter, because in my view essentially what we're doing by going ahead with this agreement is almost akin to a contract for deed, frankly. It states that as long as the bond payments are made in thirty years, title will pass to Historic Theater Trust, and when you have that kind of an agreement you determine the fair market value you know at the front end, not the back end, and so I would agree that it wouldn't be fair to have that value at the back end after Historic Theater Group and others have invested in the improvements in the theater. I think it's at the front end. But I do think it would be prudent that we, at a bear minimum frankly, we should know what that is, and it may very well be that the amount of those bonds fairly reflects the value of the theaters. But I do think that this language is appropriate to make sure that that's done if it could, if it's better that the language be clarified to confirm what the value is as of the date that we conclude the transaction as of potentially the next couple of months versus at the end. I would certainly consider that to be an amendment that would be consistent with my intent. I think your point is well-taken.

Lilligren: CM Benson, you have the floor.

Benson: Thank you, Mr. Chair. Well, I don't disagree that we ought to get fair market value for these theaters. I guess we run the risk in the end that they'll determine that the theaters aren't worth the amount of the bonds and then we should end up paying the eventual purchaser the difference. So, but who knows what we're going to find. We should not give away a public asset, I suppose, for less than its appraised value, but I don't think we can measure it at the end of the term and say at the end of thirty years after we've asked the person to take over the debt obligation, the complete debt obligation of the bonds, and to invest in a capital maintenance plan that will probably upgrade those theaters to being in better shape than they are today, to at that point ask them to pay fair market value I don't think is legitimate. As I say, I don't know that we would be able to at this point in time we would determine that the value of the theaters is greater than the amount of the bonds. So if it's negative, President Ostrow, I'm just curious, are we going to pay the person taking over the theaters to take them because the value is less than the amount of the debt obligation?

Lilligren: CM, is that a point of information or a rhetorical questions?

Benson: Yes, point of information.

Lilligren: Point of information, CP Ostrow.

Ostrow: Well, you know, one response might be I don't think we'd have the intense interest in this agreement if in fact it was that bad a deal. But you know if, I would be satisfied frankly if nothing else if members would be more comfortable with some type of staff direction to come back on this, but again from my perspective once an agreement is finalized, if it's an agreement that conveys title, even if it's thirty years out from now, it is an agreement of a sale. And I think it's important that we know the value. I don't know that any of us is going to suggest that we pay anybody for it, but I think before we convey an asset we should have a clear understanding of its value. So you know I would certainly again interpret this language to relate to the front end and not the back end. If anybody has an amendment that makes them feel more comfortable with it, if you or others would be more comfortable with some kind of a staff direction, I'm open on this, but what I'm concerned about is I don't think we ought to be agreeing to convey these assets without that kind of due diligence in terms of the value of what we're conveying.

Lilligren: CM Benson, you have the floor.

Benson: Thank you. That's all I have.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion for appraisal. CM Goodman.

Goodman: Thank you, Mr. Vice President. I would feel more comfortable with this if it was a staff direction but even though I'm not an appraiser let me make this analysis off the cuff. In the process of purchase in I think all three cases, in the process of condemnation and the statement requirement regarding relocation, we had to bond for far more than the theaters were worth because our costs were far more than the theaters were worth. In fact we still have outstanding condemnation issues on the Stimpson Building and Pantages Theater to this day. So it's, I don't believe it's possible that the amount of outstanding bonds could be lower than the actual market value because the cost of purchase, condemnation, relocation, restoration was all wrapped into that bond issue. And so I just find it impossible to believe that it would result in anything other than us paying the operator because I don't think, I think there's a net negative value because of all of the other financial responsibilities that governments are required to participate in as a result of how we purchased and relocated people. But given that we don't know enough about this and that it was not asked directly of staff and committee or in committee of the whole, it probably makes more sense to address this issue in a staff direction. I certainly don't want to be

in the position of giving a public asset to anyone. I would prefer not to be in the position of giving the operator money as well.

Lilligren: Thank you, CM Goodman. Further discussion on the Ostrow motion. CM Zerby.

