



Date: July 21, 2026
Department: Administration
Presenter: Riley Hovorka
Subject: Commercial Lease Agreement with The Playroom Learning Center

Purpose:

Staff request that Council consider entering into a Commercial Lease Agreement with Amber Merritt, owner of The Playroom Learning Center, at the property known as 2 End Units, Riverview Meadows Complex, 260 Hwy 89 (260 River Circle).

Background:

The most recent Commercial Lease Agreement with The Playroom Learning Center expired on September 30, 2023. The Town sent a letter to the owner on September 20, 2023 notifying them of the term expiration, and offering to extend the lease indefinitely on a month-by-month basis beginning October 1, 2023. The lease rate remained unchanged at that time. The Playroom Learning Center has continued to lease the property on a month-by-month basis since accepting the extension offer in October of 2023.

During executive session on May 5, 2026, the Council directed staff to renew the lease at a rate of \$0.75 per square foot. A draft of the proposed lease agreement with the new rate is attached hereto.

Alternatives: 1-4 alternatives

Option A — Approve the updated Commercial Lease Agreement at a rate of \$0.75/sf.

Option B — Approve the updated Commercial Lease Agreement, with a different rate of \$_____.

Option C — Continue to allow The Playroom Learning Center to lease the space on a month-to-month basis indefinitely, with the same terms and conditions initially agreed upon.

Fiscal Impact:

The Town currently collects \$1590/month or \$19,080/year in rent from The Playroom Learning Center. At the proposed rate of \$0.75/sf, the new rental rate will be \$1837.50/month or

\$22,050/year. This represents a \$2,970 increase per year. Significantly increasing the rate will increase the operating expenses of The Playroom Learning Center and may result in rate increases to users over time.

Strategic or Community Impact:

Providing a long-term and low-cost lease to The Playroom Learning Center allows the provider to keep childcare costs low and predictable for working families.

Key Questions:

1. Does Council wish to enter into a new Commercial Lease Agreement with The Playroom Learning Center?
 2. Does Council agree on the previously established rate of \$0.75/sf?
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Suggested Motion:

I move to approve the Commercial Lease Agreement with The Playroom Learning Center as proposed, and authorize the Mayor to execute the agreement.