



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: October 6, 2015

AGENDA TITLE: Request for Council approval of a proposed lease of 26 acres of city land, including three city buildings to the Colorado Chautauqua Association.

PRESENTER

Tom Carr, City Attorney

EXECUTIVE SUMMARY

For 117 years, the City of Boulder has partnered with the Colorado Chautauqua Association (CCA) and its predecessor the Texas Colorado Chautauqua Association to create and maintain the Colorado Chautauqua. Since 1898, there have been nine lease renewals, modifications or renegotiations. The current lease, which was adopted on January 14, 1998 and modified on August 12, 2002, expires on January 13, 2018. It can adversely affect a tenant's (cottage owner's or other CCA tenant's) ability to obtain financing or the CCA's ability to enter into multi-year contracts (e.g., with Colorado Music Festival or the Dining Hall operator) if a lease of this nature is allowed to come too close to its expiration date. Accordingly, both the city and CCA have a desire to enter into a new lease this year, effective January 1, 2016.

At a February 10, 2015 study session, the City Council considered and discussed options of a new lease with CCA. On February 17, 2015, Council created a Chautauqua Lease Committee, consisting of two council members, two CCA representatives and one cottage owner. The committee met ten times to consider the lease. In addition, the proposed lease was considered by the Parks and Recreation Advisory Board and the Landmarks Board and at a joint meeting of those two boards together with the Open Space Board of Trustees and the Transportation Advisory Board. All of the committee's meetings were open to the public and attended by community members who offered comments at each session. Notes of each meeting were taken and published online, as were iterations of the lease as it was being revised.

In addition to the two meetings in February, staff provided updates to Council on August 6 and September 24.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests Council consideration of this matter and action in the form of the following motion:

Motion to authorize the city manager to enter into a lease of approximately 26 acres of city-owned land, including three city-owned buildings to the Colorado Chautauqua Association in substantially the form set forth in Attachment A.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- **Economic:** Chautauqua is one of the city's most important destinations and is a major attraction for visitors to the city. Chautauqua contributes accommodations tax for cottage rentals, admission tax on events in the auditorium and tax on meals served in the dining. The lease supports the important role played by the Colorado Chautauqua Association in the city's economy.
- **Environmental:** Beginning in 2008 the Colorado Chautauqua Association has made sweeping changes to the way it operates and continues to explore strategies to conserve water and energy, divert waste from landfills and utilize earth-friendly products, while preserving the guest experience and the Colorado Chautauqua's historic character.
- **Social:** Chautauqua plays an important role in the city's social fabric. It is many things to many people: a historic landmark, a public place, a gateway to open space, a park neighbor, a place to learn, grow, relax, exercise or just enjoy. The proposed lease attempts to balance and recognize the needs of the various users and stakeholders.

OTHER IMPACTS

Fiscal – Following on the Guiding Principles for Collaborative Place Management and Fiscal Sustainability the lease supports the concept of shared financial responsibility. This includes the city's agreement to absorb the majority of the costs associated with major renovations, which are estimated to cost approximately \$10 million.

Staff Time – The lease memorializes the current practice of staff coordination with CCA. All staff time will be covered in existing budgets.

BOARD AND COMMISSION FEEDBACK

The Landmarks Board considered the proposed lease on September 2, 2015. The Landmarks Board provided comments which are set forth in Attachment C.

On September 10, 2015, the lease committee met with the Landmarks Board, the Parks and Recreation Advisory Board, the Transportation Advisory Board and the Open Space Board of Trustees. Notes from that meeting are in Attachment D.

On September 28, 2015, the Parks and Recreation Advisory Board considered the proposed lease. PRAB voted to approve the lease 7 to 0. PRAB members did express their concern about the proposed lease term. They were concerned about the appearance that the lease was in effect a 30 year lease in violation of the charter and would prefer a 20 year lease with no automatic renewal provision.

BACKGROUND & ANALYSIS

The following highlights the major changes in the lease. Overall the goal was to update the lease to reflect the current relationship between the city and CCA, recognizing the shared values and important role that Chautauqua plays in our community. In 2012, the City Council developed a stewardship framework for Chautauqua, including the adoption of Guiding Principles for Place Management and Fiscal Sustainability on December 4, 2012. These Guiding Principles balance the need to preserve, protect and maintain Chautauqua's historic character with the needs of diverse stakeholders and user groups. The Guiding Principles are expressly incorporated as part of the lease and specifically referenced three times. In large part, the revisions to the lease were guided by Council's earlier stewardship conversation.

Significant Changes to the Lease

The following is a discussion of the significant changes to the lease. They are presented here in the order in which they appear in the lease to make it easier to follow. The order, therefore, is not reflective of the significance of the change.

A. Term (Paragraph 1)

Under Section 111 of the Boulder Home Rule Charter, most city leases cannot be more than 20 years. A lease can be up to thirty years "upon approval by a two-thirds vote of all council members if the tenant makes significant improvements to the property that the council finds provide a public benefit." CCA would prefer a thirty year lease. The committee did not feel comfortable recommending such a term. Accordingly, the recommended provision is for a term of twenty years, with a provision for a new 20-year term beginning January 1, 2026 – ten years into the lease – if neither council nor the CCA board objects. Depending on council's reaction to this proposal, CCA might still advocate for a 30-year term.

B. Rent (Paragraph 2)

The current lease requires CCA to pay \$2,000 in lieu of ad valorem taxes and rent of \$2,500. The committee recommended that this provision be eliminated and replaced with a provision calling for rent of one dollar. The committee reasoned that considering

the value of the property, the current rent is little more than symbolic. Moreover, the real value to the city lies not in the rent paid, but the maintenance, upkeep and capital investment that CCA makes at Chautauqua. This change would also bring the Chautauqua lease in line with the city leases for the Boulder Museum of Contemporary Art, the Dairy Center for the Arts and the Boulder History Museum. BMOCA and the Dairy Center each pay one dollar per year. The Boulder History Museum is treated as a contractor and does not pay rent.

C. Responsibilities (Paragraph 3)

The “Responsibilities” paragraph provides important guidance about the use and maintenance of the leasehold area. Several provisions in the current lease go far beyond what would be considered acceptable today. There is also some ambiguity in the language regarding maintenance responsibilities. The committee attempted to clarify the roles and incorporate the Guiding Principles into the language allowing CCA to make changes at Chautauqua. The current lease reads as follow:

The Association shall have the privilege of remodeling the buildings and improvements and making such substitutions, additions, modifications and improvements thereto as the Association may deem proper.

The breadth of this language is not unusual for a ground lease, but it does not reflect our current community values. Accordingly, the committee added the following qualification:

Any such substitutions, additions, modifications and improvements shall be governed by the Collaborative Place Management provisions of Guiding Principles for Place Management and Fiscal Sustainability as set forth in Exhibit B and be subject to all other city requirements.

The committee’s intent is that any change will require compliance with the Guiding Principles and any other city requirement, for example obtaining a landmarks alternation certificate when required under the code.

The current lease requires the city to maintain the “public streets.” This term is not defined. It may have been an attempt to exclude alleys. The new language is intended to clarify the city’s responsibilities and to conform to current practice.

Both CCA and the city anticipate the need to perform major renovation of the streets and underground utilities at Chautauqua. The need to perform this work will not limit normal maintenance of these facilities.

D. By-Laws and Articles of Incorporation (Paragraph 4)

Currently, the city is entitled to appoint two of fifteen board members. In the lease, this is written as two-fifteenths of the board. The committee revised this language

to specify two members and to prohibit expansion of the board beyond its current size. In the event that CCA decides to reduce the size of its board, the city's representation will never be less than two members. In addition, this paragraph was amended to require that one city appointee shall be a city council member. Several members of the city council expressed concern that the city's representation was not adequate. At the August 6 meeting, Council members suggested that the city have between three and five representatives on the CCA board. At the August 19 committee meeting, the CCA representatives explained that the city's representation could be changed only through a change to the CCA bylaws. Changing the bylaws would require approval of the CCA membership at either a special election or at the regular election of CCA board members each July. A quorum of 10% of members is required for a valid election. (The current membership is approximately 1,200) and at least 75% affirmative vote of those voting to approve a bylaws amendment. Thus, even if the city insisted on this change, it might not be possible for CCA to change its bylaws. The committee decided not to change its recommendation with respect to the number of representatives on the CCA board.

E. Use of Facilities (Paragraph 5)

The current lease requires that CCA give the facilities "the widest practicable use in terms of scope and time." The committee removed this language and replaced it with the following that is intended to reflect a more contemporary view of CCA's role:

[I]t is the intent of the parties that the leased facilities be managed such that needs and interests of many are balanced in a manner that protects the site and spirit of Chautauqua. The leasehold area should be used, managed and preserved in a manner consistent with the community's sustainability goals and with sensitivity to impacts on surrounding residential neighborhoods, the adjacent park and the surrounding open space, while allowing the Association to remain financially viable without city subsidy.

This language includes several important concepts:

- 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, the adjacent park and surrounding open space.
- It recognizes that CCA needs to generate sufficient revenue to meet its responsibilities without city subsidy.

F. Traffic Control and Parking (Paragraph 6)

The committee changed the title of this paragraph to Access and Parking. The committee believes that the lease is not the appropriate means to address traffic control

and parking at Chautauqua. The lease addresses only a portion of the greater Chautauqua area and only involves one stakeholder. The committee recognized that “Chautauqua needs a tailored access management to balance the access of the variety of users and modes while also maintaining natural, built and historic environments.” Accordingly, the lease provides for a Chautauqua Access Management Plan (CAMP) to be developed by next year and then periodically updated, to address the needs and responsibilities of all users.

Staff recommends that the approach to developing CAMP be based on the principles detailed in the lease which implies a holistic, comprehensive and area-wide approach. Staff anticipates that given the different uses and unique character of the area a variety of tools and innovative approaches will be needed to meet the needs and challenges of the area. Staff will use existing access management strategies such as Neighborhood Parking Permit zones, paid and managed parking, integration with multi-modal strategies as the starting point for designing the tailored solutions needed to address the access needs within the Chautauqua lease area, the adjacent park and open space areas and the surrounding neighborhoods.

Staff will recommend implementation of Pilot Programs to test potential innovative solutions when appropriate. Substantial data were collected in 2011 and 2012 regarding the parking and use of the area as part of a prior access management effort. Because the OSMP visitation data used for this prior work dates back to 2005 and appears to capture visitation more broadly than at Chautauqua alone, OSMP is updating local visitation data through a special target study in the late summer of this year.

The development of the CAMP will have budget and resource impacts on all parties and will need to be integrated into the work plans of the city and the Chautauqua Association. Staff will work in collaboration with CCA and involve the other stakeholders and the surrounding neighborhoods.

Staff will develop a public process which involves soliciting input from stakeholders in the area, as well as reporting to and solicitation of feedback from key Boards and Commissions, before bringing a final recommendation to the City Council. The Council will receive periodic updates from staff as the project progresses.

At the August 6 council meeting several members expressed concern that the principles guiding the CAMP process did not adequately balance the needs of all users. At its August 19 meeting the committee added three additional principles intended to address this concern and clarify that the CAMP process is to be inclusive of the interests of all stakeholders.

G. Covenant Not to Incur Liens (Paragraph 9)

The current lease limits liens to \$1 million. The committee changed this to CCA’s “reasonable ability to pay based on Association revenue.” The title of this paragraph was changed to “Liens.”

H. Permitting (Paragraph 11)

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.

I. Limitation on Subleases (Old Paragraph 14- New Paragraph 15)

This paragraph has been removed and replaced with a new paragraph 15, entitled “Subleases.” The current lease devotes several pages to the limitations on the ability of private cottage owners to sell their cottages. CCA and the cottage owners are in the process of renegotiating these provisions as well as others. The committee decided that it would be a better practice to simply incorporate the sublease into the lease by reference.

The committee recommended that the lease include a new paragraph that would have required that CCA assess the cottage owners for a portion of CCA’s contribution to the major utility renovations discussed in paragraph 3. At its August 19 meeting, the committee decided to delete this paragraph and substitute an increase in the rents charged to cottage owners that would be dedicated to paying the expense of the major utility renovations.

J. Privately Owned Cottages (New Paragraph 14)

A new paragraph 14 recognizes the importance of the private cottages. It requires CCA to lease land to the cottage owners. It also limits CCA’s ability to acquire additional cottages only if the acquisition meets strategic guidelines set established by the board of directors. The committee recommended a provision through which CCA would agree to maintain its current practice of increasing rents only to cover increased costs through inflation. The issue of cottage owner rents was the subject of an extensive discussion at the August 6 council meeting. Council members expressed concern that the cottage owners were being undercharged significantly for the use of very valuable land and that the lost revenue could contribute favorably to CCA’s ability to operate without city subsidies.

The committee had an extensive discussion of this issue at their August 19 meeting. The cottage owners pointed out that the city council was mistaken in assuming that they paid only approximately \$100 per month. Adding in taxes and common area maintenance fees, the average cottage owner pays approximately \$500 per month. In addition, the cottage owners pointed out that they make a valuable contribution to Chautauqua by acting as hosts, guides and as part of the living history of Chautauqua. The committee agreed that CCA should increase cottage rents in the amount of \$200 per month and that this increased revenue should be used to assist with the expense associated with the major utility renovations. The increase will be adjusted annually for

inflation. This is expected to produce \$2 million over the 20 year term of the lease. The proposed lease says that CCA will “reserve” these funds for major renovations. After the committee completed its work, CCA’s auditor questioned the use of the word “reserve,” which would require CCA to retain these funds until expended. The auditor recommended that this provision be changed to use the word “expend,” which would allow CCA more flexibility in managing cash flow until the funds are needed. Although the lease itself refers only to a “substantial” increase in rent, the actual amount will be in the sublease that will be attached to the lease.

K. Miscellaneous (Paragraph 17)

In the current lease, 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.

L. Amendment (Paragraph 18)

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

ATTACHMENTS

Attachment A – Proposed Lease

Attachment B – Proposed Lease (Redlined to Show Changes from the 2002 lease)

Attachment C – Landmarks Board Comments

Attachment D – Notes from September 10, 2015 joint board meeting

LEASE

THIS LEASE, made and entered into this ____ day of _____, 2015, by and between the City of Boulder, Colorado, a Colorado home rule city ("City"), and the Colorado Chautauqua Association, a Colorado non-profit corporation ("Association").

