



June 10, 2024

To the Atherton Town Council:

Playschool is about to complete our 26th year here in Holbrook-Palmer Park and we are grateful to the Town of Atherton for allowing us to be a part of the community for all these years.

Thank you to the Council for reducing our rent during Covid and permitting the 30-day 'out' clause. Playschool likely would have closed permanently without those amendments to our lease during the past few years.

We are no longer affected by Covid restrictions, but enrollment at Playschool continues to be a challenge. We speculate that our reduced numbers are due to a variety of factors: the birth rate since 2020 is down, young families are moving out of the area for a myriad of reasons, and most 4 year olds now attend the local public schools' transitional kindergarten (TK).

Playschool is adapting our program offerings in an attempt to attract more families. For the 2023-24 school year, we added extended care from 2:00-5:00 pm, Mon-Thurs, to make it a nearly full time program for preschoolers. And for those families who want a part time program, we added a 2 morning/week class (Tuesdays and Thursdays from 8:30-12:00 for the 2024-25 school year).

Our current lease amendment with the Town of Atherton is expiring at the end of August. I would like to request another 1 year lease term (September 2024 through August 2025) with two additional 1 year options to renew.

1. I propose the payable rent to increase from \$125 to \$135 per student per month.

**Estimated revenue during the academic year (September 1, 2024 through June 30, 2025): 46 children for school year = \$6210/month and during the summer camp months (July 1, 2024 through August 31, 2024) 32 children for summer = \$4320/month

This would result in more yearly rent revenue for the Town in 2024-25 (est. \$70k) than in 2023-24 (est. \$56k).

2. If granted two 1 year options, for the second and third years, I propose the rent increase by the same \$10/per child margin each subsequent year (\$145 per child for 2025-26 and \$155 per child for 2026-27). If we maintain similar enrollment, this would amount to approximately a \$460/month rent increase per year.

3. While I don't think we would close mid-year, and I have no intention of exercising it, I would appreciate continuation of the clause which allows 30 days' notice for termination.

Thank you very much for your consideration of my requests.

Susan Knox

Knox Playschools, Inc.