Zerby: Well, you know, I appreciate the comments made by CM Benson and by CM Goodman, but part of the problem is we're setting up something here, it is a thirty year arrangement if this goes forward, which it appears rather clear it's going to. And we don't know if this is successful in either way that it is done, the value of those theaters at the end of thirty years conceivably, I mean maybe we'd be in the position of having to pay somebody but maybe they will be worth hopefully a great deal more than the bonds. I mean if you look at what's happened to real estate over a thirty year cycle, Lord knows. So all this is saying is let's get fair market value. Again, this is our fiduciary duty as the custodians of these City assets. And you know maybe there needs to be some arrangement made at the end to give credit for work that's done and financing that's assumed in the interim, but to say that we're not prepared to require that we get fair market value for the assets frankly staggers me.

Lilligren: Thank you, CM. Further discussion on the Ostrow motion. CM Benson.

Benson: If there is no objection by CP Ostrow, I would move to substitute to make this a staff direction. That the staff determine the fair market value of the theaters and assure as part of their negotiations that their present fair market value and that assure as part of the negotiations that we are obtaining fair market value for the theaters.

Lilligren: Is there a second? [Second] Discussion on the substitute motion by Benson. Seeing no discussion, I'm sorry, CP Ostrow. On the substitute?

Ostrow: Yeah, I just want to speak in favor of the substitute. I assume we'll move to the substitute and then we can move, vote on the merits of CM Benson's motion. It accomplishes what I hope to accomplish here and I appreciate the raising I think, so I will support that as a substitute. I assume that frankly the way any appraiser is going to determine the value of these theaters is they're going to use an income approach to value these theaters. They're not going to use a cost approach or you know they're going to say, what is the income that's going to come in, what are the expenses. They're going to look at that over the next ten years. And quite frankly we have a lot of work that's already been done as a result of the Request for Proposals in terms of what that income is likely to be. So I'm not sure this is going to be as difficult as it may appear because again I think some of the work has already been done to determine what the actual income coming into these theaters will be, so again I speak in favor of the substitute and we'll vote in favor of it once it's before us.

Lilligren: Thank you. Further discussion on the motion to substitute. Seeing none, all in favor of the motion to substitute ...

Zerby: Mr. Chair.

Lilligren: CM Zerby.

Zerby: I'm sorry. I'm in the wrong slot.

Lilligren: Oh, there you are. All right. CM Zerby.

Zerby: I think that that may satisfy the CP President. It does not satisfy my concerns and I think that we're better off just simply stating we're going to get fair market value and seeing whether we're going to treat this as a lease purchase with a dollar down at the end of the term or not. And I'm not at all sure that's the way that we ought to go here. And we're again talking about thirty years. So I think that we're worse off almost with this than we would be, well not worse off but it does not meet the concerns that I've got. So I would speak against the substitute.

Lilligren: Thank you, CM. Further discussion on the motion to substitute. CP Ostrow.

Ostrow: Well, CM Zerby, it wouldn't be exactly what I would choose, but I can count to seven. And I think that it's a significant improvement over, frankly, having the other motion voted down. So I don't completely disagree with some of your sentiments, but at a minimum what CM Benson will do is that the Council will have before it what the value of these theaters are at any time that it would be finalizing an agreement. And it seems to me that based on the comments that any number of CMs have made today, I think it's been recognized that we still have to approve a deal. And so while I may be more comfortable, and clearly you're more comfortable making a clear statement at the front end that we're not going to convey these theaters for less than market value, quite frankly that's a discussion we can renew. Even if I'd rather finalize it now we can certainly review ...

[End of tape 1, Side 2]

[Continuation ... Tape 2, Side 1]

Ostrow: ... review that and I'm thanking CM Benson frankly I his spirit of trying to meet some middle ground and it's on that basis that I'm going to be supporting it.

Lilligren: Thank you, CP Ostrow. Further discussion on the motion to substitute. Seeing none, all in favor of the motion to substitute please signify by saying "aye."

Many: Aye.

Lilligren: Opposed.

Zerby: No.

Lilligren: That motion carriers. The Benson motion to substitute, or the Benson substitute motion is now before us. Discussion on that motion. Seeing no discussion on the Benson substitute, all in favor of that motion please signify by saying "Aye."

Many: Aye.