WITNESSETH:

WHEREAS, the City and the Association have maintained for one hundred and seventeen years a mutually beneficial relationship in the establishment and maintenance of a Chautauqua assembly for the benefit of the Boulder community and its visitors; and

WHEREAS, the entire Chautauqua (a portion of which is described in Exhibit A attached hereto) was entered into the City, state and national registers of historic places as a historic district in 1978; and was designated a National Historic Landmark district by the U.S. Secretary of the Interior in 2006; and

WHEREAS, the preservation of the Chautauqua heritage for the benefit of future generations and the operation of the Chautauqua for the benefit of all are the primary objectives of both parties;

WHEREAS, the existing Lease agreement between the parties will expire on January 14, 2018; and

WHEREAS, the parties have determined that it is in the interests of both to renew the existing Lease on the terms and conditions set forth below; and

WHEREAS, on December 4, 2012, the Boulder City Council adopted Guiding Principles for Place Management and Fiscal Sustainability, which are attached as Exhibit B and which are incorporated as if set fully forth in this lease agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. TERM. The City hereby leases to the Association the real property described in Exhibit A attached hereto for a period of twenty years, beginning January 1, 2016, and ending December 31, 2035. The parties agree that if, during the six-month period prior to January 1, 2026, neither party objects, a new Lease, with terms identical to the prior lease, will commence for a period of twenty years beginning on January 1, 2026, and ending on December 31, 2045. Any such objection may be made by an affirmative vote of the majority of the City Council or by an affirmative vote of a majority of the Association's Board of Directors. In the event that a party objects, the term of the Lease shall end on December 31, 2035. The City reserves the right to replace the description contained in Exhibit A by a more detailed survey of the land in question, at any time.

2. RENT. As rent, and as partial consideration for this Lease, the Association agrees to pay to the City on or before January 1 of every calendar year during the Term hereof the sum of one dollar.

3. RESPONSIBILITIES. Chautauqua encompasses multiple ownerships and missions; the needs and interests of many must be balanced in a manner that protects the site and spirit of Chautauqua, in keeping with Guiding Principles for Place Management and Fiscal Sustainability. Management decisions about surrounding uses should be made with sensitivity to potential impacts on the Association's leasehold area. The Association accepts responsibility for the maintenance and improvement of all buildings and improvements located on the real property described in Exhibit A, except for private cottages and the public restrooms immediately below the Dining Hall. With respect to the Dining Hall public restrooms, the City shall assume all costs of regular and reasonable cleaning and maintenance, supplies and water, annual painting, and major maintenance, including, without limitation, replacement of obsolete or unserviceable fixtures. The Association shall maintain, preserve and keep all buildings and improvements for

which it is responsible in good repair, working order and condition and shall make or cause to be made all necessary repairs and improvements to that end. The Association shall have the privilege of remodeling the buildings and improvements and making such substitutions, additions, modifications and improvements thereto as the Association may deem proper. Any such substitutions, additions, modifications and improvements shall be governed by the Collaborative Place Management provisions of Guiding Principles for Place Management and Fiscal Sustainability as set forth in Exhibit B and be subject to all other city requirements. The Association agrees to implement all feasible procedural safeguards in the operation of the Auditorium, the Dining Hall and the Academic Hall so as to minimize the likelihood of serious fire. Subject to the availability of appropriations therefor, the City shall:

- A. Provide all ongoing City services, such as police, fire, animal control, and the similar services, to the area described in Exhibit A; and
- B. The City shall provide for the maintenance of the streets, but not the alleyways. The parties recognize that the streets in the leasehold area are part of the historic nature of Chautauqua. The city shall not be responsible for maintaining such streets to the level of normal city standards for city streets. The city shall make such minor and incidental repairs as may be necessary to keep the streets serviceable. The city shall provide snowplowing for such streets as resources are available consistent with other city priorities.
- C. The parties agree that in the foreseeable future, major renovation of the streets, and drainage system will be necessary, and that on-going maintenance of the water mains and sanitary sewers mains will continue and be prioritized with other city utility maintenance work. The city accepts the primary responsibility for funding the major renovations in accord with the city's capital improvement program. The Association accepts responsibility to contribute financially to these improvements. The parties

intend that the renovation of infrastructure will be coordinated with moving the overhead utilities underground.

4. BY-LAWS AND ARTICLES OF INCORPORATION. Throughout the Term of this Lease, two of the Association's Directors shall be appointed by vote of the City Council, one of whom shall be a member of City Council. Without the written permission of the City, the Association shall have no more than 15 members on its Board of Directors, inclusive of those appointed by the City

5. USE OF FACILITIES. The Association shall have year-round use of all of the real property described in Exhibit A, and it is the intent of the parties that the leased facilities be managed such that needs and interests of many are balanced in a manner that protects the site and spirit of Chautauqua. The leasehold area should be used, managed and preserved in a manner consistent with the community's sustainability goals and with sensitivity to impacts on surrounding residential neighborhoods, the adjacent park and the surrounding open space, while allowing the Association to remain financially viable without city subsidy. At a minimum, the Association shall schedule a summer entertainment program in the Auditorium annually beginning no later than June 15 and extending to at least August 31. Such programming shall include at least 15 live performances.

6. ACCESS AND PARKING MANAGEMENT. As a national, regional and local landmark and attraction, Chautauqua needs a tailored access management strategy to balance the access of the variety of users and modes while also maintaining the natural, built, and historic environments. The Association and the City agree that the absence of a dependable and coherent parking program in the areas described in Exhibit A has adversely affected the Association's operations, the maintenance of a Chautauqua assembly and its attendant mission, and the experiences of those who reside or stay in such areas in order to enjoy and experience Chautauqua. The parties recognize that during peak periods, parking demand for all uses within

and around Chautauqua far exceeds supply. The movement of vehicles looking for parking presents safety issues and degrades the visitor experience. During the first year of this Lease, the parties commit to develop a Chautauqua Access Management Plan, which shall be thereafter periodically reviewed and revised by the parties to address current circumstances and conditions.

That plan shall be governed by the following principles:

- Chautauqua is a unique shared resource requiring unique solutions.
- Chautauqua is a National Historic Landmark.
- The needs of all stakeholders, including the Association, cottage owners, park users, open space users and neighbors should be considered.
- A mix of uses must be accommodated.
- Pedestrians must be given priority on the narrow streets without sidewalks.
- Traffic circulation should be minimized in the interests of pedestrian safety and user experience.
- Parking demand is seasonal and solutions need not address time periods during which access is readily available.
- During peak periods, the parking needs of users in the historic core should be prioritized, but not exclusive.
- A seasonal transportation demand management (TDM) plan for employees should be implemented.
- The right of public access should not be unreasonably restricted.
- The interests of the surrounding neighbors should be addressed.
- Any plan should be flexible to address changing circumstances.
- Access management should be consistent with the Guiding Principles for Place Management and Fiscal Sustainability.
- Consistent with the City's climate commitment and sustainability and resiliency goals, any plan should support public transit, alternative modes of transportation, a reduction in vehicle miles traveled and a reduction in visits in single occupant vehicles. .

7. NON-DISCRIMINATION. The Association shall abide by all relevant City, state and federal legislation concerning non-discrimination in the offering of housing and public accommodations and in admissions to public events.

8. INSURANCE. The Association shall cause public liability insurance to be carried and maintained, at all times during the term hereof, with respect to all activities to be undertaken by the Association on or in connection with the real property described in Exhibit A. Such public

liability insurance shall be in amounts not less than the then applicable coverage amounts for any injury to one person in any single occurrence and coverage amounts for any injury to two or more persons in any single occurrence set forth in Section 24-10-114, C.R.S. 1973, as amended, but not less than \$150,000.00 for any injury to one person in any single occurrence. Insurance purchased by the Association pursuant to this section shall name the City as an additional named insured, and a certificate evidencing the insurance coverage required by this section shall be provided at least annually to the City. Each insurance policy provided pursuant to this section shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of the City, without first giving actual written notice thereof to the City at least ten days in advance of such cancellation or modification.

9. LIENS. The Association shall not incur liens greater than its reasonable ability to repay based on Association revenue. The Association shall obtain proper bonds to insure against any such liens and shall include provision in any relevant document stating that the City shall not be responsible for any indebtedness or liens incurred.

10. ASSOCIATION TO ASSUME DUTIES OF CITY: INDEMNIFICATION. The Association shall assume any and all duties which might otherwise be imputed to the City by virtue of its continued ownership of the public buildings located on the real property described in Exhibit A, except for the public restrooms located on the lower level/north side of the Dining Hall building. The Association agrees to indemnify and save harmless the City against any and all claims, debts, demands, or obligations which may be asserted against the City arising by reason of, or in connection with, the City's ownership of the aforementioned public buildings and any alleged act or omission of the Association on or in connection with the real property described in Exhibit A.

11. COORDINATION. The Association and the City shall develop a mutually agreeable process for sharing information concerning planned activities and events in the City park and

open space adjacent to the Association's leasehold described in Exhibit A, and concerning the receipt, review and grant of permits for activities in those City adjacent areas.

12. INSPECTION OF BOOKS. The Association shall maintain its principal office on the Chautauqua grounds and shall keep and maintain the books of the Association at such office. The books and records of the Association shall be subject to inspection and examination by the City at all times.

13. ANNUAL REPORT AND AUDIT. The Association shall provide an annual report to the City on or before June 15th of each year detailing the following performance indicators: number and type of performances; number of attendees in Auditorium, Community House and other programming venues; estimated number of City residents served; estimated number of Boulder youth served; number of tickets and free admissions provided to community organizations and individuals; number of free (no cost) events sponsored by the Association; description of outreach efforts to diverse populations/communities of color in Boulder; number of low cost rentals to non-profit or governmental groups in the community; and number and type of partnerships with other arts and cultural organizations. The foregoing report shall accompany an annual financial audit and a copy of the Association's Internal Revenue Service filing (currently form 990) disclosing detailed financial information about the Association, including compensation of officers and directors. The Association also shall provide to the city copies of minutes of Board of Directors' meetings within thirty days of approval by the Board of Directors.

14. PRIVATELY OWNED COTTAGES. There are currently 39 privately-owned cottages at Chautauqua. Private ownership of some of the cottages provides a contemporary sense of neighborhood and a link to Chautauqua's history. While some cottages have year-round residents, others follow a historic pattern of use by families during the summer months. Recognizing the importance of private ownership, it is the intent of the parties that the number of privately-owned cottages shall not change significantly. The Association shall sublease the land on which the private cottages are situated to the owners of each private cottage. The Association

has acquired a privately-owned cottage only once during the prior twenty year lease term. The parties recognize, however, that the Association may choose to acquire cottages in furtherance of its mission to preserve, perpetuate and improve the site and spirit of the historic Chautauqua. The Association agrees that it will only exercise the right of acquisition pursuant to strategic guidelines set forth by its board of directors and as necessary to further its mission. The Association further agrees to increase rents substantially and to reserve the revenue from the increased amount for contribution to the major renovations described in paragraph 3(C) above. The Association shall establish rental rates after giving consideration to the following factors, and such other factors as the Association may deem pertinent:

- The Association's need to maintain and operate Chautauqua without city subsidy;
- The need for cottage owners to have sufficient financial resources to preserve the historic cottages; and
- Recognition of the limited financial resources of some cottage owners.

15. SUBLEASES. The Association shall, as soon as practicable after the date of this lease, negotiate sublease with the private cottage owners (each a "Sublease"). Each Sublease shall be substantially in form and content as set forth in Exhibit C attached hereto and shall have the same term as the term of this lease including any renewal of the term as provided in paragraph 1.

Nothing in this Section 15 shall prohibit the Association and the owner from agreeing to provisions in the sublease which are supplemental or additional to the terms set forth above, provided that such supplemental or additional provisions are consistent with, and do not impair or limit, the terms set forth above.

16. TERMINATION OR NONRENEWAL OF LEASE. Upon the termination or nonrenewal of this Lease, all buildings and improvements on the real property described in Exhibit A shall be removed within six months, and if not removed shall automatically become the property of the City of Boulder.

17. MISCELLANEOUS.

- A. The legislation of the State of Colorado and the City of Boulder shall be applied in the interpretation, execution, implementation and enforcement hereof.
- B. In the event that any provision hereof shall be held to be unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
- C. This Lease shall be terminable by either party upon any breach of the terms hereof. No delay, omission or forbearance in exercising such right or power shall impair any such right or power or shall be construed as a waiver thereof, unless such waiver is expressly given in writing and signed by both parties. Prior to termination, the party asserting breach shall provide notice immediately to the other party. The party that is alleged to have breached the Lease shall have fourteen days to cure. If the breach is not cured within fourteen days after notice, the Lease may be terminated.
- D. The captions contained herein are inserted for ease of reference only and shall not be construed to constitute or modify any part hereof.
- E. This Lease contains and constitutes the entire agreement between the City and the Association with respect to the subjects addressed herein, and all prior or contemporaneous agreements or leases between the City and the Association, whether written or oral, are merged in and superseded by this Lease.

