

**CITY OF LODI  
INFORMAL INFORMATIONAL MEETING  
"SHIRTSLEEVE" SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, AUGUST 8, 2006**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, August 8, 2006, commencing at 7:00 a.m.

**A. ROLL CALL**

Present: Council Members – Beckman (arrived at 7:01 a.m.), Hansen, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Interim City Clerk Perrin

**B. TOPIC(S)**

B-1 "Presentation regarding issues associated with long-term rental of Hutchins Street Square facilities by local church"

City Manager King reported that the issue associated with this rental is whether or not Hutchins Street Square, which is a taxpayer subsidized facility, takes on a long-term tenant who would, on a regular basis, use a majority of the facility for a particular day and time to the exclusion of other events and activities. This request does not address the religious aspect of the use, but addresses the issue of an on-going tenant, which would offer a revenue stream to the City.

Steve Baker, Interim Community Development Director, reported that in March 2006 Council decreased the Sunday through Wednesday fees in an effort to bring more activities to the Square on under-utilized days, after which representatives from Heartland Community Church expressed an interest in holding its services there. The revenue would amount to \$50,000 a year, and the church would utilize the facility on approximately 50 weekends. This rental would conflict with a small number of other uses, such as the Crane Festival, which typically utilizes the entire facility, and various productions by Troup Cabana, St. Mary's, and the Community Concert Association, which involve stage set ups. The church would be required to move its music forward and work around the sets on these conflicting days. The desire is to increase the amount of drama productions, some of which may occur on Sunday afternoons or evenings, that could result in a conflict of uses. Another issue to consider is staffing, as it would be cost prohibitive to supply theater technicians for this on-going rental, and staff is proposing to provide a simple mechanism for church members to turn on and off the lights and manage its set up. The Square typically does not have janitorial staffing on Sundays, and there would be additional charges for weekend clean up. Even with an increase in drama and concert events, Sunday would most likely continue to be a low utilization rental day and there would be few conflicts with the theater. Mr. Baker pointed out that Kirst and Crete halls, which are rented the most, would not be affected by this proposal, and the church would be allowed to use the Rotunda on days that those rooms are not in use. Heartland Church is requesting a three-year agreement, and staff is recommending a one-year agreement with the option to renew.

Council Member Hansen expressed concern that this could be viewed as a partnership between the City and Heartland Church and that it could conflict with other activities at the facility. Hutchins Street Square is a community facility and he did not want to see community events precluded from utilizing the facility because of this long-term contract.

Pastor Chris Chavez, representing Heartland Community Church, explained that the church is in the process of raising funds to purchase a property and the hope is to relocate to a new facility within the next three years. The Square would serve as a central location for church delegates to attend services, which would also be open to the community at large. The commitment would be for three years, and he felt that the alternative of a one-year lease with two options to renew would be acceptable.

In response to Council Member Hansen, Pastor Chavez replied that the church intends to work with the Square and greatly supports bringing in further community events. Church representatives have discussed the possibility of potential conflicts and have a number of options to address the situation.

In answer to Council Member Hansen, Mr. Baker stated that the Square would incur greater expenses for janitorial services, and he is considering utilizing part-time staff to clean on the weekends and to help staff Saturday events. The proposal for the church to utilize the Square has not been formally presented to the Hutchins Street Square Foundation, and he anticipated that it would go before the board at its next meeting. Mr. Hansen stated that he would like to receive input from the board when this matter returns to Council.

Mayor Hitchcock questioned if the \$50,000 was net revenue (i.e. revenue less expenses for janitorial costs, security guards, electricity, etc.), to which Mr. Baker responded that the cost for security guards would be a wash and that there would be additional costs for janitorial, as well as electricity to control the temperature of the building over the weekend. Mr. Baker stated that he would provide an estimate of the costs.

In response to Council Member Beckman, Mr. Baker stated that there would most likely be two conflicts a year for Sunday use of the theater. Mr. Beckman suggested including language in the contract that Heartland agree to give up the theater one to two times a year and that the City provide advance notice as to when those conflicts would occur. Mr. Beckman added that he is a member of Heartland Community Church.

In response to Council Member Mounce, Pastor Chavez stated that the church would utilize the Square on Sundays for four to five hours, which includes set up and clean up.

In response to Mayor Pro Tempore Johnson, Pastor Chavez replied that the church congregation includes 200 to 300 adults, and the hope is that the larger facility at the Square would encourage growth, which would transition into the new permanent facility. The lease on the current church building concludes at the end of this year and includes an option to renew for two and a half years. The structure is over 9,000 square feet and accommodates church services, youth activities, and offices. The facility will continue to be maintained, along with the lease at the Square, in order to conduct the many weekday activities and classes.

Mayor Pro Tempore Johnson also expressed an interest in receiving input on this proposal from the Hutchins Street Square Foundation.

Mayor Hitchcock requested further information on the actual revenue once the costs associates with wear and tear of the building, heating, air conditioning, lighting, and janitorial services are factored into the amount. She further questioned if the City has an obligation to put this proposal out to bid and whether there are others who would like to utilize the facility in this manner, as this has the potential to exclude a number of events that are consistent with a performing arts theater.

Mr. Baker stated that this proposal is viewed as a rental contract and that, had this been a month-to-month contract, the church would have been allowed to utilize the facility. It is the long-term nature of the contract that is at issue and is the reason it has been brought forward. He added that no other churches have expressed an interest in using the facility for Sunday services; although, some have used the Square on weeknights for special events or services.

Ken Levy, representative of Heartland Community Church, stated that there are few churches that would have the size and resources to do what they are doing. In regard to potential conflicts, he stated that Heartland Church would be accommodating and he hoped that the City would give as much warning as possible. Heartland may sublease a portion of its current facility to another church for a reduced rate; however, it would serve as an alternative for Sunday morning services if there is a conflict at the Square.

