

Chautauqua Lease Committee
April 13, 2015
Final Meeting Summary

Committee Attendance

Susan Connelly
George Karakehian

Tim Plass
Deb van den Honert

Bob Yates

Observers: There were 14 observers present, including members of City staff, Chautauqua residents, and interested citizens.

Facilitation: Heather Bergman and David Burchfield

Issue Identification and Clarification

After brief introductions, the Committee began discussion of the issues for consideration provided in the meeting agenda. Per the City Attorney, this list was created based on the ideas that the current lease 1) has grown beyond its scope (some things may need to be taken out and/or put into a separate agreement), and 2) does not adequately reflect the full extent of the relationship between the City of Boulder and the Colorado Chautauqua Association (CCA). The Committee discussed each proposed discussion topic, clarifying definitions, scope, and associated issues for consideration.

Term

- Although the Chautauqua lease term has historically been 20 years, the City of Boulder Charter was recently amended to allow for 30-year leases to support capital investments by lessees.
- Participants wanted to ensure that this discussion will also cover the impact to current tenants under the current lease, especially if it is to begin before the current lease's end date (1/13/2018).

Rent

- As it is currently structured, the lease states that CCA will pay \$2,500 in annual rent to the City, with an additional \$2,000 paid in lieu of property taxes.
- In recognition that CCA provides significant in-kind value to the City beyond this \$4,500, participants wished to reflect the totality of CCA's contributions in the new lease.

Underlying Philosophy

- This topic is focused on defining and understanding the fundamental nature of the relationship between the City and CCA. There are multiple issues that should be addressed as part of this discussion.
- Although the current lease states that CCA should maximize profits, there have been some public objections to actions driven by this requirement. Participants agreed that clarifying the underlying philosophy of the lease would help to guide decisions about provisions throughout the lease.

- Participants stated a desire to avoid duplicating the efforts of the Guiding Principles discussion that has already occurred. The Guiding Principles that emerged from that prior discussion will be included in this discussion.
- One participant underscored the generally positive nature of the relationship between the City and CCA, stating that there was little “broken” in the current lease that needs fixing. Other participants suggested that revisions (and additions) should therefore reflect the positive nature of this relationship.
- During public comment, the Committee heard a suggestion that the Chautauqua mission be taken under consideration as part of this discussion.

Maintenance Responsibilities

- Although a typical provision in other leases, clarity about maintenance responsibilities is relatively absent in this lease.
- Clarifying these responsibilities in the lease will likely benefit both the City and CCA.

Limitation on Sale/CCA First Right of Refusal

- Currently, CCA lease provisions require that CCA be afforded the right to purchase any cottage for sale to a party not within 4th degree of consanguinity.
- CCA owns 39 cottages. The Committee would like to explore whether there is a desired ratio of CCA ownership to private ownership and whether the consanguinity provision remains useful.

Parking

- Parking is a major issue in and around Chautauqua, particularly when there are events on Chautauqua grounds and during popular hiking hours.
- Though the current lease states that the City would create a neighborhood parking district, this parking district has not been created. When consultants were hired to study this possibility, public backlash was so significant that the project was canceled before it went to Council for review and discussion.
- Participants also wished to include within this issue discussion of:
 - Pedestrian safety
 - One-way traffic/enforcement/traffic flow
 - Access to the park (e.g., possible shuttling or other alternatives to relieve traffic and parking congestion)
 - The greater Chautauqua area (not limited to the National Historic Landmark, but also including adjacent open space and nearby neighborhoods)

Governance

- City Council representation on the CCA board is a topic of interest to the group. Currently there are 2 voting members on the CCA board who are appointed by Council. Council does not currently appoint one of its own members to the board, but this is an option. Another option would be to change the CCA bylaws to allow an additional member from City Council. It was noted that changing CCA bylaws would require a vote of the CCA members and would like not occur before the Committee completes its work.