18. AMENDMENT. No amendment or modification of this Lease, shall be valid or binding unless reduced to writing, approved and executed by the parties in the same manner as the execution of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

CITY OF BOULDER, COLORADO

Jane S. Brautigam, City Manager
1777 Broadway
Boulder, CO 80302
Telephone (303) 441-3090
Fax (303) 441-4478

Attest:

City Clerk

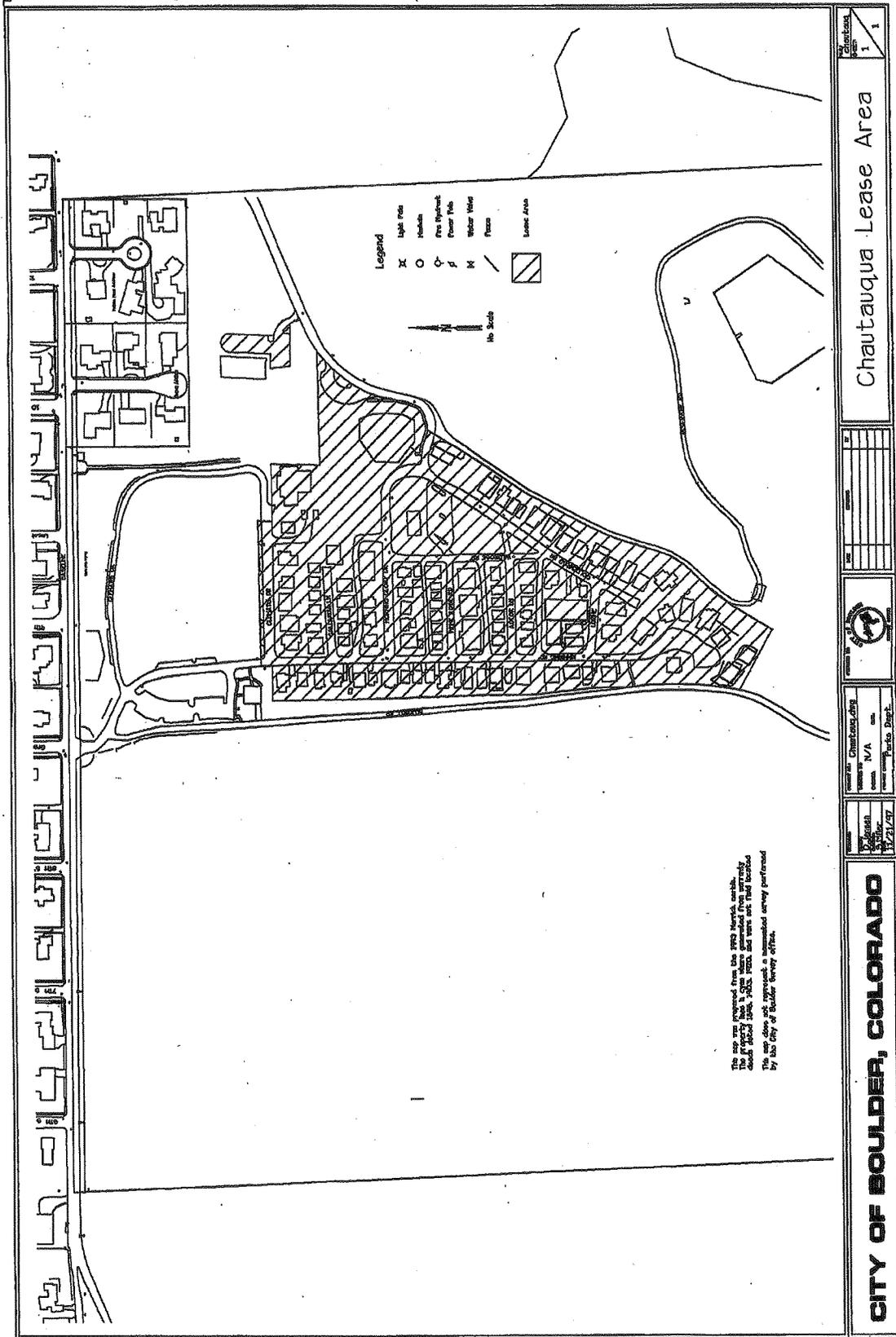
THE COLORADO CHAUTUAQUA ASSOCIATION

By: _____
Susan G. Connelly, Executive Director
900 Baseline Road
Boulder, CO 80302
Telephone: (303) 442-3282
Fax: (303) 449-0790

Attest:

Secretary, Board of Directors

Exhibit A



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*Collaborative Stewardship of the Colorado Chautauqua***GUIDING PRINCIPLES FOR PLACE MANAGEMENT AND FISCAL SUSTAINABILITY**

Purpose of the Guiding Principles

These guiding principles represent a shared statement about the nature of the Colorado Chautauqua and the manner in which its primary stewards (the City of Boulder and the Colorado Chautauqua Association) intend to collaborate in the planning and management of its future.

1 A Public Place

Chautauqua is a shared community resource and a public place. It is essential that it remain a place that is accessible, safe and welcoming to the general public.

2 A Historic Landmark

The Colorado Chautauqua is a recognized national and local historic landmark. Preservation of its historic character is of the utmost importance when making decisions about its future.

3 A Historic Mission

Chautauqua supports cultural, educational, social and recreational experiences that are integral to its historic character and function. Preservation and perpetuation of its historic mission and supporting operations are paramount to sustaining the spirit of Chautauqua.

4 A Balanced Approach

Chautauqua encompasses multiple ownerships and missions; the needs and interests of many must be balanced in a manner that protects the site and spirit of Chautauqua, in keeping with principles 1, 2 and 3. Management decisions about surrounding uses should be made with sensitivity to potential impacts on Chautauqua. At the same time, Chautauqua should be managed and preserved in a manner consistent with the community's sustainability goals and with sensitivity to impacts on surrounding residential neighborhoods.

5 Collaborative Place Management

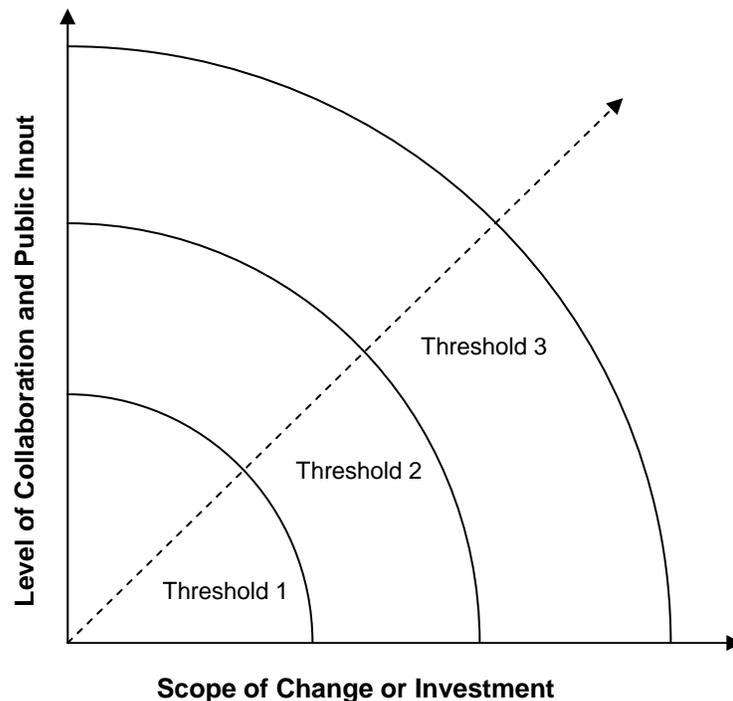
To achieve the balanced approach described in principle 4, the Chautauqua area (including the CCA leasehold and adjacent parks and open space) must be collaboratively managed. In particular, the following components of collaborative place management must be clearly defined and agreed to by the city and the CCA:

5a Roles and Responsibilities. The city and the CCA have the joint responsibility of preserving, perpetuating and improving the spirit and historic character of Chautauqua through collaborative stewardship and place management as well as the responsibility of managing specific public and private assets:

Exhibit B

- **The Colorado Chautauqua Association** has the role of perpetuating the spirit and mission of the historic Chautauqua through production of cultural, educational, social and recreational experiences to benefit the Boulder community and visitors to the area. The CCA also has the responsibility, under its lease with the city, of managing and programming certain public assets and CCA’s owned cottages, lodges and other facilities in a manner consistent with its historic mission and these guiding principles.
- **The City of Boulder** has multiple roles, including: 1) **owner** of the underlying land throughout Chautauqua, three key historic buildings and an historic structure in the leasehold, serving in this role as landlord to the CCA; 2) **manager** of the public infrastructure throughout Chautauqua and of the public assets and lands outside the leasehold, including a public park and open space; and 3) **regulator** in terms of city laws. The city has the responsibility of representing the interests and priorities of the community at-large; maintaining safe and efficient access to and within the site; and coordinating policy and action in a manner consistent with these guiding principles.

5b Thresholds for Collaborative Processes. Effective collaboration among the multiple core entities responsible for the Chautauqua area’s management is critical. In general, the collaborative processes between CCA, the city and the public should proportionately increase as the scope of the proposed change increases as illustrated in the following graph:



The following is illustrative of “thresholds for collaboration” that will be refined, clarified and agreed to by the city and the CCA to guide future agreements and decision-making processes. It may or may not be the final recommendation to have three thresholds; that will be determined in the next steps.

Exhibit B

- **Threshold 1: Minor Modifications.** These encompass site or facility changes that do not involve significant changes to the site or public building exteriors; are led and financed primarily by a single party; and are consistent with these guiding principles. Coordination and collaboration between the CCA and the city is essential, but successful precedents exist that can be clearly defined and followed to ensure transparency, mutual understanding and continued success. *Examples of this type of change include recent enhancements to site way finding and interpretive signage and current work to improve the bus pull-out and site circulation for improved pedestrian safety.*
- **Threshold 2: Significant Modifications Led by a Single Party.** These are changes to the site or facilities that significantly alter a city-owned building's exterior, involve new construction or demolition, significantly alter historic site patterns or designs, and/or represent a significant change in use. This level of change may be proposed by a single party but will require a higher degree of coordination and collaboration early in the process to address the concerns or needs of other parties and ensure consistency with these guiding principles. The resulting process may or may not lead to shared financial responsibility, but should ensure transparency, opportunities for public input and clarity and timeliness of decision making for the concerned party(ies). *Examples of this type of change include the potential addition of ADA-accessible bathrooms for the Chautauqua Auditorium and the concept of a new free-standing building.*
- **Threshold 3: Significant Modifications Requiring Multi-Party Investment.** These are changes similar in scope or impact to those in Threshold 2, but which would clearly benefit from joint investment in their design and implementation. Due to the shared investment, these may require an even higher degree of collaboration early and throughout the process. *An example of this type of change is the potential undergrounding of utilities around and through the National Historic Landmark area.*

5c Guiding Policy Documents. To support a collaborative approach to management of the Chautauqua area, key policy documents should be jointly developed and adopted by the core parties. These include, but are not limited to, the Chautauqua Collaborative Stewardship Framework (which should be revised and finalized consistent with these guiding principles) and the Chautauqua Design Guidelines.

5d Public Information and Input. Because the management of Chautauqua is a shared responsibility across multiple entities, it can be difficult for the public to find complete and accurate information regarding planning and management-related issues for the area. A shared approach to providing public information and opportunities for public input shall be developed and implemented to support these principles' goals for collaborative stewardship in the public interest.

6 A Cautious Approach to Change

While it is recognized that changes within and around Chautauqua will occur over time, decisions over these matters must be thoughtfully and cautiously considered, and

collaboratively managed in accordance with these guiding principles to ensure the preservation of Chautauqua’s historic character and unique sense of place.

7 Shared Financial Responsibility

Because the Chautauqua area is a shared resource with community-wide as well as interest-specific benefit, investments in its care and upkeep should be shared in accordance with the benefit provided to each interest or user group as well as the community at-large. This does not remove the possibility of significant changes being funded by a single party; however, when there are clear benefits to multiple entities, joint funding should be considered.

Definitions

Enhancement: to make greater, as in value, beauty, or effectiveness; augment; provide with improved, advanced, or sophisticated features. In the context of historic preservation, “enhancement” is usually used to refer to the repair, rehabilitation, restoration and, in some cases, the re-creation of historically documented features.

Historic character: those aspects of an historic property or historic district that accurately convey a sense of its past. The National Register defines seven aspects of integrity that are important components of historic character: location, design, setting, materials, workmanship, feeling, and association. National Historic Landmarks typically possess all of these aspects of historic character/integrity.

Historic preservation: an endeavor that seeks to preserve, conserve and protect buildings, objects, landscapes or other artifacts of historic, architectural or environmental significance.

Leasehold: the property managed by the Colorado Chautauqua Association under a lease agreement with the City of Boulder as shown in *Figure 1*. The city-owned property leased by the CCA includes all the land and three buildings including the Auditorium, Dining Hall, and Academic Hall.

Manage: to have oversight and responsibility for the on-going affairs and/or the upkeep of a site, property, organization or business.

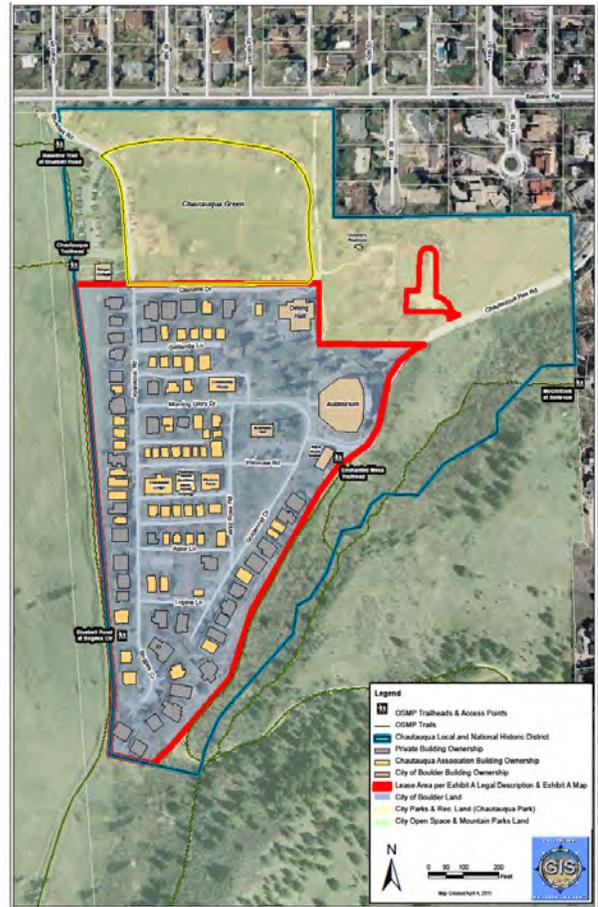


Figure 1: CCA Leasehold (outlined in red)

Exhibit B

National Historic Landmark: a nationally significant historic place designated by the Secretary of the Interior because it possesses exceptional value or quality in illustrating or interpreting the heritage of the United States.

Place management: the process of preserving or enhancing an area in a manner that maintains its integrity as a “place” with a unique character and function. This is practiced through programs to enhance a location or to maintain an already attained desired standard of operation. Place management can be undertaken by private, public or voluntary organizations or a mixture of each. Despite the wide variety of place management initiatives, the underlying common factor is usually to best meet the needs of multiple users and interests (e.g., residents, visitors, and owners) in a manner consistent with the nature of the place.

