

Carmichael

RECREATION AND  
PARK DISTRICT

# Memo

**To:** Advisory Board of Directors

**From:** Mike Blondino, District Administrator  
Ingrid S. Penney, Administrative Services Manager

**Date:** December 15, 2022

**Subject:** La Sierra Community Center Leases, Suite 110 – Chautauqua Playhouse

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***Background:***

The Chautauqua Playhouse has a lease with the CRPD for a theater, classrooms, office, and storage space at the La Sierra Community Center, Suite 110. The current lease expires on December 31, 2022. They have exercised all their options to extend.

Since 1985, Chautauqua has been providing theatrical productions, community activities, special events, classes, workshops and other recreational educational, or cultural programs for public benefit at the La Sierra Community Center. Prior to becoming one of the initial tenants, they advocated and lent support for the acquisition of the Center for the CRPD.

Because of the significant community service provided by this non-profit organization the lease rates have been considerably less than that of private for-profit tenants and other non-profit tenants. During the shutdown of global COVID-19 pandemic, the CRPD provided rent relief for three months and a rent reduction beginning in October 2020. For a year, Chautauqua paid \$400/month while the theater was closed. Their revenues were directly tied to ticket and subscription sales, grants and donations, and program service fees. They relied on reserves and the generosity of donors to weather the storm during the closure.

Once restrictions were relaxed for indoor activities, they were able to re-open and begin the recovery process. Since September 2021, they have returned to paying the monthly lease rent amount of \$2,510.02.

***Discussion:***

CRPD Staff has negotiated a new agreement with Chautauqua Playhouse with the following terms and conditions:

- Term: January 1, 2023 to December 31, 2025; with one two-year option to extend to December 31, 2027
- Square footage: 6,122
- Monthly rental amount: \$2,510.02 including Utilities and Services; based on current rate of \$ .41 per square foot
- Rate adjustment: CRPD reserves the right to increase the monthly rental every two years beginning in January 2025 to cover the increased costs of Utilities and Service not to exceed 5%

Rate Adjustment –

The timing of a review in two years and a cap of 5% will allow them more time to recover as they re-build their program.

The lease has been reviewed and approved by County Risk Management and County Counsel as to form.

Budget and Fiscal Impact

The FY2022-23 Budget includes projections using the current monthly rental amount of \$2,510.02

***RECOMMENDATION:***

Staff recommends that the Advisory Board approve a new Lease with the Chautauqua Playhouse; approve delegation authority to the District Administrator to execute the Lease with the following terms and conditions:

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- Square footage: 6,122
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