

(ATTACHMENT 1) APPROVAL TO ENTER INTO A LEASE AGREEMENT WITH HIGHLAND COMMUNITY SCHOOL AT MACDOWELL MONTESSORI SCHOOL AT 1706 WEST HIGHLAND

This item initiated by the Administration.

BACKGROUND

1. Since 1996 Highland Community School has been under contract with the Milwaukee Board of School Directors to operate a MPS non-instrumentality charter school serving students K3 through eighth grade.
2. The mission of Highland Community School is to provide quality Montessori education and a nurturing environment for an economically and culturally diverse group of children.
3. Highland Community School is in the second year of a controlled expansion of its program and the contracted number of full-time equivalent (FTE) pupils over the following years: 185 FTEs for the 2010-2011 school year; 210 FTEs for the 2011-2012 school year; 225 FTEs for the 2012-2013 school year; 235 FTEs for the 2013-2014 school year; and 250 FTEs for the 2014-2015 school year.
4. Highland Community School's current facility, 3030 W. Highland Ave., does not have enough space for the program to expand. The Administration is interested in increasing student enrollment and expanding the number of high-performing programs within the district.
5. The MacDowell Montessori School will move from its current address at 1706 West Highland Ave. to 6415 West Mt. Vernon Ave. at the end of this school year. As a result, the building will become vacant.
6. This item requests authorization for the Administration to enter into a three-year Lease Agreement with Highland Community School to lease the MacDowell school building. The lease term is commensurate with the charter contract term. The attached lease document also agrees to a three year option to purchase the building at 1706 West Highland.

ADMINISTRATION'S ANALYSIS

7. The lease and purchase option would commence on August 20, 2012 and terminate on June 30, 2015. The proposed lease calls for Highland Community School to assume responsibility for all operating and capital costs of the building in exchange for \$1 per year in rent. The lease will commence on July 1, 2011 and will terminate on June 30, 2015.
8. Another lease provision anticipates that Highland will operate a day care facility in the building in conjunction with its school program. The lease provides that a maximum of 35% of the students occupying the building will be day-care students.
9. A copy of the proposed Lease Agreement is attached.

STRATEGIC PLAN COMPATIBILITY STATEMENT

10. The recommendation is consistent with the District's *Working Together, Achieving More* Strategic Plan.
Goal 6: The District is accountable for measurable results.

WTAM strategy: The district allocates resources in a fiscally responsible manner to improve academic performance.

WTAM measurable objective: Annual operational cost for excess space will be reduced by \$10 million.

STATUTE, BOARD POLICY OR RULES STATEMENT

11. The recommendations are consistent with Administratively Policy 5.01 – Facilities and Administrative Procedure 5.01(3) – Rentals and Services (Leases), Board Governance Policy 4.08 – Lease Agreements.
13. In accordance with Wisconsin Statutes 19.85 (1) (e) the Board may wish to retire to executive session to discuss the proposal prior to taking any action to enter into a lease agreement.

FISCAL IMPACT STATEMENT

14. This item does not authorize expenditures.

IMPLEMENTATION AND ASSESSMENT PLAN

15. Upon approval by the Board, the attached Lease Agreement will be executed.

ADMINISTRATION'S RECOMMENDATIONS

The Administration recommends that the Board authorize the Administration to enter into a three-year lease agreement with Highland Community School for the use of MacDowell Montessori School. The total lease payment for August 20, 2012 through June 30, 2015 term will be \$3.

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