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Rheem Theatre to become a community asset: Agreement signed to sell to MCF

By Sophie Braccini



Image provided

The Moraga Town Council agreed at its March 14 meeting to sign a Memorandum of Understanding with Mahesh Puri, owner of the Rheem Theatre, to create a new parcel containing the current Rheem Theatre, two retail spaces on the left and right of the theater entrance and an apartment unit upstairs, with its ownership to be transferred to the Moraga Community Foundation for \$150,000. The MOU also indicates that the town will support Puri's application to develop the adjacent vacant 1.26-acre site. At this time there is no certainty who will operate the theater and when it would reopen.

Making the theater a community-owned asset managed as a nonprofit has been a goal of the Moraga Community Foundation since its creation a few years ago. By owning the new parcel, it will be possible for MCF to revitalize the theater by adding food and drink locations to its footprint, said MCF Board member Andy Scheck. Mayor

Dave Trotter said that this MOU offers the best opportunity for Moraga to finally preserve the Rheem Theatre for the long term as a locally owned movie theatre, and cherished community asset.

Getting the property owner to sell the town's art deco movie venue at a reasonable price has been a goal of local officials, especially since the operators, Derek Zemrak and Leonard Pirkle, closed the doors in January. Since then intense negotiations have been taking place between the mayor, Vice Mayor Teresa Onoda and town staff, the MCF, and the property owner. Puri had listed the complete theatre parcel, including two restaurants, for \$4.75 million.

The MOU indicates that the town will support Puri's application to build 48 units on the lot adjacent to the theater, a 38 dwelling unit per acre density, with a height of 48 feet - 7 feet higher than the theater. The building will have multiple layers and patios and will not be a block structure; only a small portion of the roof will be taller than the theater. The memorandum also indicates that the town is retaining its discretion to approve, deny or add conditions to the proposed development. The town states its intent to conduct a timely proceeding of the application. To do so, Town Attorney Michelle Kenyon said that the town would condense its usual three-step development process.

The transfer of ownership will not happen until the development is approved. Puri also agreed to lease the theater for \$5,000 a month to an operator that would reopen the closed movie venue.

Pirkle indicated in an email that when he and Zemrak made the decision to close in January after months of deliberations, they stated that they would be interested in reopening the theatre after close of escrow on the building and after the major repairs and reduction of liabilities had been completed throughout the structure

"Our main concern remains the liability issues within the building and a long-term plan for ongoing operations," Pirkle said. "We want a safe environment for the moviegoers and a long-term plan for uninterrupted operations."

Council Member Kymberleigh Korpus was the single voice of opposition to the agreement on the council. She said that she felt that the council was tying its hands from the very beginning by agreeing to expedite the process. She explained that four-level buildings along the scenic corridor did not correspond to town standards, and that if the planning commission reduced it to three levels it could void the MOU. Council Member Jeanette Fritzky recused herself since her husband sits on the MCF board.

MCF's president Tom Schnurr said that the foundation was committed to making the theater a community asset and securing its continuous use. He added that the foundation was developing a plan, assessing the maintenance needs, so everything would be taken care of before reopening. There were rumors that Puri would support the maintenance effort, but the property owner did not confirm that before press time.

At this time the former operators have not said that they intend to come back to Moraga prior to the close of escrow, which could take years. The theater could be leased to another operator.

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