Protect and preserve: broadly speaking, protecting and preserving is the process of determining and implementing appropriate actions to minimize change to identified historic properties or districts that would adversely affect their historic character.

Stewardship: the ethical overseeing and protection of something considered worth caring for and preserving.

COLORADO CHAUTAUQUA ASSOCIATION SUBLEASE TO COTTAGE OWNER

THIS Sublease is made and entered into as of the ___ day of _____, 2015, by and between Colorado Chautauqua Association, a Colorado nonprofit corporation (hereinafter “Association”) and _____ (collectively, “Lessee”).

1. **PREMISES.** The Association hereby subleases to Lessee the real property underlying Cottage No. __ (the “Cottage”), described as _____ which contains approximately _____ square feet (the “Demised Premises”).
2. **TERM.** This Sublease shall commence on January 1, 2016, and, unless sooner terminated as provided herein, shall automatically terminate upon termination of that certain Lease between the Association and the City of Boulder dated _____, 2015 (the “City Lease”). In the event of a new City Lease with terms identical to the prior City lease except for the new lease term, as provided in section 1 of the current City Lease, this Sublease shall continue during the term of such new City Lease.
3. **RIGHT TO OCCUPY/DUTY TO MAINTAIN.** Lessee shall have the right to occupy the Demised Premises and shall have the duty to maintain the Demised Premised and the Cottage located thereon, as further set forth herein.
4. **RULES AND REGULATIONS.** Lessee agrees to abide by and comply with the rules and regulations (“Rules and Regulations”) adopted by the Association’s Board of Directors and effective as of the date of this Sublease, a copy of which has been provided to the Lessee. From and after the date hereof, the Rules and Regulations may be amended by the Association upon an affirmative vote by a majority of the Association’s Board of Directors, following reasonable notice to and the opportunity for input by Lessee; provided, no amendment shall deprive Lessee of the rights expressly granted in this Sublease or materially increase Lessee’s obligations hereunder. Any such amendments shall be in writing and shall be delivered to Lessee.
5. **HISTORIC AREA.** Lessee acknowledges that the Cottage and the Demised Premises are located in an area established and maintained as a Chautauqua assembly and that in

1978 Chautauqua was designated by the City of Boulder, Colorado as a Landmark Historic District and listed on the National Register of Historic Places, and was designated a National Historic Landmark district by the U.S. Secretary of the Interior in 2006. Lessee agrees to comply with the Chautauqua Park Design Guidelines, the rules and regulations promulgated by the City of Boulder Landmarks Preservation Advisory Board, and all zoning ordinances or other regulations of the City of Boulder affecting or relating to the ownership, use, maintenance, repair, renovation or improvement of the Cottage and the Demised Premises. The use and operation of the Association's leasehold, of which the Cottage and Demised Premises are a part, also are governed by the Chautauqua Collaborative Stewardship: Guiding Principles for Place Management and Fiscal Sustainability, adopted by the City of Boulder on December 4, 2012. Said design guidelines, rules, ordinances, regulations, and guiding principles are hereby made a part of this Sublease as if fully set forth herein.

6. ASSOCIATION MISSION. Lessee acknowledges that the Association is a Colorado nonprofit corporation and a tax-exempt charitable organization described in Section 501(c)(3) of the Internal Revenue Code, the mission of which is to preserve, perpetuate and improve the site and spirit of the historic Chautauqua by enhancing its community and values through cultural, educational, social and recreational experience. The Association accomplishes its mission by managing a broad range of accommodations, programs, events and services designed to include and involve the Chautauqua residents and guests, the entire Boulder community and the general public in the Chautauqua heritage. Lessee hereby covenants and agrees to further the Association's mission by supporting, promoting and participating in the Association's educational, cultural and historic programs, recreational and social events, and capital improvements and common area maintenance, as otherwise specifically provided in this Sublease. Lessee (including each person whose interests appear collectively as "Lessee") shall be a current member in good standing of the Colorado Chautauqua Association throughout the term of this Sublease.

7. DAMAGE OR DESTRUCTION. If the Cottage presently located on the Demised Premises shall be destroyed or become uninhabitable, Lessee hereby agrees to construct a new cottage thereon in accordance with plans and specifications to be first approved by the

Association and then the City of Boulder. Lessee shall submit all such applications for approval within six (6) months after the occurrence of the event that causes the Cottage to become destroyed or uninhabitable (or after the Cottage is uninhabitable) and the construction or repair shall commence on or before the last to occur of (a) twelve (12) months after the date of the destruction or the cause of the uninhabitability or (b) thirty (30) days after receipt of approval of such construction or repair and, in either event, shall be diligently pursued to completion, subject to any construction moratorium imposed by the Association. In the event the Cottage is totally destroyed and Lessee does not substantially rebuild it within twenty-four months after the date of destruction, the Association may, at its option terminate this Sublease pursuant to section 14 hereof at any time thereafter and Lessee shall thereupon remove any debris from the Demised Premises. Failure of the Lessee to comply with any provisions of this paragraph shall authorize the Association to make any of said repairs, construction, or removal and any sums expended therefore may be recovered by any authorized legal remedy which the Association desires to utilize. Any such remedies shall be non-exclusive.

8. RENT. Or before January 1, 2016, Lessee shall pay the Association rent for the Demised Premises for calendar year 2016 in the amount of \$_____ the "Rent") [comprised of 2015 ground rent adjusted by the CPI, as provided below, plus \$2,400]. Thereafter, on or before January 1 of each calendar year during the term of this Sublease, Lessee shall pay the Association Rent for the Demised Premises for such calendar year calculated by adjusting the Rent for the previous year by the increase or decrease in the Consumer Price Index (CPI), as measured on each October 1. Consumer Price Index shall mean the U.S. City Average Consumer Price Index for Urban Wage Earners and Clerical Workers (All Items; 1982-84 equals 100) published by the United States Department of Labor, Bureau of Labor Statistics or any successor agency that may issue such index. In the event that the CPI is discontinued for any reason, the Association shall use such other index, or comparable statistics, on the cost of living for urban area of the United States, as shall be computed and published by an agency of the United States or, if no such index is published by an agency of the United States, by a responsible financial periodical of recognized authority. The Association shall notify Lessee of the Rent for the coming year on or before December 1 of each year during the term of this Sublease. Each year, \$2,400 of the Rent shall be used by the Association for

current and future capital improvements to the property leased by the Association under the City Lease. This amount of \$2,400 per year shall be the Lessee's sole obligation for any payment toward such capital improvements.

9. OTHER PAYMENTS. Lessee shall pay to the Association, in addition to the Rent, payments for common area maintenance, mowing, snow removal, trash pickup, mail services and other common area maintenance activities, as determined annually by the Association. Any material changes in services provided or fee structure shall be made only upon an affirmative vote by a majority of the Association's Board of Directors, following reasonable notice to and the opportunity for input by Lessee.

10. REPAIR AND MAINTENANCE. Lessee shall keep the Cottage and the Demised Premises in good repair and neatly painted and maintained to the satisfaction of the Association and in accordance with the ordinances and regulations of the City of Boulder and the Rules and Regulations. In the event that Lessee fails to comply with the provisions of this paragraph within 30 days after written notice thereof is delivered by the Association to Lessee, the Association may, at its option, make any of said repairs and maintenance and any sums expended therefor, plus an administrative fee equal to 20 percent of such costs, may be recovered by any authorized legal remedy which the Association desires to utilize. Any such remedies shall be non-exclusive. Any proposed alterations or additions to the outside of the Cottage or any permanent improvements to the Demised Premises shall be first approved in writing by the Association and, if applicable, by the City of Boulder.

11. CITY LEASE. A copy of the City Lease has been provided to the Lessee. The Association shall provide Lessee with any amendments thereto. In the event the City Lease is terminated for any reason, this Sublease shall immediately and automatically terminate. This Sublease is subject to all of the provisions, terms, covenants and conditions of the City Lease and the Lessee shall not commit or allow any act or omission that would cause the Association to be in violation of the City Lease.

12. ASSIGNMENT AND SUBLETTING.

a. Lessee may lease or rent the Cottage or Demised Premises only in

accordance with the Rules and Regulations.

b. This Sublease may not be assigned or transferred by the Lessee without the prior written approval of the Association, which approval shall not be unreasonably withheld. Nonetheless, the Association may impose any reasonable conditions on its approval of any assignment, including, without limitation, the reimbursement of the Association's reasonable attorney's fees for reviewing and processing such assignment, payment of a reasonable administrative fee, and the execution by the proposed assignee of the Association's then current form of "Transfer of Ownership Assurances Documents," the current version of which has been provided to the Lessee. No assignment shall be effective unless the Association, the Lessee, and the Lessee's assignee have executed an assignment of this Sublease in form and content reasonably acceptable to the Association and Lessee. Each assignee or transferee will be bound by the terms of this Sublease. Any attempted assignment or transfer, without the Association's prior written approval, shall be void and will, at the option of the Association, terminate this Sublease.

c. Subject to Section 13 below, upon the prior written approval of the Association, which approval shall not be unreasonably withheld, this Sublease may be assigned or transferred by the Lessee to a one or more individuals, a trust, partnership, limited liability company or other entity authorized under Colorado law, provided such trust is for the benefit of Lessee or persons within the fourth degree of consanguinity of Lessee, and provided such partnership, limited liability company or other entity is owned and controlled by Lessee or persons within the fourth degree of consanguinity of Lessee. The Association may base its approval upon such terms, provisions and conditions as the Association reasonably determines are appropriate. The Lessee shall provide the Association with copies of any trust agreements, partnership agreements, partnership organizational documents and other documents as may be requested by the Association in determining whether to grant its approval of such assignment or transfer.

13. ASSOCIATION RIGHT OF FIRST REFUSAL. A Lessee may not sell, convey, or otherwise transfer ownership in the Cottage to a person not related to the Lessee within the fourth degree of consanguinity (an "Unrelated Buyer") unless the Lessee first allows

the Association the opportunity to purchase the Cottage, pursuant to the following terms and conditions:

a. The fourth degree of consanguinity shall mean the following relationships including such relationships if established by marriage or adoption: spouse, parents, children, brothers and sisters, grandparents, grandchildren, aunts, uncles, cousins, nephews and nieces, great grandparents, great grandchildren, grand nephews and nieces, great aunts and uncles, all as more particularly set forth on Attachment A, attached hereto. A legal entity controlled by, or a trust for the benefit of, a natural person shall be deemed to have the same degree of consanguinity as such natural person, provided the Association has previously approved ownership and tenancy by such legal entity or trust in accordance with Paragraph 12 of this Sublease.

b. Prior to the sale, conveyance, or transfer of the ownership of the Cottage to an Unrelated Buyer, the Lessee shall deliver to the Association a written notice of intent to sell (an "Intent to Sell Notice") setting forth, at a minimum, the following:

(i) The name of the Lessee and a description of the relevant Cottage;
and

(ii) whether the Lessee has received and provisionally accepted (subject to the Association's right of refusal) a bona fide, arms-length offer to purchase the Cottage from an Unrelated Buyer and, if so, attaching to the Intent to Sell Notice the contract or documentation between the Lessee and the Unrelated Buyer relating thereto, or, if no such contract or documentation exists, setting forth the terms of such Bona Fide Offer, including the name of the Unrelated Buyer, price, closing conditions, and any other material terms or conditions (a "Bona Fide Offer").

c. In the event the Intent to Sell Notice sets forth a Bona Fide Offer, then, during the 30-day period following delivery of the Intent to Sell Notice, the Association may, at its option, deliver to Lessee a written offer to purchase the Cottage from the Lessee on terms, including price, no less favorable to the Lessee than those set forth in the Bona Fide Offer (the "Association Offer"). In the event the Association delivers an Association Offer, the Lessee shall not consummate any sale of the Cottage to the Unrelated Buyer and instead shall sell the Cottage to the Association on the terms and

conditions set forth in the Association Offer. Lessee and the Association shall consummate such sale as soon as practicable after delivery of the Association Offer.

d. In the event the Intent to Sell Notice sets forth a Bona Fide Offer and the Association fails to timely deliver an Association Offer (or affirmatively states in writing that it will not deliver an Association Offer), then the Lessee may sell the Cottage to, and only to, the Unrelated Buyer on, and only on, the terms and conditions of the Bona Fide Offer; provided, however, the price may be equal to or greater than the price set forth in the Bona Fide Offer. In the event Lessee and the Unrelated Buyer fail to consummate such sale within one year after delivery of the Intent to Sell Notice, then the Intent to Sell Notice shall be deemed to have been withdrawn and Lessee may not sell the Cottage to the Unrelated Buyer or any other person or entity unless Lessee again complies with the terms of this paragraph 13.

e. In the event the Intent to Sell Notice does not set forth a Bona Fide Offer, then, within 45 days after delivery thereof to the Association, the Association may, at its option, deliver to the Lessee a written offer to purchase the Cottage, setting forth the price and terms offered by the Association (also an "Association Offer"). The Lessee may, at its option, accept the Association Offer by delivering written notice thereof to the Association within 30 days after delivery of the Association Offer, whereupon the Association and the Lessee shall consummate the sale of the Cottage to the Association on the Association Offer terms, or on such other terms as the parties may agree, as soon as practicable.

f. In the event the Intent to Sell Notice does not set forth a Bona Fide Offer and the Association delivers an Association Offer which the Lessee rejects or does not timely accept, then the Lessee may sell the Cottage to an Unrelated Buyer on, and only on, the terms, including price, which are no less favorable to the Lessee than those set forth in the Association Offer. In the event Lessee and an Unrelated Buyer fail to consummate a sale on such terms within one year after delivery of the Intent to Sell Notice, then the Intent to Sell Notice shall be deemed to have been withdrawn and Lessee may not sell the Cottage to an Unrelated Buyer unless Lessee again complies with the terms of this paragraph 13.

g. In the event the Intent to Sell Notice does not set forth a Bona Fide Offer and the Association fails to timely deliver an Association Offer (or affirmatively states in writing that it will not deliver an Association Offer), then the Lessee may sell the Cottage to an Unrelated Buyer on any terms and conditions upon which they may agree. In the event Lessee and an Unrelated Buyer fail to consummate a sale within one year after delivery of the Intent to Sell Notice, then the Intent to Sell Notice shall be deemed to have been withdrawn and Lessee may not sell the Cottage to an Unrelated Buyer unless Lessee again complies with the terms of this paragraph 13.

h. Within 10 days after delivery of an Intent to Sell Notice, the Lessee shall provide the Association with access to the interior of the Cottage for purposes of inspection and assessment. In the event the Lessee fails to provide such access, then for every day of delay in providing access after the 10th day after delivery of an Intent to Sell Notice, the time for the Association to deliver a the Association Offer under this paragraph 13 shall be extended by a day.

