



Staff Report

August 11, 2020

TO: Honorable Mayor and Members of the Town Council
FROM: Sean Rabé, Town Manager
DATE: August 11, 2020
RE: South Placer Heritage Foundation Rent Waiver for Blue Goose Property

Recommendation

Staff recommends the Town Council continue to waive the rent for the South Placer Heritage Foundation for the Blue Goose property retroactively from July 2020 through December 2020 or when the Foundation can begin renting the facility, whichever is sooner. Waiving the rent for this period (six months) will result in a loss of revenue of \$9,947.28.

Issue Statement and Discussion

The Town of Loomis currently rents the Blue Goose land to the South Placer Heritage Foundation for \$1,657.88 per month. Because of the ongoing COVID-19 crisis, the tenants of the Blue Goose building have lost a significant amount of revenue and the Foundation has been unable to rent the facility, leading the South Placer Heritage Foundation to see a significant decline in revenue. South Placer Heritage Foundation Board Chair Randy Elder estimates the Foundation is operating at a monthly deficit of \$4,513, inclusive of the rent to the Town (see attached email from Randy Elder, dated August 3, 2020).

At the May Council meeting, Council waived the Foundation's rent for a three-month period (April to June).

As noted in Mr. Elder's email, most of the Blue Goose tenants are paying only half of their rents. Because of this income loss, the Foundation is now asking to have the rent waived through the end of the year.

Staff supports this waiver because it allows the Foundation to continue to operate the building and, in turn, allows the tenants to remain at the Blue Goose. Staff recommends, however, that the waiver be approved through the end of the year or when the Foundation can start renting the facility again, whichever is sooner. The waiver does not include utilities, which the Foundation will still be responsible for.

The Blue Goose Event Center is a significant driver of economic prosperity in Town and temporarily waiving the rent keeps it viable as an important venue in Town.

Staff is prepared to answer any questions you may have.

CEQA Requirements

There are no CEQA implications associated with the recommended action.

Financial and/or Policy Implications

Waiving the rent for six months results in a loss of revenue of \$9,947.28 (the total amount of waived rent, including Council's previously-approved three month waiver, would be \$14,920.92). However, the ongoing viability of the Blue Goose Event Center outweighs the short-term loss of revenue.

Attachments

- A. Email from Randy Elder dated August 3, 2020

Wednesday, August 5, 2020 at 10:45:51 Pacific Daylight Time

Subject: FW: South Placer Heritage Foundation rent for the Blue Goose property

Date: Wednesday, August 5, 2020 at 10:45:09 AM Pacific Daylight Time

From: Sean Rabe

To: Sean Rabe

From: "relder@elderfinancial.biz" <relder@elderfinancial.biz>

Date: Monday, August 3, 2020 at 12:56 PM

To: Sean Rabe <Srabe@loomis.ca.gov>

Cc: "adamn5993@gmail.com" <adamn5993@gmail.com>, "relder@elderfinancial.biz" <relder@elderfinancial.biz>

Subject: South Placer Heritage Foundation rent for the Blue Goose property

Sean,

The Event Center and Annex have not held any events (excluding the Town and a blood drive) since the middle of March. We do not expect to have any events in the Blue Goose (other than Town meetings and blood drives) until after the first of the year. Gander is now partially shut down again and is paying half rent (\$1,850) which may be waived by the Foundation if the Covid situation continues to deteriorate in Placer County. Blue Goose Produce is paying half rent (\$1,200) and Ferreira Insurance is paying full rent (\$500).

Our fixed expenses are running \$8,063 per month including our rent agreement with the Town for a deficit each month of \$4,513. We have approximately \$70,000 in the bank so we have barely a year's worth of cash.

Additionally, we just received 2 property tax bills from the county totaling \$6,784 for the 2020/2021 tax year.

We appreciate the council's previous decision to waive our rent through June. I am again asking for the council to waive our rent. This time from July, 2020, through December, 2020, due to the Foundation's inability to generate income from the Event Center and Annex.

Thank you in advance for your help on this.

Randy

Randolph Elder
President
South Placer Heritage Foundation
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