- Currently, Council appointees to the CCA board must wait 4-5 months after their appointment to vote, though they are invited to observe meetings as soon as they are appointed. The group would like to discuss whether and how this could be changed.
- Some members of the group would like to see additional rules or guidance for transparency in CCA decision making added to the lease in order to be consistent with City of Boulder transparency expectations and requirements.
- There is a working group, the Chautauqua Coordinating Team, that is less visible that has input into the relationship between CCA and the City. Bringing this group to the fore in lease discussions would be helpful. The working group meets monthly and includes representatives of CCA, Parks and Recreation, Open Space and Mountain Parks, Planning/Historic Preservation and other City departments as needed.

Change Management

- This topic refers primarily to the ability and/or need to change structures and other features at Chautauqua. It also relates to the discussion above on maintenance.
- The Guiding Principles conversation covered much of this issue and informed the recent addition of ADA accessible restrooms to serve the Chautauqua Auditorium. As a means of making such changes transparent and amenable to the public, the process for that project worked well.
- One participant noted that this should also cover cost sharing in capital improvement projects (e.g., utility undergrounding) for which there is currently not a clear process.

Primrose Building

- Although the Primrose Building is currently used as a maintenance facility, CCA wishes to move its maintenance operations to a different facility and return the Primrose Building to its historic use as guest lodging.
- Participants suggested that this might fit under the Change Management.
- One participant suggested that this particular issue could be informed by CCA's experience with restoration of the auditorium.

Other Topics

- Start date of the new lease and how it will impact the current lease
- Form of the final agreement (whether all items should be included in the lease or whether there should be a separate document that is more easily amended to address certain aspects of the relationship between CCA and the City)
- Due date for CCA's annual report to the City (the current due date reflects an old fiscal year)
- The current condition that CCA shall not incur liens in excess of \$1,000,000 (the provision may be outdated given the current dollar value of most work CCA might want to do within the leasehold area)

Issue Categorization and Meeting Plan

During the meeting, the Committee agreed to the following schedule of meetings and topics. Additionally, they outlined what materials would be needed for each meeting, who would provide those materials, and what, if any, City staff would be needed to inform the

discussion at a given meeting. A table summarizing this schedule is available on Page 4 of this meeting summary.

NOTE: After the meeting, City staff identified locations for each meeting; these have been added to the schedule below. In order to accommodate meeting room scheduling, the meeting time for the meeting on May 13th was changed from 6pm to 6:30pm.

Boards and Commissions and City Council Involvement

The Committee discussed the desired level of involvement from boards and commissions, framed under two main purposes:

- To provide early input to inform initial framing of issues for discussion
- To provide reflections and input on draft documents developed by the Committee

Some discussion led the Committee to agree that the best method for involving boards and commissions would be to send them meeting summaries with an open invitation for them to attend any meetings to observe and/or provide comment during public comment. Additionally, boards and commissions will be invited to send any ideas they have to the Committee at their convenience. The Committee will solicit written comment from boards and commissions once draft documents are available later in the process. Boards and commissions to be specifically targeted for participation are:

- Landmarks Board
- Open Space Board of Trustees
- Parks and Recreation Advisory Board
- Planning Board
- Transportation Advisory Board

Facilitation

The Committee agreed to retain Peak Facilitation for both meeting facilitation and note-taking for the duration of the process. The facilitator clarified that the City Attorney would review draft documents before they are posted for public review. Meeting summaries will be made publicly available and distributed to boards and commissions and City Council.

Public Comment

Following discussion, the Committee invited public comment. The following comments were provided.

Karl Anuta

- Believes the City is ultimately the landlord of the lease and should consider the real option of revoking the lease if conditions are not favorable (e.g., satisfactory Council representation on the CCA)
- Wished to ensure that someone with expertise and experience in historical landmarks be involved to provide comment in the process (*Note: A Committee member responded that Tom Thorpe, a CCA board member and chair of CCA's Building and Grounds Committee, was appropriately credentialed and would be involved in deliberations.*)
- Suggested that the City should reconsider its ownership of the land upon which the private cottages are located

- Suggested that, within its prerogative as landlord, the City should not let the length of lease be determined by lessee desires (e.g., 30 years for financing viability) if these override its own interests
- Expressed appreciation for having public comment at the end of the meeting to comment on forgoing proceedings

Tom Galey

- Suggested that the CCA mission be considered in the underlying philosophy conversation
- Expressed a desire to ensure that private cottagers be represented, noting his opinion that cottagers have historically received fewer benefits from City-CCA lease negotiations

