

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #376 (2008-2009)

June 22, 2009

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: EXTENSION OF LEASE FOR CROSSROADS PROGRAM

ASD Goal: Establish and maintain a supportive and effective learning environment by providing safe, caring, barrier-free schools. Ensure public accountability through effective consultation with community to ensure wise use of financial resources and responsible construction and maintenance of facilities, and effective communication with students, staff, parents, community and government at all levels.

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to extend the lease with United Way of Anchorage, Inc. in the amount of \$80,745 per year for an additional three-year term with an option to renew for an additional three-year period.

PERTINENT FACTS:

Crossroads is the Anchorage School District's instructional setting for pregnant and parenting teens. Crossroads provides a supportive instructional environment which allows students to continue their education while pregnant and parenting. A complete program of instruction is provided with an emphasis on core academics. The program utilizes online instruction to compliment traditional coursework to meet the academic needs of the students. Maternity health is offered and community support contacts are available for students. The staff at Crossroads is committed to providing quality instruction in an environment that fosters regular school attendance and student responsibility for learning.

Prior to the move to the Success by Six building, the Crossroads Program had been located in the Whaley Center. In order to better serve its students, a decision was made to move the program into its own space. The district issued a Request for Proposal (RFP) for general office space in October, 2002 to house the

District's Crossroads Program. As a result of that RFP, the District entered into a lease with United Way of Anchorage, Inc. for space at the Success by Six building.

The district currently leases approximately 4,448 square feet to house the Crossroads Program. The original term of the lease was January 1, 2003, through June 30, 2006, with an option to renew for an additional three-year period ending June 30, 2009. The cost of the lease has remained at \$80,745 annually and is subject to either an increase or decrease in Lessor's operating costs. The Lessor is required to notify the district in writing of any increase or decrease by November 15 to be effective with the start of the following fiscal year.

The lease rate for the Crossroads Program is approximately \$1.51/sf. The lease is a full service lease including janitorial services and utilities with the exception of telephone and data services. The space in the United Way building is considered a solid B or B+ space. According to a recent market survey conducted on behalf of the Building Owners and Managers Association (BOMA), the vacancy rate for Class B space is approximately 6% with an average rent of \$1.87/sf.

The district recently issued a Request for Proposal (RFP) earlier this spring to lease space for the Early Intervention Services Center (EISC). Only two responses were received with lease costs of \$3.22/sf and \$2.24/sf, more than \$.40/sf over the current lease rate. Since EISC program had one renewal option left, the solicitation was cancelled and EISC will remain in their current location.

Based upon the above information, the administration recommends that the Crossroads Program stay in its current location and extend the current lease term through June 30, 2012, with an option to renew for an additional three-year term.

<u>Funding Source</u>	<u>Fund</u>	<u>Funding</u>	<u>Account Code</u>	<u>Amount</u>
Crossroads Operations & Maintenance	01	181505	181505-3200	\$80,745

CERTIFICATION OF FUNDS:

Fund Description:

- (01) General Fund (FY 2009-2010)
- (181505) Crossroads Operations & Maintenance
- (3200) Rental - Land & Buildings

CC/GV/PC

Prepared by: Pamela K. Chenier, Director, Purchasing/Warehouse

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