14. DEFAULT AND REMEDIES. Any material default by Lessee of any provision of this Sublease including, without limitation, failure to abide by the Rules and Regulations, the provisions of paragraph 5, failure to rebuild a Cottage pursuant to paragraph 7, failure to pay rent or maintenance contribution in accordance with paragraphs 8 and 9, or failure to maintain the Cottage in good repair in accordance with paragraph 10, or the provisions of paragraph 11,12, or 13, shall authorize the Association, at its option, to terminate this Sublease if the Lessee fails to cure such default after the occurrence of the following steps:

a. The Association has delivered to the Lessee two written notices of such default, the second of which notices shall be delivered no sooner than 15 days after the first; and

b. if the Lessee has delivered to the Association written notice of Lessee's dispute of the material default within 15 days after delivery of the second of the Association's notices, the Association has made a representative available to mediate such dispute in good faith with Lessee by a neutral mediator and either (i) Lessee has failed to participate in such mediation, or (ii) such mediation is

unsuccessful in resolving the dispute within 60 days after its commencement.

If the material default continues following the occurrence of the foregoing, the Association may, at its option, terminate this Sublease by delivering written notice thereof to Lessee, in compliance with applicable law. In the event of such termination, (i) Lessee shall vacate and surrender the Demised Premises and Cottage to the Association within 30 days after delivery of the notice of termination, and (ii) the Association shall pay Lessee the fair value of the Cottage, as determined by an independent appraiser selected and paid for by the Association. Any waiver or forbearance by the Association with respect to any default by Lessee shall not eliminate or prejudice the Association's right to terminate this Sublease by reason of any other or subsequent default. Nothing contained in this paragraph shall prevent either party from seeking damages or equitable relief from a court of competent jurisdiction. Any such legal action shall be brought exclusively in Boulder, Colorado.

15. DISPOSITION OF IMPROVEMENTS AT END OF TERM. If this Sublease is not terminated by the Association due to the material default of the Lessee pursuant to section 14, hereof, then at the end of the term of this Sublease, if the City Lease is renewed, the Association and the Lessee shall, as soon as practicable after the date of City Lease renewal, negotiate in good faith a new sublease having the same term (duration) as the renewed City Lease, and such other terms that the Association and the Lessee may agree. If the City Lease is not renewed, or if the Association and the Lessee do not enter into a new sublease, then, in either event, at the end of the term of this Sublease, Lessee shall have the option to remove all improvements from the Demised Premises, subject to applicable governmental approvals. Any improvements not removed within six months after the end of the term of this Sublease, unless a new Sublease is entered into as provided for above, shall become the property of the Association.

16. MISCELLANEOUS.

a. In the event that any provision hereof shall be held to unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

b. The parties agree to make any modification or amendment to this Sublease that may be necessary at any time to assure that this Sublease does not (i) constitute an

“excess benefit transaction” within the meaning of Section 4958 of the Internal Revenue Code which could give rise to the imposition of a penalty on the Lessee, or (ii) in any way jeopardize the Association’s tax-exempt status as an organization described in Section 501 (c)(3) of the Internal Revenue Code.

c. No delay, omission or forbearance in exercising the right or power of any party under this Sublease shall impair any such right or power or shall be construed as a waiver thereof, unless such waiver is expressly given in writing and signed by the party sought to be bound thereby.

d. The captions contained herein are inserted for ease of reference only and shall not be construed to modify any part hereof.

e. This Sublease contains and constitutes the entire agreement between the Association and Lessee with respect to the subjects addressed herein, and all prior or contemporaneous agreements or leases between the Association and Lessee, whether written or oral, are merged in and superseded by this Sublease.

f. If Lessee is comprised of more than one person or a legal entity or trust, they or it shall designate a single individual to receive any notification from the Association, and notification to such individual shall be deemed to be delivered to all persons, entities, or trusts having an interest in this Sublease. Lessee may change such designation from time to time by delivering written notice thereof to the Association. Absent such designation, the Association may deliver notices hereunder to the address set forth below.

g. This Sublease is entered into in Boulder, Colorado, and shall be governed by and construed in accordance with the laws of the State of Colorado. The parties hereto irrevocably subject themselves to the jurisdiction of the courts in Boulder County, Colorado. In the event of litigation to enforce the terms of this Sublease, the prevailing party shall be awarded its attorneys’ fees, to the extent permitted by law. The prevailing party shall mean the party receiving substantially the relief desired, whether by settlement, dismissal, summary judgment, judgment, arbitration, mediation, or otherwise.

h. No amendment or modification of this Sublease shall be valid or binding unless reduced to writing, approved and executed by the parties in the same manner as the execution of this Sublease.

i. This Sublease, or a short form version hereof, may, at the option of the Association, be recorded with the Office of the Clerk and Recorder for Boulder County, Colorado, and Lessee shall execute such additional forms, including a short form version of this Sublease, as the Association may reasonably request from time to time in furtherance of the purpose of this Sublease.

COLORADO CHAUTAUQUA ASSOCIATION

By: _____

Title: _____

LESSEE:

[Individual(s) – list all; Partnership, LLC or Trust Name]

By: _____

Name (printed): _____

Its [authority/title]: _____

Signator's Address: _____

Signator's Phone: _____

Signator's email address:

DRAFT

Attachment A
Consanguinity Chart

DRAFT

LEASE

THIS LEASE, made and entered into this ____ day of _____, 2015, by and between- the City of Boulder, Colorado, a Colorado home rule city ("City"), and the Colorado Chautauqua Association, a Colorado non-profit corporation ("Association").

WITNESSETH:

WHEREAS, the City and the Association have maintained for ~~approximately one~~ hundred and seventeen years a mutually beneficial relationship in the establishment and maintenance of a Chautauqua assembly for the benefit of the Boulder community and its visitors; and

WHEREAS, the entire Chautauqua (a portion of which is described in Exhibit A attached hereto) was entered into the City, state and national registers of historic places as ~~an~~ historic district in 1978; and was designated a National Historic Landmark district by the U.S. Secretary of the Interior in 2006; and

WHEREAS, the preservation of the Chautauqua heritage for the benefit of future generations -and the operation -of the Chautauqua -for the benefit- of all are the primary objectives of both parties;

WHEREAS, the existing Lease agreement between the parties will expire on ~~March 6, 2004~~ January 14, 2018; and

WHEREAS, the parties have determined that it is in the interests of both to renew the existing Lease on the terms and conditions set forth below; and

WHEREAS, on December 4, 2012, the Boulder City Council adopted Guiding Principles for Place Management and Fiscal Sustainability, which are attached as Exhibit B and which are incorporated as if set fully forth in this lease agreement.

NOW, THEREFORE, the parties hereby agree as follows:

1. TERM. The City hereby leases to the Association the real property described in Exhibit A attached hereto ~~to the Association~~ for a period of twenty years, beginning January 14, ~~1998~~1, 2016, and ending December 31, 2035. The parties agree that if, during the six-month period prior to January 1, 2026, neither party objects, a new Lease, with terms identical to the prior lease, will commence for a period of twenty years beginning on January 1, 2026, and ending on December 31, 2045. Any such objection may be made by an affirmative vote of the majority of the City Council or by an affirmative vote of a majority of the Association's Board of Directors. In the event that a party so objects, the term of the Lease shall end on December 31, 2035. The City reserves the right to replace the description contained in Exhibit A by a more detailed survey of the land in question, at any time.

2. RENT. As rent, and as partial consideration for this Lease, the Association agrees to pay to the City on or before ~~October~~January 1 of every calendar year during the ~~term~~Term hereof ~~at the sum of money calculated as follows: one dollar.~~

~~A. In lieu of City ad valorem taxes on the real property described in Exhibit A, the Association shall pay \$2,000.00 per annum to the City.~~

~~B. As rental for the use of the real property described in Exhibit A, the Association shall pay \$2,500.00 per annum to the City.~~

3. RESPONSIBILITIES. Chautauqua encompasses multiple ownerships and missions; the needs and interests of many must be balanced in a manner that protects the site and spirit of Chautauqua, in keeping with Guiding Principles for Place Management and Fiscal Sustainability.

Management decisions about surrounding uses should be made with sensitivity to potential impacts on the Association's leasehold area. The Association accepts responsibility for the maintenance and improvement of all buildings and improvements located on the real property described in Exhibit A, except for private cottages and the public restrooms immediately below the Dining Hall. With respect to ~~such~~the Dining Hall public restrooms, the City shall assume all costs of regular and reasonable cleaning and maintenance, supplies and water, annual painting, and major maintenance, including, without limitation, replacement of obsolete or unserviceable fixtures. The Association shall maintain, preserve and keep all buildings and improvements for which it is responsible in good repair, working order and condition and shall make or cause to be made all necessary repairs and improvements to that end. The Association shall have the privilege of remodeling the buildings and improvements and making such substitutions, additions, modifications and improvements thereto as the Association may deem proper. Any such substitutions, additions, modifications and improvements shall be governed by the Collaborative Place Management provisions of Guiding Principles for Place Management and Fiscal Sustainability as set forth in Exhibit B and be subject to all other city requirements. The Association agrees to implement all feasible procedural safeguards in the operation of the Auditorium; ~~the Dining Hall and the Academic Hall so as to minimize the likelihood of serious fire.~~ Subject to the availability of appropriations therefor, the City shall:

A. Provide all ongoing City services, such as police, fire, animal control, and the ~~like~~similar services, to the area described in Exhibit A; and ~~shall assume the maintenance of e public streets and public utilities of such area and the park areas adjacent thereto;~~

~~B. Plant screening landscape around the parking lot parcel separately described in Exhibit A; and~~

B. The City shall provide for the maintenance of the streets, but not the alleyways. The parties recognize that the streets in the leasehold area are part of the historic nature of Chautauqua. The city shall not be responsible for maintaining such streets to the level of normal city standards for city streets. The city shall make such minor and incidental repairs as may be necessary to keep the streets serviceable. The city shall provide snowplowing for such streets as resources are available consistent with other city priorities.

C. If the Association is unable to secure grant funding for replacement after all reasonable efforts, pay for the cost of replacing the wooden roofs on the Dining Hall and the Auditorium (stage roof only) before or by 2014. The parties agree that in the foreseeable future, major renovation of the streets, and drainage system will be necessary, and that on-going maintenance of the water mains and sanitary sewers mains will continue and be prioritized with other city utility maintenance work. The city accepts the primary responsibility for funding the major renovations in accord with the city's capital improvement program. The Association accepts responsibility to contribute financially to these improvements. The parties intend that the renovation of infrastructure will be coordinated with moving the overhead utilities underground.

4. BY-LAWS AND ARTICLES OF INCORPORATION. Throughout the ~~term~~-Term of this Lease, ~~two-fifteenths (2/15)~~ of the Association's ~~Board of Directors~~ shall be appointed by vote of the City Council, one of whom shall be a member of City Council. Without the written permission of the City, the Association shall have no more than 15 members on its Board of Directors, inclusive of those appointed by the City

5. USE OF FACILITIES. The Association shall have year-round use of all of the real property described in Exhibit A, and it is the intent of the parties that the leased facilities be ~~given~~ the widest practicable use in terms of scope and time, managed such that needs and interests of

many are balanced in a manner that protects the site and spirit of Chautauqua. The leasehold area should be used, managed and preserved in a manner consistent with the community's sustainability goals and with sensitivity to impacts on surrounding residential neighborhoods, the adjacent park and the surrounding open space, while allowing the Association to remain financially viable without city subsidy. At a minimum, the Association shall schedule a summer entertainment program in the Auditorium annually beginning no later than June 15 and extending to at least August 31. Such programming shall include at least 15 live performances.

6. ~~TRAFFIC CONTROL~~ACCESS AND PARKING. ~~The Association shall have the following rights~~ MANAGEMENT. ~~As a national, regional and powers with respect to entry into local landmark and parking within attraction, Chautauqua needs a tailored access management strategy to balance the access of the areas described in Exhibit A:~~

A. ~~The Association shall be entitled, at its discretion, to deny or regulate motor vehicle entry into such areas when~~ variety of users and modes while also maintaining the available parking space therein has been filled or is close to being filled. ~~For purposes of exercising this right, the Association may deny or regulate entry at the entrance to the park on Baseline Road and/or on 12th Street. In exercising this right, the Association will use its best efforts to direct motor vehicles which are denied entry to available parking space on the north side of Baseline Road~~ natural, built, and 12th Street, and will otherwise use its best efforts to minimize the impact of motor vehicle parking and traffic in the residential neighborhoods adjacent to the park.

B. ~~The Association shall be entitled, at its discretion, to impose a charge for parking within such areas.~~

historic environments. The Association and the City agree that the absence of a dependable and coherent ~~residential parking scheme~~ program in the areas described in Exhibit A has adversely affected the Association's operations, the maintenance of a Chautauqua assembly

and its attendant mission, and the experiences of those who reside or stay in such areas in order to enjoy and experience the Chautauqua. ~~The Association and the City further agree that a solution to the foregoing problems requires the adoption and implementation of a residential permit parking system or similar plan, which reasonably assures to each cottage a reasonably convenient on or off street parking space. To that end, the City shall direct its staff to work with the Association to design such a system or plan, and shall use its best efforts to adopt the same as an Ordinance of the City, enforceable in the same manner as other City Ordinances of a similar nature. But such commitment shall not impair the legislative authority of the City Council.~~ Chautauqua. The parties recognize that during peak periods, parking demand for all uses within and around Chautauqua far exceeds supply. The movement of vehicles looking for parking presents safety issues and degrades the visitor experience. During the first year of this Lease, the parties commit to develop a Chautauqua Access Management Plan, which shall be thereafter periodically reviewed and revised by the parties to address current circumstances and conditions. That plan shall be governed by the following principles:

- Chautauqua is a unique shared resource requiring unique solutions.
- Chautauqua is a National Historic Landmark.
- The needs of all stakeholders, including the Association, cottage owners, park users, open space users and neighbors should be considered.
- A mix of uses must be accommodated.
- Pedestrians must be given priority on the narrow streets without sidewalks.
- Traffic circulation should be minimized in the interests of pedestrian safety and user experience.
- Parking demand is seasonal and solutions need not address time periods during which access is readily available.
- During peak periods, the parking needs of users in the historic core should be prioritized, but not exclusive.
- A seasonal transportation demand management (TDM) plan for employees should be implemented.
- The right of public access should not be unreasonably restricted.
- The interests of the surrounding neighbors should be addressed.
- Any plan should be flexible to address changing circumstances.
- Access management should be consistent with the Guiding Principles for Place Management and Fiscal Sustainability.

