

To: Board of Education

From: Anna Stubblefield, assistant superintendent, educational support, ext. 1760
Paula Murrish, director, food services, printing & purchasing, ext. 2706

Re: Extension of Current Warehouse Lease

Date: December 8, 2016

Background:

USD 497 has been leasing warehouse space since May 2009 and has found it to be beneficial through quantity purchasing, decreased shipping charges, and bond construction. In November 2013, the district moved to the current warehouse location at 910 East 29th Street. At that time, the district was one of two tenants and leased on an "as needed" basis which averaged from 24,000 square feet to the current approximate 40,000 square feet. In May 2015, the district was moved to different locations within the space due to the increased popularity of the facility. At present, the 322,000 square foot facility is 100% leased.

The district is moving forward with ownership of a warehouse which will eliminate the need to lease space in the near future. However, until the facility is built, it is necessary to continue to lease space. Due to the current change in the market and the popularity of the space, the district cannot decrease the amount of space it is currently leasing (see attached, section 1 highlighted). The current lessor will lease to the district on a month-to-month basis with a 45 day out. The district looked into alternate spaces to lease. A plausible alternate space was located; however, the ceiling height won't allow for multi-level racking and it is more expensive per square footage. In addition, the alternate space would require a minimum of 12 months and would prefer an 18 month lease. The district would also have additional costs in moving from its current location and setting up the alternate space.

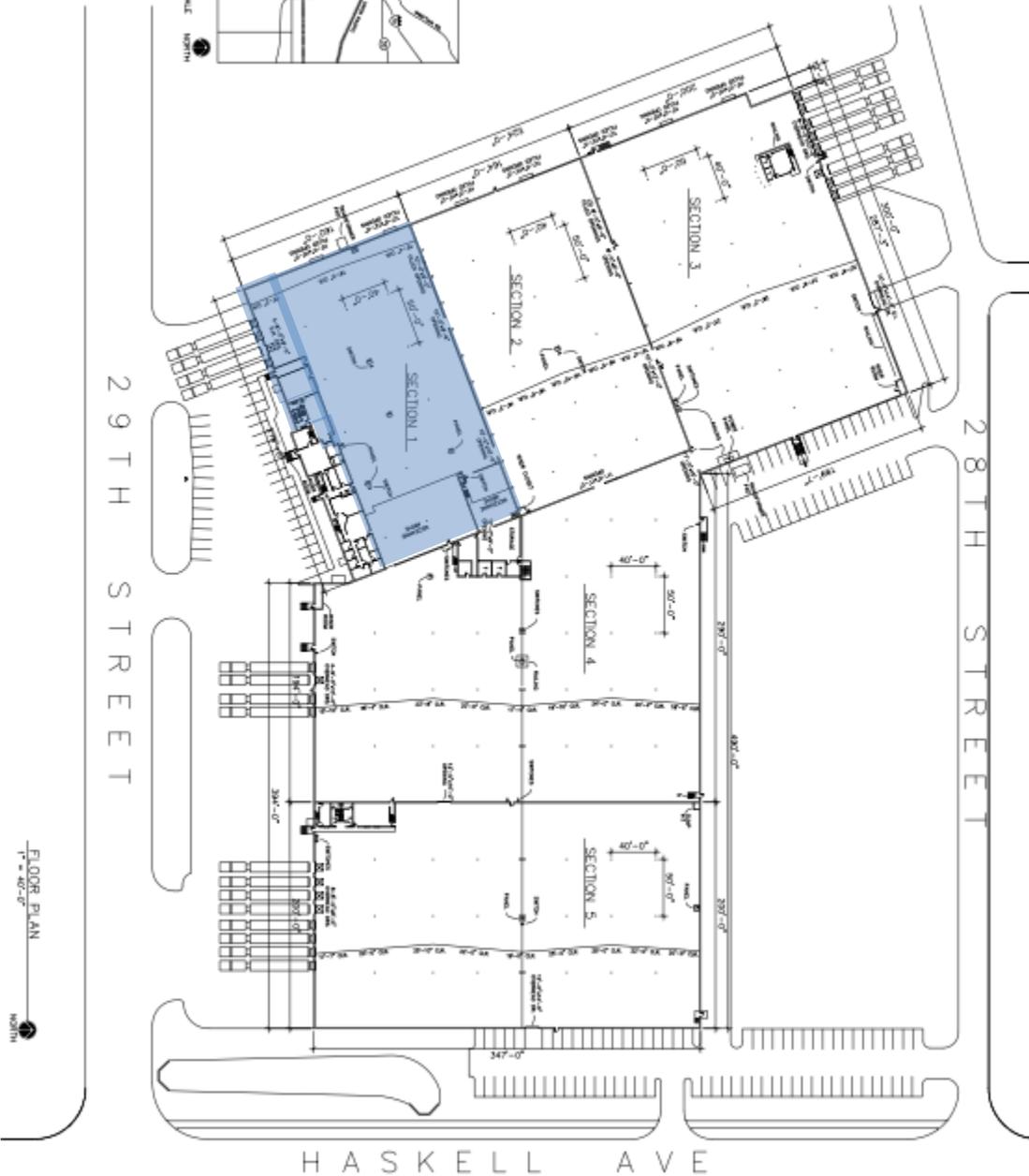
Recommendation:

Administration recommends board approval of an extension of its current lease with Haskell Property, LLC on a month-to-month lease with a 45 day out. The annual cost for the calendar year is \$130,754 with additional costs of utilities and operational costs. Ideally, the district will not have to lease for an entire year. In 2015-2016, the district spent \$137,208 on the current lease. The lease is to continue to be approximately split between the following funds: General Fund 0126200075-54410 (25%); Food Services 0325200000-54410 (25%); Bond Fund 3526000075-54410 (50%).

Motion:

"I move the Board of Education approve an extension of its current warehouse lease with Haskell Property, LLC at 910 East 29th Street for \$10,900 plus utility and operational costs."

SECTION 1	24,644 SQ FT
Subtotal 12,320 sq ft of Warehouse	
MANUFACTURE	24,644 SQ FT
OFFICE	12,322 SQ FT
SECTION 2	45,248 SQ FT
MANUFACTURE	45,248 SQ FT
SECTION 3	45,114 SQ FT
Subtotal 45,114 sq ft of Warehouse	
OFFICE	1,000 SQ FT
SECTION 4	Subtotal 27,000 sq ft of Warehouse
MANUFACTURE	27,000 SQ FT
OFFICE	4,000 SQ FT
SECTION 5	71,200 SQ FT
Subtotal 1,180 sq ft of Warehouse	
MANUFACTURE	71,200 SQ FT
OFFICE	1,180 SQ FT
TOTAL AREA	202,286 SQ FT



Date: 10/20/11
 Drawn: JLD/ML
 Checked: JLD/ML
 Sheet No: 101

HASKELL PROPERTY
INDUSTRIAL FACILITY
 910 EAST 29TH STREET
 LAWRENCE, KANSAS 66046



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