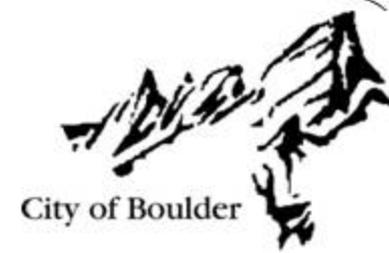


Chautauqua Lease Update

August 6, 2015

Lease Timeline



- The current lease was adopted on January 14, 1998, modified on August 12, 2002 and expires on January 13, 2018.
- Council held a study session on February 10, 2015 and approved the charter for the committee on February 17, 2015.
- Between April and July, 2015, the Chautauqua Lease Committee met 6 times in publicly held meetings.
- The next joint meeting with boards and commissions is scheduled for September 10, 2015.
- Council will be asked to consider approval of the lease in September or October 2015.

Term

(Paragraph 1, page 2)

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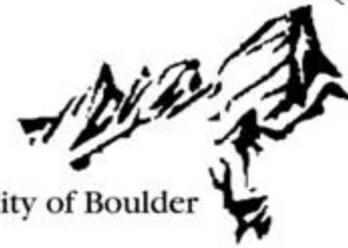


- Under section 111 of Boulder Home Rule Charter, most city leases cannot be more than 20 years.
- A lease can be up to 30 years upon approval of a 2/3 vote of council members if tenant makes significant improvements to the property that council finds provides a public benefit.
- Council members in CCA did not feel comfortable recommending 30-year term due to language in charter reserving to council question of where will be significant improvement...that council finds provides a public benefit”.
- Accordingly, the recommended provision is for a 20 year term with a renewal provision after 10 years.

Rent

(Paragraph 2, page 2)

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- Current lease requires CCA to pay \$2,000 in lieu of ad valorem taxes and rent of \$2,500
- Committee recommended replacing with provision calling for \$1 rent
- The committee's reasoning is that the current rent is symbolic and the real value lies not in the rent paid, but the maintenance, upkeep and capital investment that CCA makes at Chautauqua.
- This change would bring Chautauqua lease with other city leases such as BMOCA and Dairy Center

Responsibilities

(Paragraph 3, pages 2-3)

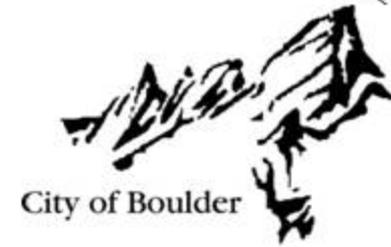
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- Specifically Referenced the Guiding Principles
- Incorporated the current maintenance practices
- Clarified the meaning of public streets
- Recognized the need for city participation in major utility renovation

By-Law and Articles of Incorporation

(Paragraph 4, page 4)

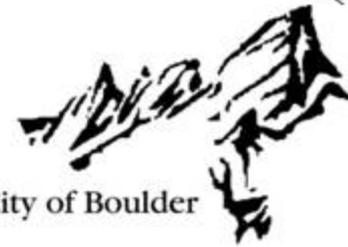


- Current lease entitles city to appoint two of fifteen board members (written as 2 / 15 of board)
- Committee has revised language to specify two members to prevent expansion of board beyond current size
- Paragraph was amended to require one city appointee be a city council member

Use of Facilities

(Paragraph 5, page 4)

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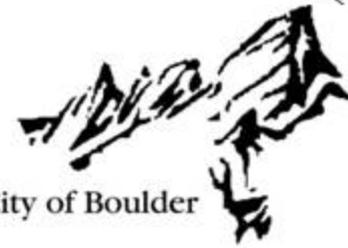


- Current lease requires that CCA give the facilities “the widest practicable use in terms of scope and time”
- The committee replaced this with language intended to reflect a more contemporary view of the CCA’s role:
 - CCA is no longer expected to maximize use.
 - It incorporates preservation into CCA’s responsibilities.
 - It incorporates the city’s sustainability goals.
 - It requires sensitivity to the impacts on the surrounding residential neighborhoods.
 - It recognizes that CCA needs to generate sufficient revenue to meet its responsibilities without city subsidy.

Traffic Control and Parking

(Paragraph 6, page 5)

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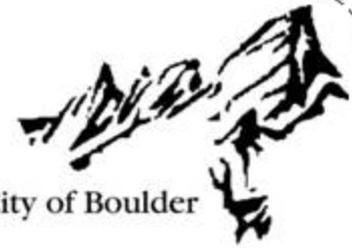


- Title changed to “Access and Parking”
- Committee believes the lease is not appropriate means to address traffic control and parking at Chautauqua
- This is a broader issue requiring a broader community conversation.
- Lease provides for a Chautauqua Access Management Plan (CAMP) to be developed by next year and then periodically updated

Permitting

(Paragraph 11, page 8)

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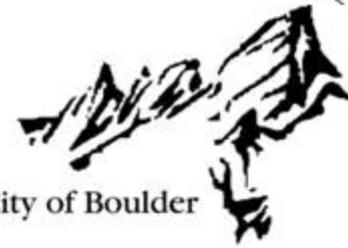


This paragraph required that CCA and the city agree on a process for permitting activities in the park and required an annual meeting. In fact, staff meets with CCA regularly and much more frequently than annually. In addition, the paragraph did not address open space. Accordingly, the paragraph has been renamed “Coordination” and eliminates the annual review provision.

Limitation on Subleases

(Paragraph 14, page 9)

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- Current lease devotes several pages to limitations on ability of private cottage owners to sell their cottages
- CCA and cottage owners are in the process of negotiating these provisions.
- The committee decided it would be best to incorporate the sublease into the lease by reference.
- New paragraph requires CCA assess the cottage owners for a portion of CCA's contribution to major utility renovations.

Privately Owned Cottages

(New, Paragraph 14, page 13)

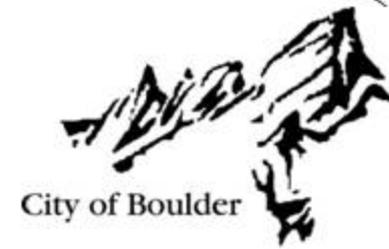
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- The new paragraph recognizes the importance of private cottages
- Requires CCA to lease land to cottage owners
- Limits CCA's ability to acquire additional cottages only if the acquisition meets strategic guidelines set established by the board of directors.
- Agrees to maintain current practice of increasing rents only to cover increased costs through inflation

Miscellaneous

(Paragraph 17, page 15)

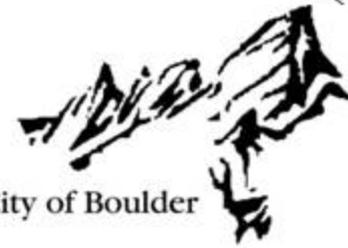


- Currently, the lease can be terminated immediately based on any breach.
- The committee recommended removing the word “immediately” and allowing an opportunity to fix the problem.

Amendment

(New, Paragraph 18, page 16)

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There was no provision in the existing contract for amendment of the lease. This paragraph provides a process for amendment.