- Consistent with the City's climate commitment and sustainability and resiliency goals, any plan should support public transit, alternative modes of transportation, and a reduction in vehicle miles traveled and a reduction in visits in single occupant vehicles.

7. NON-DISCRIMINATION. The Association shall abide by all relevant City, state and federal legislation concerning non-discrimination in the offering of housing and public accommodations and in admissions to public events.

8. INSURANCE. The Association shall cause public liability insurance to be carried and maintained, at all times during the term hereof, with respect to all activities to be undertaken by the Association on or in connection with the real property described in Exhibit A. Such public liability insurance shall be in amounts not less than the then applicable coverage amounts for any injury to one person in any single occurrence and coverage amounts for any injury to two or more persons in any single occurrence set forth in Section 24-10-114, C.R.S. 1973, as amended, but not less than \$150,000.00 for any injury to one person in any single occurrence. Insurance purchased by the Association pursuant to this section shall name the City as an additional named insured, and a certificate evidencing the insurance coverage required by this section shall be provided at least annually to the City. Each insurance policy provided pursuant to this section shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of the City, without first giving actual written notice thereof to the City at least ten days in advance of such cancellation or modification.

9. COVENANT NOT TO INCUR LIENS. The Association shall not incur liens greater than a total of \$1 million dollars its reasonable ability to repay based on the leasehold described in Exhibit A or on any of the buildings or improvements located thereon not owned by the City, Association revenue. The Association shall obtain proper bonds to insure against any such liens and shall post the land prominently to indicate include provision in any relevant document stating that the City shall not be responsible for any indebtedness or liens incurred.

10. ASSOCIATION TO ASSUME DUTIES OF CITY: INDEMNIFICATION. The Association shall assume any and all duties ~~with~~which might otherwise be imputed to the City by virtue of its continued ownership of the public buildings located on the real property described in Exhibit A, except for the public restrooms-located on the lower level/north side of the Dining Hall building. The Association agrees to indemnify and save harmless the City against any and all claims, debts, demands, or obligations which may be asserted against the City arising by reason of, or in connection with, the City's ownership of the aforementioned public buildings and any alleged act or omission of the Association on or in connection with the real property described in Exhibit A.

11. PERMITTING COORDINATION. The Association and the City shall develop a mutually agreeable process for sharing information concerning planned activities and events in the City park and open space adjacent to the real property Association's leasehold described in Exhibit A, and concerning the receipt, review and grant of permits for activities ~~in the park.~~ ~~The process by which information will be shared, needed agreements reached and applications for permits reviewed and approved shall be included in an annual review of issues and procedures conducted between the Parks and Recreation Department and the Association, and may be renegotiated at any time upon request of either party.~~ those City adjacent areas.

12. INSPECTION OF BOOKS. The Association shall maintain its principal office on the Chautauqua grounds and shall keep and maintain the books of the Association at such office. The books and records of the Association shall be subject to inspection and examination by the City at all times.

13. ANNUAL REPORT AND AUDIT. The Association shall provide an annual report to the City on or before ~~March 1st of~~ June 15th of each year detailing the following performance indicators: number and type of performances; number of attendees in Auditorium, Community House and other programming venues; estimated number of City residents served; estimated

number of Boulder youth served; number of tickets and free admissions provided to community organizations and individuals; number of free (no cost) events sponsored by the Association; description of outreach efforts to diverse populations/communities of color in Boulder; number of low or no-cost rentals to non-profit or governmental groups in the community; and number and type of partnerships with other arts and cultural organizations. The foregoing report shall accompany an annual financial audit and a copy of the Association's Internal Revenue Service filing (currently form 990) disclosing detailed financial information about the Association, including compensation of officers and directors. The Association also shall provide to the city copies of minutes of Board of Directors' meetings within thirty days of approval by the Board of Directors. ~~Subsequent to the receipt of the annual report and the annual audit, the City Manager or his/her designee shall convene a meeting to discuss any d all issues that may exist between the City and the Association. This meeting may be combined with the annual review described in Section 11 above.~~

~~14. LIMITATIONS ON SUBLEASES. The Association shall provide in all subleases to owners of private cottages that:~~

- ~~A. No sublease shall be assigned or further let without prior written approval of the Association, which approval shall not be unreasonably withheld.~~
- ~~B. Upon termination or nonrenewal of such sublease, the owner of the improvements on the property shall have the choice to remove such improvements from the property. Any improvements not removed within six months shall automatically become the property of the Association.~~
- ~~C. As a condition of continued tenancy, each cottage owner shall, prior to transferring an ownership interest in the cottage to or for the benefit of any person not related to the owner within the fourth degree of consanguinity including marriage or adoption, as set forth in the chart attached as Exhibit B), offer, in writing, to sell all ownership interests in the cottage to the Association~~

~~(the "Offer"). The Association shall have twenty one (21) days from the date it receives the Offer to notify the owner in writing of its determination to proceed with the offer (the "Continuation Notice"). If the Association fails to provide the Continuation Notice within twenty one (21) days following its receipt of the Offer, the owner may freely transfer his or her interest in the cottage during the rest of the year, ending on the anniversary of the Association's receipt of the Offer. At the conclusion of that year, the provisions this paragraph shall again be triggered by any proposed transfer beyond the fourth degree of consanguinity (as defined above). If the Association provides the Continuation Notice within twenty one (21) days following its receipt of the Offer, the owner and the Association shall proceed as follows:~~

~~(i) For the thirty (30) days immediately following the Association's provision of the Continuation Notice, the Association and the owner shall negotiate concerning the price to be paid by the Association for the purchase of all ownership interests in the cottage (the "Negotiated Purchase Price"). If, within or at the conclusion of that thirty (30) day period, the Association and the owner agree in writing n a Negotiated Purchase Price, then the owner shall transfer all ownership interests in the cottage to the Association for payment of the Negotiated Purchase Price at a closing occurring at date and time mutually agreeable to the parties, but no later than forty five (45) days after the date on which agreement was reached on the Purchase Price. Payment of the Negotiated Purchase Price at the closing shall be apportioned and allocated as follows: first, to the payment of any and all ad valorem or other taxes then due and owing on the cottage, or which will be due and owing for the calendar year, tax year or other relevant period up to the date of closing; second, to the full payment and satisfaction of any and all liens, encumbrances, assessments or other obligations~~

~~secured by the cottage or any interest in the cottage; third, to the owner or his/her designee.~~

~~(ii) If the Association and the owner are not able to agree in writing on a Negotiated Purchase Price within the thirty (30) day period set forth above, then within seven (7) days after the termination of the thirty (30) days, the owner and the Association shall jointly request a list of six (6) appraisers from the Appraisal Institute or such other association or group of professional appraisers as may be specified in the sublease to which the Association and the owner are parties. The listed appraisers shall have no prior or current professional or financial relationship with the Association or the owner, shall not have a family relationship of any type with the owner, and shall have the following minimum qualifications: a) an MAI or SRA certification; b) a minimum of seven (7) years experience in the appraisal of real estate; c) a minimum of five (5) years experience in the appraisal of real estate in the Denver-Boulder metropolitan area.~~

~~(iii) Within seven (7) days after receipt of the list of appraisers, the owner and the Association shall meet to select two appraisers from the list. The Association and the owner shall each take turns striking one appraiser from the list until only two appraisers remain (collectively, the "Impartial Appraisers").~~

~~(iv) The Association/ and the owner shall jointly inform each Impartial Appraiser of his/her selection, and shall jointly request that each Impartial Appraiser promptly appraise the value of the cottage without regard to the value of the land on which it is situated and which the owner is entitled to use and occupy by virtue of his or her sublease with the Association, without regard to any offer which may have been made for the purchase of the cottage, without regard to any contract of sale which may then be outstanding with respect to the~~

~~cottage, and without communicating with the other Impartial Appraiser concerning his or her appraisal of the cottage. Each Impartial Appraiser shall issue a written report of his or her appraisal to the Association and the owner (an "Appraisal Report"). Except as set forth below, the Association and the owner shall be equally responsible for the payment of all fees and costs charged by the Impartial Appraisers in preparing the Appraisal Reports.~~

~~(v) The average of the values of the cottage set forth in the Appraisal Reports shall constitute the price which the Association must pay in order to purchase all ownership interests in the cottage (the "Appraised Purchase Price"). The Association shall have twenty one (21) days from its receipt of the second Appraisal Report in which to notify the owner of its intent to purchase all ownership interests in the cottage at the Appraised Purchase Price (the "Purchase Notice"). If the Association fails to provide the Purchase Notice within twenty one (21) days following its receipt of the second Appraisal Report, the owner may freely transfer his or her interest in the cottage during the rest of the year, ending on the anniversary of the Association's receipt of the second Appraisal Report. At the conclusion of that year, the provisions this paragraph C shall again be triggered by any proposed transfer beyond the fourth degree of consanguinity (as defined above).~~

~~(vi) If the Association provides the Purchase Notice within twenty one (21) days following its receipt of the second Appraisal Report, the Association shall be entitled to purchase and receive all ownership interests in the cottage on the terms set forth below unless, within thirty (30) days following his or her receipt of the Purchase Notice, the owner notifies the Association in writing of his/her decision to terminate the Purchase Notice (the "Termination Notice"). The Termination Notice shall be accompanied by payment from the owner to the~~

~~Association in an amount equal to the Association's share of the fees and costs incurred and charged by the Impartial Appraisers in preparing the appraisal reports, and shall be void and ineffective unless accompanied by such payment. If the owner provides the Termination Notice and required payment to the Association on or within thirty (30) days following his or her receipt of the Purchase Notice, the Association's entitlement to purchase and receive all ownership interests in the cottage shall terminate; provided, however, that the provisions of this paragraph C shall again be triggered by any proposed transfer beyond the fourth degree of consanguinity (as defined above), regardless of such transfer occurs or is proposed to occur.~~

~~(vii) If the Association provides the Purchase Notice within twenty one (21) days following its receipt of the second Appraisal Report, and if the owner does not provide the Termination Notice and required payment to the Association on or within thirty (30) days following his or her receipt of the Purchase Notice, the owner shall transfer all ownership interests in the cottage to the Association for payment of the Appraised Purchase Price at a closing occurring at a date and time mutually agreeable to the parties, but not later than forty five (45) days after the owner's receipt of the Purchase Notice. Payment of the Appraised Purchase Price at the closing shall be apportioned and allocated as follows: first, to the payment of any and all ad valorem or other taxes then due and owing on the cottage, or which will be due and owing for the calendar year, tax year or other relevant period up to the date of closing; second, to the full payment and satisfaction of any and all liens, encumbrances, assessments or other obligations secured by the cottage or any interest in the cottage; third, to the owner or his/her designee.~~

~~In order to assure an objective purchase decision on the part of the Association, the Association shall maintain a reasonable reserve for the purchase of cottages,~~

~~and no person with a current or prospective financial interest in the matter may vote on the Association's decision to set the amount of such reserve or to purchase or not to purchase a cottage.~~

14. PRIVATELY OWNED COTTAGES. There are currently 39 privately-owned cottages at Chautauqua. Private ownership of some of the cottages provides a contemporary sense of neighborhood and a link to Chautauqua's history. While some cottages have year-round residents, others follow a historic pattern of use by families during the summer months. Recognizing the importance of private ownership, it is the intent of the parties that the number of privately-owned cottages shall not change significantly. The Association shall sublease the land on which the private cottages are situated to the owners of each private cottage. The Association has acquired a privately-owned cottage only once during the prior twenty year lease term. The parties recognize, however, that the Association may choose to acquire cottages in furtherance of its mission to preserve, perpetuate and improve the site and spirit of the historic Chautauqua. The Association agrees that it will only exercise the right of acquisition pursuant to strategic guidelines set forth by its board of directors and as necessary to further its mission. The Association further agrees to- increase rents substantially and to reserve the revenue from the increased amount for contribution to the major renovations described in paragraph 3(C) above. -The Association shall establish rental rates after giving consideration to the following factors, and such other factors as the Association may deem pertinent:

- -The Association's need to maintain and operate Chautauqua without city subsidy;
- The need for cottage owners to have sufficient financial resources to preserve the historic cottages; and
- Recognition of the limited financial resources of some cottage owners.

15. SUBLEASES. The Association shall, as soon as practicable after the date of this lease, negotiate sublease with the private cottage owners (each a "Sublease"). Each Sublease shall be substantially in form and content as set forth in Exhibit C attached hereto and shall have

the same term as the term of this lease including any renewal extension of the term as provided in paragraph 1.

Nothing in this Section ~~14~~15 shall prohibit the Association and the owner from agreeing to provisions in the sublease which are supplemental or additional to the terms set forth above, provided that such supplemental or additional provisions are consistent with, and do not impair or limit, the terms set forth above.

~~15~~16. TERMINATION OR NONRENEWAL OF LEASE. Upon the termination or nonrenewal of this Lease, all buildings and improvements on the real property described in Exhibit A shall be removed within six months, and if not removed shall automatically become the property of the City of Boulder.

~~16~~17. MISCELLANEOUS.

- A. The legislation of the State of Colorado and the City of Boulder shall be applied in the interpretation, execution, implementation and enforcement hereof.
- B. In the event that any provision hereof shall be held to be unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
- C. This Lease shall be terminable ~~immediately~~ by either party upon any breach of the terms hereof; No delay, omission or forbearance in exercising such right or power shall impair any such right or power or shall be construed as a waiver thereof, unless such waiver is expressly given in writing and signed by both parties. Prior to termination, the party asserting breach shall provide notice immediately to the other party. The party that is alleged to have breached the Lease shall have fourteen days to cure. If the breach is not cured within fourteen days after notice, the Lease may be terminated.