Lilligren: Opposed. That carriers. The original item as amended by Lilligren and now Benson is properly before us. Discussion on that item. CP Ostrow.

Ostrow: Thank you, Mr. Chair. I'm not going to be able to support this today. That's probably no surprise to anybody. I frankly do think we missed a tremendous opportunity here to at least have a good, thorough discussion of what we might see as a benefit from a regional approach to these theaters. And I know that, the reaction to that is very strong among some members of this Council, but what I'm most sad about is I don't believe we ever had that discussion. I don't believe that we ever discussed the merits of it, I don't believe we ever got to what not only the administrative savings might be but what the advantages might be of not having the competitions across the river. We're frankly embarking on strengthening and we've talked a lot about building an endowment, building educational programs, building others through the Hennepin Theater Trust when a lot of that already happens and is taking place at the Ordway. So we're going to have two nonprofits competing for some of the same dollars, we're going to have theater-goers that are going to have programming that is competitive. I frankly reject the notion that because something might be good for St. Paul or might be good for the Ordway that it's bad for the Hennepin Theater District. Emotions have run high and some of the statements that have been made perhaps have not served the Ordway's cause, but the bottom line here is that I am convinced that we're missing an opportunity to look at a more logical, sensible way to approach these theaters. Quite frankly that is not about individuals. Again I want to say any number of times the good work that Mr. Krohn and Mr. Hoch have done. I agree with some of the comments of CM Goodman that it's unfortunate that emotions are as high as they are and some of the tensions have developed here, but unfortunately that's what happens when emotions run high. I think that we had a tremendous opportunity to at least look at the possible advantages of a nonprofit serving Minneapolis and St. Paul that would have a very broad vision for its theaters, for community outreach, for reaching out into our schools, and I think we're missing that today. I quite frankly am not convinced that the Clear Channel model is necessary in the third largest theater district, the third largest theater market in the country. That case has not been made. It's been argued by the

advocates on both sides of this issue, but again it has not been made by our staff or it has not been discussed in a convincing way in my view by those of us up on the dais here. So I'm saddened because I think we are, we're missing an opportunity to create something that could really be unique and be a model nationally and yes it would enhance the Hennepin Theater District, it would, may help St. Paul, that's not a bad thing. But it would I view, I think we had tremendous opportunities to at least give that more of a look than it got and you know quite frankly at least in terms of the discussion that we've had here on the Council it never really got much of a look. And I think that is most unfortunate.

And finally, we don't have an agreement. There are all sorts of details, there's all sorts of considerations here, and I don't think this Council is ready in this discussion. Quite frankly anyone who listened to the debate a week ago Monday would never conclude that the Council is ready to make this decision. And so I think that's unfortunate and I know the motion to postpone failed and we've already acted on that, but I think we had an opportunity to have a much more thorough, a much more complete decision. We may not see this issue again for thirty years and so I thought, I frankly think we missed an opportunity to make sure we got it right.

Lilligren: Thank you, CP Ostrow. Further discussion on Community Development Item 14. Mr. Mayor.

Rybak: I want to encourage people to support this motion and say that we should do so happily. This has been a tough discussion. At times it's felt a little bit like the Hatfields and the McCoy's and I haven't been very comfortable with the fact that the lobbying effort seems to be like taking a whole mess of firecrackers and putting them into the Fourth of July picnic of both the Hatfields and the McCoy's and it hasn't produced a good result. But strip all of that away and look at the fact that there are two extraordinarily good civic-minded boards involved in this. There are a lot of folks who care very much about the arts and our community [inaudible], and you are all partners we want to continue to work with, so thank you. When you strip all of this away, at least when I stripped all of it away, you really come down to a core question about what are we trying to accomplish here. If the main goal here is to try to accomplish a regional theater approach, and I think there is some merit to that, then the idea of having the Ordway and the Hennepin Theaters in one management structure makes some sense. If the main goal we're trying to accomplish here is to use the Hennepin Theaters as part of a revitalization effort for Hennepin Avenue and for downtown Minneapolis, then clearly without a question the idea is to move with the Hennepin Theater proposal. Both of those are important goals, but stop and think about why the people before us who made a very wise decision, why did they put an enormous amount of public money into these facilities. These facilities were seen as investments to pursue a new Hennepin Avenue, and the success is right there on the street. Our main responsibility is to look out for that. If there are ways that we can also have a regional approach that's a good thing. And it is a good thing to have a good thing happen in St.

