



SCHOOL BOARD ACTION REPORT

DATE: November 4, 2019
FROM: Denise Juneau, Superintendent
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For Introduction: February 26, 2020
For Action: March 11, 2020

1. TITLE

First Amendment to Facilities Capital Projects Warehouse Agreement at Ellis St. Warehouse

2. PURPOSE

This agreement is a 7-year lease renewal of 18,000 square feet of warehouse space. Annual cost is approximately \$297,212 for the first year annually adjusted using by the consumer price index (CPI). Total contract cost estimated to be \$2,209,562 over the 7-year term.

3. RECOMMENDED MOTION

I move that the School Board authorize the Superintendent to execute a first amendment to the lease for the Capital Ellis Street Warehouse located at 6276 Ellis Ave. S., Seattle, WA. 98108 with P&P Georgetown LLC, covering the period of July 1, 2020 through June 30, 2027 for a total of \$24,767 a month, with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take any necessary actions to implement the contract.

4. BACKGROUND INFORMATION

a. Background

The District has utilized warehouse space for its capital improvements operations for over 20 years. Seattle Public Schools has been leasing the current space at Ellis St. since November 16th, 2018. Facilities and Capital Projects & Planning use the space to store about 10 extra classrooms of essential furniture in various grade levels. It takes up to 3 months for purchased furniture to arrive at the schools if we do not have this extra stock.

The warehouse storage area also contains construction items that are stored due to intentional or unexpected issues that arise in the projects process. The District used closed school buildings to store surplus furniture in the past, however, we do not have closed schools available for use because they have all reopened due to increased enrollment.

b. **Alternatives**

Deny Motion. If motion is denied, the district will not be able to execute the contract to renew the lease of the warehouse space. Purchases would take place later so that they can go directly to schools, which would put more strain on Purchasing and the JSC warehouse. This would have an impact on buildings being ready for the start of school. All our responses to changes would have to take place from new purchases, meaning that there will be an average of a 3-month delay. The use of storage containers would be a large risk and take a considerable amount of parking space at JSCEE. Further items would have to stay at their site during construction because we have no other space that may be utilized. School sites are not zoned for warehouse use.

c. **Research**

The current lease expires June 30, 2020.

5. **FISCAL IMPACT/REVENUE SOURCE**

The fiscal impact to this action is estimated to be approximately \$2,209,562 over a seven-year term, with an annual cost of \$297,212 for the first year following with annual CPI adjustments.

The revenue source for this motion is the BTA IV and future levy funds that support the Capital and General Fund.

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. **COMMUNITY ENGAGEMENT**

With guidance from the District's Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

7. **EQUITY ANALYSIS**

The district's Racial Equity Analysis toolkit was utilized to guide the planning process for the BEX V Capital Levy, influencing community engagement methods, preparation of the 2018 update to the Facilities Master Plan, and ultimately the final proposed levy package. The Board's guiding principles stated that racial and educational equity should be an overarching principle for the BEX V Capital Levy planning in accordance with

Board Policy 0030, Ensuring Educational and Racial Equity. Projects identified for inclusion in the BEX V levy will ultimately improve conditions for all students in the affected schools. Improved building conditions create a better environment for learning and can provide facilities to better position students for academic success.

8. STUDENT BENEFIT

This motion was not put through the process of an equity analysis. It is the goal of the district to continue the process of implementing the BEX and BTA Capital Levy programs and provide students with safe and secure school buildings.

9. WHY BOARD ACTION IS NECESSARY

- Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)
- Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- Adopting, amending, or repealing a Board policy
- Formally accepting the completion of a public works project and closing out the contract
- Legal requirement for the School Board to take action on this matter
- Board Policy No. _____, [TITLE], provides the Board shall approve this item
- Other:

10. POLICY IMPLICATION

Policy No. 6220, Procurement, any contract over \$250,000 must be brought before the Board for approval.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Operations Committee meeting on February 6, 2020. The Committee reviewed the item and moved the item forward with a recommendation for approval by the full Board.

12. TIMELINE FOR IMPLEMENTATION

The current lease expires June 30, 2020. Upon approval of this motion, the lease will be signed by the Superintendent and by the management company. This will secure the district's Capital Operations warehouse needs for the next 7 years.

13. ATTACHMENTS

- Commercial Real Estate Lease Extension & First Amendment (available upon request in the Capital Projects & Planning department)

- Letter of Intent Nitze-Stagen & Co., INC – Ellis Building (available upon request in the Capital Projects & Planning department)
- Commercial Real Estate Lease Landlord & Tenant agreement (available upon request in the Capital Projects & Planning department)
- Typical Capital warehouse uses (available upon request in the Capital Projects & Planning department)