- D. The captions contained herein are inserted for ease of reference only and shall not be construed to constitute or modify any part hereof.
- E. This Lease contains and constitutes the entire agreement ~~between~~ the City and the Association with respect to the subjects addressed herein, and all prior or contemporaneous agreements or leases between the City and the Association, whether written or oral, are merged in and superseded by this Lease.

18. AMENDMENT. No amendment or modification of this Lease, shall be valid or binding unless reduced to writing, approved and executed by the parties in the same manner as the execution of this Lease.

DRAFT

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

CITY OF BOULDER, COLORADO

Jane S. Brautigam, City Manager
1777 Broadway
Boulder, CO 80302
Telephone (303) 441-3090
Fax (303) 441-4478

Attest:

City Clerk

THE COLORADO CHAUTUAQUA
ASSOCIATION

By: _____
Susan G. Connelly, Executive Director
900 Baseline Road
Boulder, CO 80302
Telephone: (303) 442-3282
Fax: (303) 449-0790

Attest:

Secretary, Board of Directors

LANDMARKS BOARD COMMENTS ON THE PROPOSED CHAUTAUQUA LEASE AGREEMENT

9/10/15 (final edition)

POSITIVES

- The proposed term conditions provides the ability to have, in essence, a 30 year lease easing access to financing for important maintenance of the historic built environment if it is to continue to be a valuable asset.

CONCERNS & SUGGESTIONS

- The proposed documents do not clearly state what the shared vision for Chautauqua is and do not state that Chautauqua is subject to City ordinances, in particular to historic preservation ordinances & processes. It is important to ensure these are not subject to interpretation. Specific suggestions for achieving this are as follows.

In *Section 3 Responsibilities* of the lease we incorporate the historic preservation Chautauqua Design Guidelines perhaps at the end of the second added sentence something like "... and be subject to all other city requirements, including but not limited to the Preservation Ordinance of the Boulder Revised Code and the Chautauqua Design Guidelines as amended from time to time."

Add a bullet in *Section 6 Access & Parking* in the list of principles that are to govern the Access Management Plan to the effect that Access Management shall be consistent with and prioritize the preservation of Chautauqua's historic assets.

- The Landmarks Board feels that an increase in the number of City appointees is appropriate and would reflect more accurately the City's stake in Chautauqua. Specifically -

Require Chautauqua to at least put on their next election an increase in the number of Board Members to be appointed by City Council, and if that fails to agree to appoint one of the members appointed by City Council to Chautauqua's Executive Committee.

A City appointee or City Councilor board member should be permitted to attend Executive Committee meetings and all executive sessions.

ADDITIONAL COMMENTS

As a board we're in disagreement about a couple points. Following are comments that at least one of us felt strongly about including here but we don't have consensus on.

- By not maximizing use is there danger of creating exclusivity? Some members expressed concern about the appearance of shifting ideology from the historical mission & population served to more elitism. An example of this is the reduction of affordable cottage rentals to students. And could a result of not maximizing use be that Chautauqua becomes a summer cottage retreat for the wealthy and deemphasizes the educational/cultural mission of lectures, films, and concerts?

- A contrary view to the one expressed above is, pressure to maximize use & income, demonstrated by CCA's past effort to construct structured parking & convention facilities, will be removed with the proposed agreement, thus providing a means to avoid over use that threatens the sensitive natural & historical nature of the place.

Not a point of disagreement but slightly off topic

- The proposed rent of \$1 per year is inconsistent with the several hundred dollars for a few hours charged to use the Band Shell. Both landlord/ tenant arrangements provide public benefits so why charge CCA so little OR why charge so much for the Band Shell?

Chautauqua Lease Committee
Joint Meeting with City Boards AND Follow-Up Lease Committee Meeting
September 10, 2015
Final Meeting Summary

JOINT MEETING WITH CITY BOARDS

Attendance

Committee Members: Susan Connelly, George Karakehian, Tim Plass, Deb van den Honert, Bob Yates

City Staff: Yvette Bowden, Tom Carr, Lisa Martin, Mike Sweeney, Deryn Wagner

Facilitation: Heather Bergman, Katie Waller

City Boards:

- *Landmarks Board (LB):* Fran Sheets, Deborah Yin
- *Open Space Board of Trustees (OSBT):* Molly Davis, Shelley Dunbar, Frances Hartogh, Tom Isaacson
- *Parks and Recreation Advisory Board (PRAB):* Mike Conroy, Marty Gorce, Jennifer Kovarik, Kelly Wyatt
- *Planning Board:* John Gerstle
- *Transportation Advisory Board (TAB):* Dom Nozzi, Bill Rigler

Observers: There were 25 observers present, including Chautauqua residents and interested citizens.

Status of the Lease Negotiation

Boulder City Attorney Tom Carr summarized the current status of the lease negotiations and highlighted several aspects of the lease that have resulted in substantial discussion within the Committee and/or additional comments or questions by members of the Boulder City Council. The complete presentation slides are attached to this summary; highlights of the presentation are below. Comments and questions from members of the assembled City boards are noted in the relevant presentation section, with the board that each commenter represents indicated in parentheses. When members of the Committee or the City Attorney provided answers or responses, these are noted as well.

Purpose of This Meeting

- The current lease expires on January 13, 2018.
- The purpose of this meeting is to get feedback from the assembled boards on the proposed lease.
- Board members are encouraged to focus their feedback on areas related to their respective areas of expertise, though all comments and questions will be shared with City Council.

Board Questions/Comments: None

Guiding Principles

- The lease is more than a lease; it governs the rights of cottage owners.
- The lease maintains a public-private partnership between the Colorado Chautauqua Association (CCA) and the City of Boulder.
- The lease is built upon prior negotiations between CCA and the City in 2011. These negotiations emerged from controversy about the idea of building a new structure at Chautauqua and resulted in the creation of a list of Guiding Principles. The Guiding Principles state that:

- Chautauqua is a public place.
- Chautauqua is a historic landmark.
- Chautauqua has a historic mission.
- A balanced approach is required to manage Chautauqua's uses.
- Collaborative place management is needed.
- A cautious approach to change at Chautauqua is needed.
- Financial responsibility is shared by CCA and the City of Boulder.
- The Guiding Principles dialogue made it clear that any change at Chautauqua requires a transparent, collaborative solution with community involvement in the process.

Board Questions/Comments: None

Chautauqua

- The leasehold area is 26 acres.
- There are 39 privately-owned cottages and 60 cottages owned by CCA.
- The City owns the land, the dining hall, the auditorium, and the academic hall.
- CCA maintains these facilities.
- The buildings were built in the early 20th century.
- Major renovations were required by the late 1970s.

Board Questions/Comments: None

Lease Timeline

- The current lease was adopted on January 14, 1998, was modified on August 12, 2002, and expires on January 13, 2018.
- City Council held a study session on February 10, 2015, and approved the charter for the Committee on February 17, 2015. Between April and August 2015, the Chautauqua Lease Committee met 7 times in publicly held meetings.
- City Council received an update and gave direction at the August 6, 2015, special Council meeting.
- Council will be asked to consider approval of the lease in October 2015.

Board Questions/Comments: None

Term (Paragraph 1, page 2)

- Under Section 111 of the 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 the tenant makes significant improvements to the property that Council finds provides a public benefit. Council members on the Lease Committee did not feel comfortable recommending 30-year term due to language in the charter reserving for Council the question of what constitutes significant improvement and whether there is a public benefit.
- Accordingly, the recommended provision is for a 20-year term with a renewal provision after 10 years. CCA and City Council both have the ability to start negotiations again after 10 years. If neither acts to restart negotiations, then the lease automatically renews for 20 years.
- There were two reasons for this approach to the lease term. First, it gives cottagers greater security about the longevity of their leases. Second, it may make it easier for CCA

to borrow money to do capital improvement projects and to enter into agreements with partners and lessees

Board Questions/Comments

- The expiration date for the lease is incorrect and should be corrected. (OSBT)
- The terms of the lease in essence create a 30-year lease. This is good and important for cottagers who help to preserve historic cottages. (LB)
- Is the auto-renewal continual or one-time? (LB) *Answer:* It is a one-time thing.
- The lease looks like it is a 20-year lease with another 20 years on it. (PRAB)
- Will this really be viewed by financiers as an actual 30-year lease? Does this accomplish the financial goal? (OSBT) *Answer:* No. Probably not. It gives the cottagers more security.
- The current lease term ends in 2018. Why are we doing this now? (OSBT) *Answer:* Council directed the City Attorney's Office to do this. There is no assurance that this is going to get done in a timely fashion. If we started in 2018, we may not finish on time. CCA also provides access to other agencies and organizations like the Colorado Music Festival and its Dining Hall operation, Three Leaf Concepts. Completing the lease negotiations as quickly as possible also gives CCA partners and lessees more security and planning ability.

Rent (Paragraph 2, page 2)

- The current lease requires CCA to pay \$2,000 in lieu of ad valorem taxes and rent of \$2,500.
- The Committee recommended replacing this with a provision calling for \$1 in annual 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 the Chautauqua lease in line with other City leases such as the lease for the Boulder Museum of Contemporary Art (BMOCA) and the Dairy Center.

Board Questions/Comments

- There is a disparity of charging \$1 rent for Chautauqua compared to a few hundred dollars to rent the Band Shell for a few hours. The Landmarks Board would like City Council to look at this disparity (in regard to the bandshell). (LB)
- Does CCA spend money on any improvements outside of the leasehold area? (PRAB) *Answer:* Not really, though CCA did get a grant to help fund the bus pullout, which technically is not a part of the leasehold area. The operating maintenance expenditure is roughly \$722,000 for this year. Capital improvements this year will be about \$1 million. CCA averages \$600,000 per year in capital expenditures. The auditorium is owned by the City, and CCA got a grant this year for projects pertaining to the Auditorium. Also, CCA provides some spaces at Chautauqua to nonprofit organizations free of charge.
- The analysis is interesting, and it seems as though this arrangement differs from other facilities that the City leases. There are many individuals at Chautauqua who benefit from this more than other places with similar rent. *Response:* While there is \$722,000 of work being completed at Chautauqua this year, about \$90,000 of that is being funded by cottage owners.

Responsibilities (Paragraph 3, pages 2-3)

- CCA's and the City's responsibilities are specifically referenced in the Guiding Principles.
- The lease has been updated to reflect the current maintenance practices. In the past, maintenance has not always been coordinated. Now CCA meets with the City every month to discuss maintenance needs.
- The lease has also been updated to clarify the meaning of "public streets."
- The Committee recognized the need for City participation in major utility renovation. The City does not want CCA to have to raise \$10 million, so the City is going to help with renovation and capital improvement.

Board Questions/Comments

- The Landmarks Board is concerned that neither the Guiding Principles nor the lease spells out what activities and improvements have to be addressed within City ordinances related to historic preservation. The Board would like to see the Committee add something to the lease that holds CCA responsible for doing improvements within the confines of the City Code and the Charter. (LB)
- Some members of the Landmarks Board are also concerned about CCA not needing to maximize income at Chautauqua. These members feel that some of changes in how Chautauqua is used could damage the spirit of Chautauqua and undermine its historical value. (LB)

Bylaws and Articles of Incorporation (Paragraph 4, page 4)

- The current lease entitles the City to appoint two of fifteen CCA Board members (written as 2/15 of the Board).
- The Committee has revised this language to specify two members to prevent expansion of the Board beyond current size.
- This paragraph was amended to require one City appointee be a City Council member to ensure that Council's interests were represented and that Council remains aware of what happens at Chautauqua.
- The draft lease also says that the size of the Board shall not be expanded without City approval, so as not to reduce the proportion of City appointees on the Board.
- At their special meeting on August 6, City Council recommended increasing the number of City-appointed Board members. Council members disagreed on the number, though a range of 3 to 5 emerged from the discussion.
- The Lease Committee did not support this recommendation. The Committee has discussed the challenge of changing the CCA Board bylaws.
 - Any increase in City representation above the current 2 requires a change in bylaws and requires a quorum of 10 percent of CCA members. It is hard to get a quorum because many people become members to get concert tickets and do not actively participate in governance activities. Sometimes CCA must call individual members just to get them to vote. In addition, once a quorum of 10% of the CCA members is achieved, 75% of them would have to vote "yes."
 - CCA cannot guarantee an outcome of such an election, making it a challenging requirement to add to the lease. They can commit to holding a special election.
 - The Lease Committee did not think that this was worth stopping or slowing down the whole process by requiring that the bylaws be changed as a condition of the City signing the lease.

Board Questions/Comments

- The Landmarks Board believes that an increase in City representation on the CCA Board would be more consistent with City interests. They propose requiring that CCA put this question to a vote of their members as part of the lease. They recommend requiring that the City representatives sit on the CCA Board's Executive Committee and be permitted to attend all executive sessions. (LB) *Response:* Executive sessions are pretty rare. They are typically about personnel, contracts, or legal matters and all board members are currently in attendance for executive sessions.
- Is there an Executive Committee? (LB) *Answer:* Yes, it is comprised of the officers of the Board. They meet in between the CCA meetings to set the agenda. All Board members are welcome to attend Executive Committee meetings.
- Of the current members of the Board of Directors, how many have to drive to get here and get to have that experience? (OSBT) *Answer:* Approximately 5 must drive here.

Use of Facilities (Paragraph 5, page 4)

- The 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.

Board Questions/Comments

- There is a conflict between community sustainability goals and sensitivities to surrounding neighborhoods. Neighborhoods are serving as overflow parking. It seems like CCA is going to add more parking so as to not impact the people in the surrounding neighborhoods. Providing and maintaining more parking is not in line with City sustainability goals. (TAB) *Response:* There is no proposal for more parking at Chautauqua. CCA and cottagers support getting people out of cars regardless of where they are going.
- Some members of the Landmarks Board are concerned that not requiring CCA to maximize the use of Chautauqua could create exclusivity and elitism, with movement away from the educational goals of Chautauqua. (LB)
- It may be good to add "and Open Space lands" after "...and with sensitivities to impacts to neighborhoods." (OSBT)
- If parking continues to be congested, people will be discouraged to come to Chautauqua, which undermines the Guiding Principle stressing that Chautauqua is a public space. (TAB)
- If too much attention is given to impacts to neighborhoods, it may result in a significant decrease in the range of public activities at Chautauqua, which would be an undesirable outcome. (LB)

Traffic Control and Parking (Paragraph 6, page 5)

- The title of this section was changed to "Access and Parking."