Paul, too. And I care very much about the future of the Ordway, but our main responsibility here is to make sure that we do the right job we have for Hennepin Avenue. And when you look at those two issues, it isn't even close.

But let's also look at the fact that from a theater perspective what is happening right now is working, and working not only well but really well. We should be really proud of the bookings that have taken place in that theater. The one hole in that so far is, as yet, these are not community resources that everyone can get into, that have the diversity of entertainment and audience that we need.

There's been progress, there's some good progress, it needs to move further. That's one of the flat-out deal points I'll be looking for on whether I sign this or not. Now that's about today, but remember that the goal that we have here is legacy, long-term investment. My goal in all of this is to say that thirty years from now when other people are sitting in these chairs they will look at us and say thank you, you did the right thing. And to do that we have to have something very complex here. We have to have an entity there, a civic-minded, locally-run nonprofit running these theaters, just like we're able to have that at the Guthrie and the Institute no matter who's in City Hall, those institutions move forward because they have a strong, empowered Board. We need to have more progress on that, and I've said very, very clearly that until I see that in the final deal points, until I see absolute proof of that, I will not sign this and I will veto if it's not there, and that's the direction that I've given the negotiators and I believe that's part of what we need to do. There has been some I think extremely destructive rhetoric in all of this about the folks who run the theaters and also about Clear Channel. I'm no great friend of monopolies and I believe if I was in congress I'd be spending a lot of time trying to say that there's too much monopoly ownership in the media. That is an important goal for this nation to look at. When you look at the local experience that we have had, I have to say that Clear Channel has been a very good partner for this community. I want to give you a couple examples, and I think it's an important thing to do. Earlier this year I was deeply concerned about the arts and the cutbacks that have taken place in our schools, and I said to Clear Channel, we need help in doing that and I need some help in raising money for arts in our schools. Yesterday the jazz sampler for Jazz 103 went on sale. As of this first day, 1,663 CDs have been sold that has raised \$20,000 directly for the arts in Minneapolis and St. Paul schools and that the best part about that is that it's called Volume I. It is going to be modeled after the Cities Sampler. If you haven't bought it, go to Target and buy it because it puts money directly into the schools. That is one example of what's happened. Let's continue to look at this issue. The two best experiences that I have had in theater in this area in the past five years have been the opening night of Mosaic and the Kwanzaa celebration at the Pantages. The opening night of Mosaic was a partnership between a number of community groups including the folks who run this theater and including about \$200,000 in free promotion from Clear Channel. In that room that night, seeing the Pantages and seeing the State Theater free, open to everyone, with performances from an incredibly diverse group of performers, I saw magic in that room that represented the best of what those

theaters can and should be. If we can take the potential of that partnership and have that be about not just one special night but about the management of this theaters, we do have magic there. We don't have it yet, and I have to see it on paper or I'm going to veto this. But that's where we I believe can go. The Kwanzaa celebration was about the owners of the Pantages working with We Win Institute and saying that we should have a room where during Kwanzaa kids could stand up and use the arts to empower themselves. And it was an incredibly powerful evening. Again, that shows the potential of this relationship, but it's got to be quantified and it has to be on paper. If this is a sale to Clear Channel, I will veto it and I will speak strongly against it and it's not going to get through here if that happens. That's not what the negotiators are going to come back to us with. That's, my antennae will be up very high on that. And if this does not have a strong legacy Board or a strategy to get there, I will again veto it, but I'm looking forward to having both of those things be a positive. I think we should be very, very comfortable with where we are at today. A tremendous amount of scrutiny has gone into it. I and my staff have spent a lot of time on it and many folks up here have, too. We are not signing a contract today. We're moving in the right direction toward getting I think something that can really mean that when we're no longer sitting here we can be very proud of what we're doing today.

Lilligren: Thank you, Mr. Mayor. Further discussion on this item. CM Zerby.

