

EXECUTIVE SUMMARY

First Amendment to the Lease Agreement Between The School Board of Broward County, Florida, and Florida Computer Partners, LLC

The School Board of Broward County, Florida (SBBC) operates Off Campus Learning Centers (OCLC) at various locations in Broward County. The OCLC's primary role is to reengage students who have been unsuccessful in the traditional school setting or who have left school without obtaining their high school diploma. The program provides the students with a more comfortable environment where they can enjoy free classes, small class size, a personalized learning environment with flexible class times, and the ability to attend classes in their own neighborhood, and earn a high school diploma, while pursuing a career.

By the conclusion of the 2013-2014 school year, 127 students earned a high school diploma from the OCLC program, while dozens successfully earned credit and returned to their home high school. Over 1,800 (½) credits were awarded to students during the 2013-2014 school year, and total revenue generated by all OCLC sites in the 2013-2014 school year was \$2,954,606.

The current leased property, located in a strip mall at College Plaza, 7875 Pines Boulevard, Pembroke Pines, Florida 33024 consists of one classroom space, but does not meet the OCLC program needs. In the 2013-2014 school year, this facility served 476 students in its morning and evening sessions. It is the largest of the ten OCLC locations in the District, and serves nearly 1/3 of the total OCLC student population. It is projected that this OCLC location will serve at least 476 students again this year. However, the existing classroom facility has a building code capacity limit of 64 students. Each day, over 100 students attempt to report to class in the morning and afternoon, but are forced to stand outside the facility to wait for space. Thus, the aim of this First Amendment to the Lease Agreement is to lease an additional 1,360 square feet of space within the College Plaza building to permanently address this overflow and meet the current enrollment and potential student growth of the OCLC program at this location. Upon lease of the additional space, the total leased square footage for the OCLC program at this location will increase to 2,703 square feet from the current 1,343 square feet. For the 2014-2015 school year, the District is anticipating to receive approximately \$2,940,613.00 in FTE's from the Off Campus Learning Centers, based on current FTE projections.

Currently, the School Board is leasing five different sites (including the lease with Florida Computer Partners, LLC) to provide OCLC services to students, and the lease term for these leases are one-year terms. However, due to the additional improvements that are needed to meet the program needs of the OCLC program at the at College Plaza location, the landlord has requested that the current lease should be extended to a three (3) year term, which would justify the cost solely at the landlords expense to make the improvements needed for the OCLC to adequately operate from the additional space.

As directed by the Board, all leases go through a comparability study, including a review of comparable leases, available administrative sites that could accommodate the needs of the proposed lease, and possible relocation of programs to nearby schools. As stated herein, this lease is being brought for the Board's consideration at this time to amend the current lease at this OCLC location from the current one year term to a three (3) year term, and with a renewal of three (3) year terms thereafter. The approach taken for this lease is consistent with the District's due diligence regarding facilities leased by the District. The lease for this OCLC program was discussed at the January 8, 2013, School Board Workshop regarding facilities leased by the School Board and the continued lease of space for the program is consistent with the outcome of discussions at the workshop, which was to continue leasing space at this location to provide the community with OCLC program.

Follow-up student surveys were conducted by OCLC staff before the proposed amendment of the existing lease. The surveys indicated a continued strong preference by students that are currently attending classes at this location to remain at the location. The survey also indicates that students were not likely to continue their studies at a different location if the site was moved to accommodate the student overflow.

On October 21, 2014, the First Amendment to the Lease was presented to the Board for approval of expanding to an additional bay in the same strip mall and extending the lease terms to three (3) years to meet the needs of the expanding OCLC program. Lessor has agreed to make the necessary State Statutes for Educational Environment improvements in the additional bay at Lessor's expense and not increasing rental rate or operational costs per square feet. The Board tabled the item and directed staff to research School District properties that the OCLC program could possibly relocate to in hopes to alleviate lease costs. Staff analyzed two possible relocation sites for the OCLC program. The two sites are South Area Portable Annex on SW 172nd & Pines Road in the City of Pembroke Pines and New River Circle Portable Administration on New River Circle in the City of Sunrise. As part of the analysis, attached (Exhibits 7 & 8) are the Pros and Cons for the current site expansion and the two alternate School District sites.

Exhibits 9 & 10 (aka: scatter maps) show the alternate sites in relationship to the current site with student addresses. These maps show that most of the students attending the current location live within a three (3) mile radius of this location. The enrollment is projected to almost double by spring 2015 which is the program's peak time, hence the need for additional space. Majority of the students attending the current location are coming from McArthur, Miramar and Flanagan High Schools.

As directed by the Board, another comparability study (Exhibit 4) was conducted, including a review of comparable leases, available administrative sites that could accommodate the needs of the proposed lease, and possible relocation of program to nearby schools. Staff evaluated the costs to relocate the program for each alternate School District site. The estimated relocation costs for the South Area Portable Annex are \$202,236.09. The estimated relocation costs for the New River Circle Portable Administration site are \$599,620.81.

Staff conducted a new student survey to include relocating the OCLC program to the specific alternate School District sites. The survey indicates that students are not likely to continue their studies at either alternate site if the program was relocated to accommodate the student overflow.