Joe Stepanek

- Underscored that Boulder's Chautauqua is the last remaining Chautauqua in the United States, making its preservation important
- Hopes that these negotiations would include adherence to landmark regulations that significant changes not proceed without full and public deliberation
- Expressed satisfaction with current governance structure's consistency with the mission

Phil Schull

- Suggested that the timeline for meetings might be overly optimistic
- Suggested that at the end of each meeting, the next meeting's topic should be "teed up" so that any necessary research and/or preparation could begin
- Expressed skepticism about endless iteration, underscoring the need to eventually settle on some decisions
- Believes that operational and capital budgets should be considered together
- Suggested that rather than planning to dictate form (i.e., whether or not to employ two or more documents and how) after policy decisions had been made, it might be more efficient to keep that eventual formation of separate (or shared) documents in mind as policy issues are discussed

CHAUTAUQUA LEASE COMMITTEE MEETING SCHEDULE

Date, Time, Location, and Agenda Topics	Materials and Staff Support Needed Bold = City to provide <i>Italics</i> = CCA to provide
<p>4/29/15 5 pm - 8 pm <i>Council Chambers</i></p> <ul style="list-style-type: none"> • Underlying Philosophy • Change Management • Primrose Building • Limitation on Sale and Right of First Refusal 	<ul style="list-style-type: none"> • Guiding Principles documents and reports • The current lease • <i>Data on current uses, size, etc.</i> • Relevant zoning regulations • <i>Summary of recent working group process related to addition of bathrooms</i> • Verbal report on CCA board and cottage owner opinions • Historical data on cottage sales <p>Staff needed: Planning</p>
<p>5/13/15 6:30 pm - 9 pm <i>1777 West Conf. Room</i></p> <ul style="list-style-type: none"> • Parking 	<ul style="list-style-type: none"> • 2012 parking study, including options proposed by contractor • <i>Cottage owner opinions and expectations</i> <p>Staff needed: Molly Winter, Bill Cowern</p>
<p>5/27/15 6:30 pm - 9 pm <i>1777 West Conf. Room</i></p> <ul style="list-style-type: none"> • Maintenance Responsibilities • Capital Investments • Rent • Term 	<ul style="list-style-type: none"> • <i>Review of CCA capital investments to date</i> • <i>CCA projects wishlist and outstanding capital projects</i> • <i>1-page report on current maintenance responsibilities in practice</i> • Charter provisions • Lease provisions from BMOCA, Dairy Center, and Boulder History Museum • <i>Property tax payment history and trends report</i> • <i>Historical rationale for current rent rate</i> • <i>Benefits accrued to the City (number of stays, meals, sales tax, occupancy tax)</i> • <i>CCA facilities investments report (operational and capital given separately)</i> • <i>Indirect CCA contributions to the City (e.g. housing musicians)</i> <p>Staff needed: Parks & Recreation, Open Space and Mountain Parks, Public Works</p>
<p>6/8/15 5 pm - 8 pm <i>1777 West Conf. Room</i></p> <ul style="list-style-type: none"> • Governance • Other Issues • Loose Ends 	<ul style="list-style-type: none"> • <i>CCA bylaws and board structure summary</i> • <i>Operating CCA decision-making protocols and member appointment schedule</i> <p><i>Note: CCA to invite current Council appointees to the CCA board to attend this meeting and provide their perspectives</i></p> <p>Note: City Attorney to draft lease after this meeting.</p>
<p>7/20/15 5 pm - 8 pm <i>Boulder Creek Mtg Room (Boulder Main Library)</i></p> <ul style="list-style-type: none"> • Discussion of draft lease 	
<p>7/27/15 5 pm - 8 pm <i>Council Chambers</i></p> <ul style="list-style-type: none"> • Revision of draft • Board and commission comments 	
<p>9/10/15 5 pm - 8 pm <i>1777 West Conf. Room</i></p> <ul style="list-style-type: none"> • Finalize draft for submission to Council 	<p>Following this meeting, the final draft of the Chautauqua lease will be presented to City Council for review and discussion, likely on 9/22/15 or 10/6/15.</p>