Zerby: Thank you, Mr. Chair. Well, first this is not about a regional theater against the Hennepin County, the Hennepin Theater District. The issue is, as the Mayor frames it, what is the best way to revitalize and sustain the Hennepin Theater District? And it may well be that a regional approach delivers that better than the isolated approach that is proposed in the motion that's in front of us. I'm not saying it necessarily will, but it certainly could. When you look at this, you know stripping away a lot of detail, you've got the City on the hook for these assets and you've got the assets. That's what we have. Outside of that you've got Hennepin, the HTT HTG which have virtually very minimal net worth. There really isn't much of any net worth there. So if we're gonna move out of this, how do we move out of it? Well, one of the proposals is to move toward a profit-making entity, repositioning the bonds, going through all of the costs of retransferring the bonds from tax-free to taxable on the theory that that will get rid of the IRS problem allowing the improvements to be made by the profit-making entity, the same kind of problem we have up in Target. Okay, that's a possibility. But when we look at the bottom line, where is this financial strength going to come from other than what we already have. It can come from one of two places under these different proposals. It can come from Ordway or it can come from Clear Channel. That's where the financial strength is here other than what we have now. And that is a difficult question. Ordway might by a regional approach with noncompetitive across the river be able to compete better on the national level, bring ticket prices in at a reasonable level, bring the attractions in, and deliver a more sustainable product to that theater district, which is what all of this is going to have to rest on.

Apart from that, then you're looking at what is the financial capacity of Clear Channel and what is the financial capacity of Ordway. Now Clear Channel is huge. There's no doubt about it. I'm told it has only about a Triple-B bond rating. Big does not always mean sustained in these days as we've all seen with many, many huge corporations ending up belly up. Ordway, I mean it's got a very small endowment, 12 million dollars, but it has had enormous fundraising capacity over the years, over a hundred million dollars, it is solvent as near as I now. On the other hand it's talking about going over to the legislature for a ten million dollar in improvement bonds which is, seems to me to be kind of incompatible with that. But if we look out at the long run, the next level of governmental or nonprofit guarantor that looks out for the public interest of the citizens of this city should be the Minnesota state legislature. I don't know but I would prefer to be going over to the Minnesota state legislature looking for assistance hand-in-glove with the Ordway people rather than the Clear Channel people, frankly, as a political matter which turns into an economic matter over there. So if you look at the thing pulled down to its bare bones I really don't think the case has been made to get into this arrangement. And for that reason I'm going to vote against it and again it has nothing to do with personalities. I'm sure a lot of people have worked very hard on this. But when you look at it, you've only got the theaters, the people we can put in the theaters, and what are outside sources of financing. And if you take the City out, which has been the financial lynchpin of this, then you look only to either Ordway or Clear Channel, and what resources they can command.

Lilligren: Thank you, CM. Further discussion on Item 14, the theater recommendations. CM Zimmermann.

Zimmermann: Thank you, Mr. Chair. While I certainly agree with all of those statements made by Mr. Zerby and inasmuch as there are no other speakers on the queue following me, I would ask you to call the question at this time.

Lilligren: Thank you, CM Zimmermann. The question has been called. [inaudible] There will be no discussion on that. Motion all in favor of calling the question please signify by saying "Aye."

Many: Aye.

Lilligren: Opposed. That carriers. The clerk will please call the roll on Item 14 as amended.

Clerk: CM Samuels.

Samuels: Aye.

Clerk: Johnson.

Johnson: Aye.

Clerk: Colvin Roy.
Colvin Roy: Aye.
Clerk: Zimmermann.
Zimmermann: Nay.
Clerk: Schiff.
Schiff: Aye.
Clerk: Zerby.
Zerby: No.
Clerk: Niziolek.
Niziolek: Abstain.
Clerk: Benson.
Benson: Aye.
Clerk: Goodman.
Goodman: Aye.
Clerk: Lane.
Lane: No.
Clerk: President Ostrow.
Ostrow: No.
Clerk: There are six Ayes, four Nays, with CM Niziolek declining to vote on the issue.
Lilligren: City Clerk, I will be recorded as voting Aye.
Clerk: I'm sorry. Acting President Lilligren votes Aye.
Lilligren: That motion carries and is adopted. I will return the gavel to CP Ostrow for the disposition of the balance of the agenda.

[End of theater discussion; continuation of council meeting]