

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #118 (2004-2005)

December 13, 2004

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: APPROVAL OF LEASE FOR CONSOLIDATED ADMINISTRATIVE
SPACE

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve and authorize the Administration to enter into a five-year lease with three additional five-year options to renew with Boniface Center, LLC for approximately 65,159 square feet of administrative space.

PERTINENT FACTS:

On August 23, Board Memo #39 2004-2005, the Board authorized the Administration to solicit letters of interest to provide leased office space comparable to the terms of the unsolicited offer from JL Properties. As of September 14, the closing date for responses to the solicitation notice, the District had received no credible letters of interest and began negotiations with JL Properties to develop a lease for consolidated space at the Boniface Center, subject to Board approval of the final agreement.

This lease will combine all currently leased offices, with the exception of the DeBarr Administration Building, into renovated space at the Boniface Center. The proposed lease agreement provides approximately 65,159 square feet of rental office space on a fully serviced basis, at a lease rate of \$1.44/month for five years, for a total monthly rent of \$93,829 per month. This represents a reduction in annual lease cost of approximately \$60,000, compared to rents currently in place. The lease provides for three 5-year options, at the stepped-up rates of \$1.85, \$2.20, and \$2.45. In addition, the lease provides for an annual CPI adjustment for operating costs, calculated at 35 percent of the total rent.

JL and its designer, RIM Design, have worked closely with the District's representatives and affected offices to develop the design and specifications for the newly offered space. The design process has proceeded sufficiently to allow the District to positively evaluate the space program that has been developed.

This program will involve a change in the nature of the offices that staff occupy, with a greater number of offices located in systems furniture arranged in open areas. This program also allows for a greater sharing of resources and better integration of the various educational support functions to be housed there.

There are several design-related issues that need to be finalized prior to the District signing this lease. These issues should be resolved within the next two weeks. After the lease is signed, the District will continue to have input and review authority in the development of the final plans and construction of the new spaces.

On Monday, December 6, JL Properties and its representatives presented the administrative consolidation plan to the Municipal Planning and Zoning Commission. The Commission approved a resolution, by a vote of 8-0, supporting the use of the Boniface Mall for District "non-administrative uses", but if "administration" use is proposed in the future, or if the lease is extended for another 5 years (i.e. the first 5-year option on the 5-year lease), it will be subject to a public process. The intent of the use of "administration" in this resolution relates to the Superintendent and immediate reports- i.e. the central administration.

CERTIFICATION OF FUNDS:

Funds Description:

(01) General Funds
(3200) Rent- Land and Buildings

Fund Source:	<u>Fund</u>	<u>Account Code</u>	<u>Amount</u>
Lease Buildings	01	109907-3200	\$1,125,948

CC/GV/JS/RA/PC/RB/re

Attachments:

Prepared by: Pamela K. Chenier, Director of Purchasing
Rick Barrier, Project Support Manager
Ray Amsden, Director of Facilities
Janet Stokesbary, Chief Financial Officer

Approved by: George Vakalis, Assistant Superintendent of Support Services