- The Committee believes the lease is not the appropriate means to address traffic control and parking at Chautauqua. This is a broader issue requiring a broader community conversation.
- The lease provides for a Chautauqua Access Management Plan (CAMP) to be developed by next year and then periodically updated.
- City Council recommended a more balanced set of principles to guide these discussions.
- The Committee amended the principles accordingly.

Board Questions/Comments

- Parking can really change the character of Chautauqua. The Landmarks Board recommends adding language to ensure that parking changes do not alter the historical spirit of Chautauqua (LB).
- This is very aspirational, but it defers action on parking until later. It is important to remember that this is the most important trailhead and iconic hike in Boulder. Open Space and Mountain Parks (OSMP) tends not to make trailhead parking smaller or bigger than it currently is. It would be difficult for OSMP to have parking available to Open Space visitors decreased. Having safe access and flowing traffic for Open Space visitors is of equal priority to parking for people who live in the area. (OSBT)
- The bus parking along Kinickinick should be maintained, because school bus parking is important for educational efforts on Open Space property. It would be good to add a provision that maintains this for the future. (OSBT)
- There is a provision that mentions pedestrians having priority in narrow streets. It would be good to add a provision that is consistent with the idea of using low-speed geometries (e.g., tight turns) to ensure that cars go slowly for safety. (TAB)
- "Public access should not be unreasonably restricted" is something that people could use to argue against paid parking at Chautauqua. (TAB)
- Parking at Chautauqua is an important issue. The time commitment outlined in the lease for completing this work should be honored. (PRAB)

Permitting (Paragraph 11, page 8)

- 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.

Board Questions/Comments: None

Limitations on Subleases (Paragraph 14, page 9)

- The current lease devotes several pages to limitations on the ability of private cottage owners to sell their cottages.
- CCA and cottage owners are in the process of negotiating the sublease provisions.
- The Committee decided it would be best to incorporate the sublease into the lease by reference.
- One of the important changes in the sublease negotiations is that cottage owners were previously not allowed to use a bonafide offer to value their property when selling it to CCA. This has been removed in the new lease, and a different price-setting mechanism has been established in the sublease.

- There is a new paragraph that requires CCA to assess the cottage owners for a portion of CCA's contribution to major utility renovations. (Note: This paragraph was removed by the Lease Committee. The Committee agreed that the increased cottage owner rent would be applied to capital improvements, so this language was no longer necessary.)

Board Questions/Comments

- Is there any point addressing the short-term rental issue in the lease? (LB) *Answer:* CCA has rules and regulations for subleases that the Board is reviewing and updating. This issue will be addressed in these rules and regulations. The Board will likely ban short-term rentals at Chautauqua.

Privately-owned Cottages (New, Paragraph 14, page 13)

- This new paragraph recognizes the importance of private-cottage ownership at Chautauqua.
- The paragraph requires CCA to lease land to cottage owners, and it sets certain limits on CCA's ability to acquire additional cottages. CCA will only acquire new cottages if the acquisition meets strategic guidelines established by the Board of Directors. CCA has written down the previously-implicit guidelines to inform their cottage-buying strategy. They have only purchased one cottage in 20 years. They have turned down 5 or 6. CCA is committing that the number of CCA-owned cottages will not change much from what it is right now. CCA is committed to a continuity of culture at Chautauqua.
- The Lease Committee agreed to maintain the current practice of increasing rents only to cover increased costs through inflation. However, City Council recommended that cottage owners pay more in rent. The cottage owners and CCA have come to an agreement on increased rent (2.5 times the current rent), with the increased amount going to fund major capital improvements.

Board Questions/Comments: None

Miscellaneous

- The lease can be terminated immediately based on any breach.
- The Committee recommended removing the word "immediately" and allowing an opportunity for CCA or the City to fix the problem.

Board Questions/Comments: None

Amendments

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

Board Questions/Comments: None

Additional Comments from Board Members

- It seems like things are working pretty well with CCA in this relationship. The City has enjoyed and continues to enjoy a public-private partnership, and we share in many of the great collaborations to ensure that the public still has access to what Chautauqua has to offer. Parks and Recreation has not had any issues regarding permitting, and so far the collaborative relationship has been a good one. CCA, Parks and Recreation, and

OSMP all work together to ensure that everything we do makes sense. The facilities manager at Chautauqua is awesome and has helped us a lot. (PRAB)

- Are there Chautauquas like this in other places in the nation? Can we learn from them? (TAB) *Answer:* There are a dozen places that still call themselves Chautauquas, and none of them are municipally-owned. Some are religiously-owned. This is the only year-round and ungated Chautauqua. There is a place in Seattle that is a bit similar.
- What are the laws that guide Chautauqua? There were a lot of questions about how the City ordinances apply. (OSBT) *Answer:* CCA is subject to all City ordinances and codes, as are all cottage owners.
- The Landmarks Board talked about ordinances as well. It was not clear that CCA would have to comply with all ordinances, and the Board recommends adding language to this effect to the lease. (LB)

Additional Comments from the Lease Committee

Several members of the Lease Committee thanked the other board members for coming to this meeting and sharing their perspectives. The Committee will consider all the comments heard and share them with City Council. It appeared to some Committee members that the comments from the assembled board members suggested that the Committee is headed in the right direction.

Next Steps

- The Lease Committee will meet following adjournment of this meeting.
- The Committee may have to schedule another meeting before the lease goes to City Council for review and approval.
- Tom Carr will present the lease to PRAB at their September 28th meeting. (There is some question about whether the leasehold area is a park. If it is, PRAB needs to approve the lease. Council has determined the leasehold area is not a park, but Mr. Carr will present it to PRAB as a precautionary measure.)
- City Council will review the lease on October 6th.

LEASE COMMITTEE MEETING

Attendance

Committee Members: Susan Connelly, George Karakehian, Tim Plass, Deb van den Honert, Bob Yates

City Staff: Tom Carr, Mike Sweeney, Deryn Wagner

Facilitation: Heather Bergman, Katie Waller

Observers: There were 12 observers present, including Chautauqua residents and interested citizens.

Public Comment

Terry Thomas

- Is it correct to assume that cottage owners' rent will go up, but that they will not be subject to assessments?
- *Answer:* New rent, as proposed by the Committee, will be 2.5 times the old rent. The Committee intends for there to be no additional assessments on cottagers, but that depends on what City Council decides.

Michael McCarthy

- I am a neighbor of Chautauqua and a member of a new organization called Sustainable Chautauqua.
- I recognize that parking issue has been taken out of the lease discussion for the time being. Nevertheless, it is important to know that two months ago, neighbors signed a request for a permitted parking zone in Chautauqua.
- This place is being loved to death. There are chronic issues of overuse. Our driveways are being blocked, and there is lots of conflict. We have an unsafe situation.
- I have lived in this neighborhood for 40 years. Something demographic dramatically changed 3-5 years ago. I think the demographic change is not growth in Boulder, but the whole Front Range. The pressure on OSMP and Chautauqua is from members of the entire Front Range. That requires being more proactive.
- *Question from the Committee:* Is it your sense that this impact has changed during daylight hiking hours or on concert nights? *Answer:* Anecdotally, it is during daylight hours for hiking. Concerts have been going on for a long time. We are used to the concert usage. OSMP is drawing excessive use.
- *Comment from the public:* It isn't concerts. The problem is parking for daycare vans and hikers visiting Open Space. Maybe there are lessons in what has been tried on Flagstaff.
- *Comment from the Committee:* Addressing parking the CAMP process is better than doing this through the lease. You are not the only one who feels strongly that this needs to be addressed.

Katherine Barth

- There is no public transportation to the Chautauqua area. There used to be a bus that came up here, the 105. Before that, there was a streetcar. Chautauqua is designed for public transportation.
- I keep hearing that we can't have a bus, but people would take the bus if they could.
- People will park if there are no other options.
- *Comment from the Committee:* The discussion about public transportation is an important one. The CAMP discussion should also include talking about dogs on public transportation, since hikers like to bring their dogs to Chautauqua.

Leslie Pizzi

- There are lots of beautiful OSMP spaces. There are lots of OSMP parks that have parking lots that fill up, and when they are full, they are full and people adapt. OSMP does not discuss more parking access in these places.
- Chautauqua is the biggest and most loved OSMP park, and it has unlimited parking. It has the parking lot and neighborhood parking. When we talk about overuse, Chautauqua is more impacted because of free parking. This problem must be addressed with a solution that is specific to Chautauqua.

Kris Woyna

- I have been here since the 1980s. There used to only be 1.5 staff members at CCA. That worked because in the winter time it was CU and faculty housing. In the summer it was long-term rental to WWII veterans. It was such a great time, and the students and professors came back and there was lots of volunteer work.
- The thing to remember is that Chautauqua is a gathering of people. Not a park. Not the facilities. There has been gentrification. This is a place that needs to stay low-key, and we can't raise the rents a ton because we will lose the regular people who live here.

Committee Discussion on Comments Raised by Board Members

The Committee discussed the comments received on each of the topics highlighted by Mr. Carr in his presentation (see above).

Term

The Committee reiterated its support for the hybrid approach it has taken to the term of the lease. The group discussed whether it would be worth having CCA make the argument to City Council for a simple 30-year lease and determined that this would likely delay the completion of the negotiations and was not likely to succeed.

Rent

The Committee determined that because City Council did not raise concerns about the benefits cottagers receive and whether they are in proportion to CCA's rent, they did not need to discuss this issue further.

Responsibilities

The Committee agreed to add language to the Guiding Principles to stress the commitment to adhering to the City's historic preservation requirements, though some members of the Committee did not think it was necessary and others questioned whether calling out a specific law that would be followed was wise. Mr. Carr will add language appropriate language stating the CCA will adhere to all laws, including but not limited to current historic preservation requirements on Page 3, Section 3.

Bylaws and Articles of Incorporation

Some members of the Committee expressed frustration and disappointment that City Council would like to increase the City's representation on the CCA Board of Directors. Since CCA works hard to collaborate with the City and other partners and believes it has done a good job honoring all commitments and the spirit of Chautauqua, such a change feels unwarranted. CCA will hold an election to change the City's representation if Council requires it, but they would like to stress the difference between the quality and quantity of City representation. By requiring that one City representative be a member of Council, the City will improve the quality of Council's participation in and awareness of the management at Chautauqua. This is an important and substantial change. Additionally, it is unclear if Council simply wants more City representatives on the Board or if they want to increase their amount relative to non-City representatives. Some members of the Committee stated their concern that increasing the number of City representatives on the Board could also lead to a politicization of those Board seats, which would change and possibly compromise the governance of Chautauqua.

Several members of the Committee wanted to leave the current language in the lease, without adding language about trying to increase the number of City representatives on the Board. One person stated that this would be different from how the Committee has treated other topics that Council indicated a need for change or additional work. Not addressing this issue as the Committee has the other issues raised by Council may not start the Council lease review off on the right foot. One member stated a belief that some members of the community do not trust CCA and are contacting Council members. Council is trying to address this concern in a way that does not undermine the overall intent or direction of the lease.

The Committee agreed that they should raise this question again with Council prior to the lease review on October 6th. Mr. Carr will bring this up during "Matters from the City Attorney" at the September 15th City Council meeting. He will speak to all of the areas in which Council indicated that additional work was needed and explain how the Committee⁴ has addressed Council's

concerns. Regarding the change in City representation, Mr. Carr will explain the Committee's struggle to resolve this issue in a way that is satisfactory for all members and see if there is additional direction forthcoming from Council.

Use of Facilities

The Committee reiterated that there is no effort or proposal to increase parking at Chautauqua and agreed that all of the issues raised regarding parking during this section of the presentation should be addressed during the CAMP process.

Traffic Control and Parking

As with the parking issues raised during the discussion of the use of facilities, the Committee agreed that the concerns about parking that emerged during from the boards and the public comment should be addressed in the CAMP process. The specific concerns about the impact of parking on the historic nature of Chautauqua can be further addressed in the CAMP guiding principles.

Limitation on Subleases

The Committee affirmed that the CCA Board should address short-term rentals in the sublease rules and regulations that will be approved by the Board on October 5th. The Committee agreed that this is the proper way to incorporate this issue as it would be unusual to raise such a topic in the master lease agreement with the City.

Privately-Owned Cottages

Several members of the Committee stated that it was interesting that there were not many negative comments about rent in the meeting with the boards. The perception appears to be that the increase included in the lease is viewed as a meaningful increase that will make a difference. One member of the Committee stated that some people commented to him at the break after the meeting with the boards that they were surprised that cottage rent was increasing so much.

A member of the Committee asked how the issue of financial hardship was being addressed. Mr. Carr reminded the Committee that there is language about this in the master lease on Page 14. CCA said that they will address this on a case-by-case basis.

Additional Comments

- Ms. van den Honert stated that she has drafted a letter to City Council to explain why the increased rent amount is reasonable. Several members of the Committee had read the letter and thought it contained good information. One stated it was a good companion letter to the one that CCA sent to Council. Some stated they were not sure whether sending the letter to Council would be advantageous. Ms. van den Honert will determine whether and how to distribute it to Council.
- Ms. Connelly asked whether the Committee wanted to adjust the language in the lease regarding how the cottage rents would be applied. The current language states that the rents will go to capital improvements, but if that was changed to capital improvements and maintenance, it would increase the amount of money CCA could use to leverage additional funding from the Scientific and Cultural Facilities District (SCFD) without impacting the intended allocation of those resources to capital improvements. Some members of the Committee expressed concern about this proposal, and the Committee agreed to leave the current language intact.

Next Steps

- Mr. Carr will request authority from the Council Agenda Committee to add a Chautauqua lease update to Matters from the City Attorney on the Council agenda for September 15th. He will update the Committee on the outcome of the meeting.
- Mr. Yates and Ms. van den Honert will attend the Council meeting and provide their perspectives during public comment.
- The Committee will hold September 24th from 5:30 pm to 7:30 pm for an additional meeting in case one is needed after the Council update. Ms. Connelly will try to get a room at Chautauqua.