



May 25, 2023

To the Atherton Town Council:

Playschool is about to complete our 25th 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. We very much look forward to attending the centennial celebration in September, providing a booth, and participating with our teachers and families.

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.

While covid restrictions have eased, 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 California is now requiring that public schools offer free transitional kindergarten (TK) to the state's 4 year olds.

Playschool is taking steps to increase future enrollment but results will likely be gradual. While we have always relied on word of mouth for family referrals, we are currently launching a new, updated website and social media campaign. We have also made some additions to our program offerings to attract more families.

Since September 2020, our core class (and only attendance option) has been Mon-Fri, 8:30-2:00 pm for preschoolers (2-5 year olds). Starting this September, we are adding extended care from 2:00-5:00 pm, Mon-Thurs, to make it an almost full time program for preschoolers. We are also adding a Mon / Wed 9:00 am – 12:00 noon class for those families who want a part time program.

Given all this, I would like to request another 1 year lease term (September 2023 through August 2024) with two 1 year options to renew. Since enrollment (and thus, revenue) are down, I am asking to continue some accommodations for the upcoming one-year term.

1. I propose the payable rent to increase from \$100 to \$125 per student per month during the school year, and for consistency's sake, to change it from \$134 to \$125 for the summer, too.

**Estimated revenue during the academic year (September 1, 2023 through June 30, 2024): 40 children for school year = \$5000/month

**Estimated revenue during the summer camp months (July 1, 2023 through August 31, 2023) 30 children for summer = \$3750/month

Even at our reduced enrollment numbers, this would result in more yearly rent revenue for the Town in 2023-24 (est. \$55k) than in 2022-23 (est. \$46k).

2. While I don't think we would close mid-year, and I have no intention of exercising it, I would also very much 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.