Council Member Hansen expressed support for a one-year contract with the option to renew versus a three-year contract and questioned what type of language addressing termination notice would be built into the contract. City Attorney Schwabauer responded that the contract would be written according to the specifications set forth by Council (i.e. 30-day notice, one-year notice, etc.).

Council Member Mounce requested that the contract include a provision that the City give advance notice to the church if there is conflict with another event.

In response to Mayor Hitchcock, Bob Smith, representing Heartland Community Church, stated that, in the event of a conflict, the church would be very flexible. If it must work around sets on the stage, it would reduce the band set up, which would also reduce the time needed to set up and clean up for the service. The church has outgrown its current facility and would like to settle at a permanent location; the Square offers a short-term solution for the church, as well as a revenue stream to the City. He viewed this as a win-win solution for both organizations. The goal of the church is to locate its new facility within, or in very close proximity to, Lodi.

Mr. Schwabauer, speaking as a member of Lodi House, pointed out that Heartland Community Church donates a considerable amount of money to its organization, as well as to other charitable organizations in the community.

PUBLIC COMMENTS:

- Myrna Wetzel added that the church was also instrumental in helping Katrina victims.

**C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS**

None.

**D. ADJOURNMENT**

No action was taken by the City Council. The meeting was adjourned at 7:50 a.m.

ATTEST:

Jennifer M. Perrin  
Interim City Clerk



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Presentation Regarding Issues Associated with Long-Term Rental of Hutchins Street Square Facilities by Local Church (COM)

**MEETING DATE:** August 8, 2006 Shirtsleeve Meeting

**PREPARED BY:** Steve Baker, Interim Community Center Director

**RECOMMENDED ACTION:** That the City Council hear a presentation associated with long-term rental of Hutchins Street Square facilities by local church.

**BACKGROUND INFORMATION:** At the March 1, 2006 City Council meeting, the Council adopted lower fees for rooms at Hutchins Street Square in an effort to increase utilization of these rooms. These lower fees were for Sunday through Wednesday.

**DISCUSSION:**

Heartland Community Church approached staff regarding renting the Theatre for church services as well as other rooms for Sunday school, childcare, etc on Sundays. The other main rental halls – Kirst and Crete – would still be available for rentals to others on Sundays. The Church would like a three year agreement.

Because this would bring in additional revenues (potentially over \$50,000 in annual revenues) on a day that is underutilized, staff has been working to try to work out a rental agreement with the Church to bring to Council. The process has been complicated, however, by the details of working out a long term agreement for one day a week and coordinating with other current uses and possible future uses at the Square. Changes in normal operations also would need to occur. Examples include:

- The annual Crane Festival uses most of the rooms at the Square. Even though the theatre itself is not one of the rooms, the Crane Festival event would probably preclude church use on the first weekend of November.
- Several children's theater events (St. Mary's, Troupe Cabana, Lodi Theater for Youth) have sets on the stage that would need to be left on the stage. The Church has indicated that they will simply work around these sets and adjust their services accordingly.
- St. Mary's has an annual drama event each year, which includes matinee shows on Sundays. There could be a conflict between these matinees and the church services.
- Lodi Community Band and the Lodi Community Concert Association sometimes have Sunday night events (including installation of the band shell). The Church has indicated that they will adjust their services accordingly.
- Having theater technicians scheduled for Sundays would be cost prohibitive for church services. Staff and the Church are working to allow "one button" lighting and the Church is planning to bring in its own sound equipment (and store some of it on-site)

APPROVED: \_\_\_\_\_

Blair King, City Manager

- Having theater technicians scheduled for Sundays would be cost prohibitive for church services. Staff and the Church are working to allow "one button" lighting and the Church is planning to bring in its own sound equipment (and store some of it on-site)
- The current janitorial contract charges relatively high amounts for additional cleanings on weekends. The contract either would need to be amended or possibly part-time staff brought in to do janitorial work in addition to room take-downs and set-ups.
- In the long run, staff would like to bring in more events, and in particular drama events, to the theatre, which could increase the potential conflicts. Attempting to speculate what these potential conflicts might be has been challenging to boil down in a contract.

Overall, there has been a willingness on the part of the Church to accommodate other uses.

Note also that the Church as a religious organization has the right to rent any room at the Square on the same terms and conditions as any other organization (in this case a non-profit). Any other church may also ask for the same consideration.

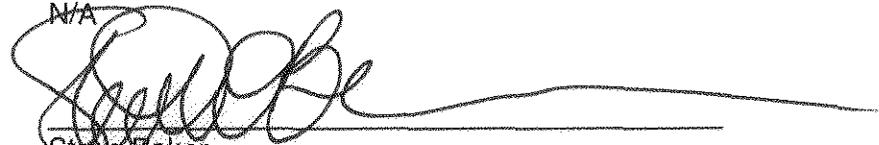
The Council may wish to discuss this use and how it relates to the overall mission as well as revenues of the Square.

**FISCAL IMPACT:**

A rental agreement could result in additional revenues to the Square estimated to be over \$50,000 per year.

**FUNDING:**

N/A

A handwritten signature in black ink, appearing to read "Steve Baker", written over a horizontal line.

Steve Baker,  
Interim Community Center Director

*filed 8-8-06*

## **Church At HSS**

### **Facilities:**

**Revenues: \$50,000+**

### **Conflict Examples:**

- **Crane Festival (no use)**
- **Theatre sets**
- **Sunday Events –evenings, matinees**

### **Operations:**

- **One button lights**
- **Janitorial/Staff**

### **Future:**

- **More drama events**
- **Cooperation**

