



## Executive Summary Finance Committee Meeting

DATE: January 21, 2021

TOPIC: Children's Care and Development Center (CCDC) Lease Agreement

PREPARED BY: Courtney Whited

### **Recommended for:**

- ☒ Action
- ☒ Discussion
- ☒ Information

### **Purpose/Background:**

The two-year extension on the Children's Care and Development Center (CCDC) five-year lease agreement ends on June 30, 2021. On October 27, 2020, CCDC submitted a letter to the District expressing an interest to discuss a new lease and its terms. The District values its partnership with CCDC. This tenant has exclusive access to classrooms 404, 405, 406, 407, 409 and the office/lounge in the western wing of Todd Hall. Other areas of the building are occupied by CCDC on a non-exclusive basis that does not interfere with the Landlord's space requirements. Legal counsel is in possession of the previous contract in order to develop a new five-year lease contract with the option to extend for two additional years. The following page contains a draft of the potential payout schedule.

**Fiscal Impact:**

If the two parties were to continue the established model of a 5-year term including a 2-year extension with 3.0% increases, the first table would indicate the fiscal impact:

New Lease	Annual Rate	% Increase
2027-28	\$99,106.34	3.0%
2026-27	\$96,219.75	3.0%
2025-26	\$93,417.23	3.0%
2024-25	\$90,696.34	3.0%
2023-24	\$88,054.70	3.0%
2022-23	\$85,490.00	3.0%
2021-22	\$83,017.00	Initial 5-Yr
<b>\$636,001 total for 7-year duration</b>		

Original	Annual Rate	% Increase
2020-21	\$80,598.53	3.0%
2019-20	\$78,251.00	3.0%
2018-19	\$75,971.84	3.0%
2017-18	\$73,759.07	3.0%
2016-17	\$71,610.75	3.0%
2015-16	\$69,525.00	3.0%
2014-15	\$67,500.00	Initial 5-Yr
<b>\$517,216 total for 7-year duration</b>		

**Recommendation:**

It is the Administrative recommendation that the Finance Committee concurs to recommend to the Board of Education to enter into a new 5-year lease term at the initial annual rate of \$83,017 with 3.0% increases each fiscal year, and include an option to execute a 2-year extension with 3.0% increases.