

Public-Private Development Agreement between the City of Rehoboth Beach and Clear Space Theatre Company, Inc.

The provisions set forth below shall form the basis of negotiation, and be included as more fully set forth in a public-private development partnership agreement by and between the City of Rehoboth Beach, Delaware, and Clear Space Theatre Company, Inc., a Delaware nonprofit nonstock corporation.

Duration

- The lease proposed is a 30-year triple net land lease with two 10-year options.

Preparation of Parcel

- The City shall be responsible for the removal of the current Cape Henlopen Senior Center structure on the parcel prior to construction of the performing arts center.

Scope of Building

- Clear Space will construct a new performing arts center of roughly 40,000 gross square feet on the parcel.
- The design of the performing arts center is to be determined with input from the community through public meeting(s) noticed in advance.
- The performing arts center will incorporate a proscenium stage, a flexible seating black box theater, public meeting spaces, galleries, and such other spaces as needed for such a facility.
- Clear Space shall have the freedom to select its own architect for this project through a competitive RFP process conducted by Clear Space.
- Clear Space will be subject to all applicable site plan and design reviews prior to final approval.

Parking

- Clear Space and the City shall examine parking options which may include, but not be limited to:
 - Surface parking;
 - Underground parking structure, which would require additional financial participation from the City; or
 - A combination of the above.
- Any additional parking which Clear Space shall provide on the parcel through the site plan review process shall remain under the jurisdiction of the City for use as paid metered parking, subject to parking rates and schedules as determined by the City. All revenues from additional parking spots shall be retained in full by the City.
- Consistent with current usage by the Cape Henlopen Senior Center, a designated number of parking spots shall be made available for Clear Space's exclusive use.

Financials

- Clear Space will pay an annual land lease of \$1/year. The City will assess the market value of the land lease and reflect the value of its annual investment as in-kind support.

The four financial terms the city didn't agree to as part of its offer to Clear Space.

- The City shall provide Clear Space with a \$1 million contribution to Clear Space's capital campaign for the development project, paid in 5 annual installments of \$200K over the course of 5 years, beginning in 2026.
- The City shall waive building permit fees.
- The City shall maintain all parking revenues from the parking spots on the parcel.
- The City shall impose a facility fee on all tickets purchased to events in the new performing arts center, including all Clear Space productions and all performances and events from partner organizations. For the first 5 years of the lease, that fee shall not exceed \$1 per ticket. For years 6-10 of the lease, that fee shall not exceed \$2 per ticket. For years 11-30 of the lease, that fee shall not exceed \$3 per ticket. Clear Space shall receive this fee with each ticket sales transaction and shall remit this fee to the City on a quarterly basis based on realized facility fee revenue.

Autonomy

- The land lease between Clear Space shall in no way impact Clear Space's full creative autonomy in its artistic and business endeavors.
- A member of the City's Board of Commissioners shall be appointed as an *ex officio* member of the Building Committee of the Clear Space Board of Directors. In this *ex officio* role, the appointed commissioner shall serve as an on-going liaison between the City and Clear Space on the development, ensuring citizens' needs are met as both entities work collaboratively on the redevelopment of the Christian Street parcel.
- Upon completion of the facility, a liaison from the City's Board of Commissioners shall be appointed to Clear Space, consistent with the liaison model in place at the time for other community resources on City land.
- Upon completion of the facility, as a community asset on City land, Clear Space will be eligible to apply for annual funding through the community partner grant program.
- The City will provide applicable public safety services. Clear Space will be responsible for its own utilities, trash, and recycling.