C.1 Facilities Acquisition

A. CASA Academy has utilized experienced real estate professions to help locate possible school sites within the zip codes 85012, 85013, 85014, and 85015. Within these zip codes, there is a need for a high-performing elementary school for low-income populations, as described in section A.2.

B. Description of Facility Necessary for Program

CASA Academy has identified the needs of a facility for the necessary purposes of its program. In its first year, CASA Academy will hold 125 students, and 11 adults. By year three, it will hold 325 students and 22 adults. The total number of classrooms will grow from five classrooms in year one to thirteen classrooms in year three. The total number of square feet needed in year one is 6,875 and will grow to 17,875 in year three. See figure C.1.1 and figure C.1.2 for further detail.

Figure C.1.1: Projected Space Needs for Years One through Three

	2014-2015	2015-2016	2016-2017
Number of Students	125	225	325
Total Number of Staff	11	16	22
Grade levels served	K-1	K-2	K-3
Total Face (interior square feet)	6,875	12,375	17,875
Total Classrooms	5	9	13

Figure C.1.2 Projected Costs for Years 1-3

Facility Cost			
	Year 1	Year 2	Year 3
Building Rent/Lease/Loan	$78,000	$146,104	$203,000
Interior Square ft.	7,000	13,000	18,000
Cost/sq. ft.	$11.14	$11.24	$11.28
Building & Improvements	0	0	0
Land & Improvements	0	0	0
Fees/Permits	0	0	0
Property/Casualty Insurance	750	750	750
Liability Insurance/ Property/ Casualty	2250	4050	6300

Utilities (Electric, Gas, Water, Waste)	$20,160	$38,376	$54,464
Square ft.	7,000	13,000	18,000
Cost/sq. ft.	$2.88	$2.95	$3.03
Total	$103,660	$189,280	$264,514
Percent of Revenue	16%	14%	15%

The facility will also need the following characteristics:

- Enough restrooms and drinking fountains to satisfy the number of students and adults at the school
- A reception office for when students and parents enter the building
- Two offices for the school Directors to meet with parents and teachers
- An area for the special education contracted services and teacher to work in
- A multi-purpose room that can be used both as a cafeteria, and as a school-wide morning meeting room

C. Available Facilities within Target Market

The facility search is a top priority for CASA Academy. It is particularly important to CASA Academy that it locates a building as soon as possible, as this will help with recruiting students to attend the school.

As of the time this application was submitted, the options for a school building are as follows:

1) 1500 East Thomas Road, Phoenix, AZ 85014
2) 4220 North 19th Ave, Phoenix, AZ 85015
3) 2645 E. Osborn Rd, Phoenix, AZ 85016

Option One

The first option for a facility is located at 1500 East Thomas Road within the 85014 region. The building is an 18,000 square foot building and was previously an office space. The cost for this space is $10.00 per square foot with the cost for expenses per square foot being $1.80. The total lease rate for this facility is $11.80 per square foot. Annual lease costs for this facility are $212,400, however CASA Academy will only occupy a portion of the full space. The facility provides ample parking and a small area for playground space. CASA Academy's broker assures the directors that this building will meet the needed characteristics described above. See appendix C.1.A for further detail.

Option Two

The second option for a facility is located at 4220 North 19th Avenue within the 85015 region. The building is an 18,000 square foot building and was previously used as a school building. The cost for this space is $12.00 per square foot with the cost for expenses per square foot being included. The total lease rate for this facility is $12.00 per square foot. Annual lease costs for this facility are $216,000, however, CASA Academy will only occupy a portion of the full space. The facility provides a full play court area for students. See appendix C.1.B and the facility layout attachment for further detail.

Option Three

The third option for a facility is located at 2645 East Osborn Road within the 85016 region. Although this is outside the target area, it is located close to the target area and is located within a low-income area. The building is an 18,685 square foot building and was previously used as office space. The cost for this space is $5.16 per square foot with the cost for expenses for square foot being $3.84 per square foot. The total lease rate for this facility is $9.00 per square foot. Annual lease costs for this facility are $168,165. However, CASA Academy will only occupy a portion of this full space. The facility was formally used as a school building. See appendix C.1.C and the facility layout attachment for further detail.

Compliance and Educational Occupancy

CASA Academy understands that according to House Bill 2197, "a charter school is subject to the same level of oversight and the same ordinances, limitations and requirements, if any, that would be applicable to a school that is operated by a school district ."[1] Therefore, CASA Academy will ensure that its facility meets the necessary requirements of state building codes, access requirements according to the Americans with Disabilities Act and fire, health, and structural safety requirements. CASA Academy will ensure that it maintains proper records documenting this compliance.

CASA Academy will also ensure that it complies with Fire Marshal Charter School Requirements, International Fire Code, Uniform Building Code, Uniform Mechanical Code and selected National Fire Code Standards. CASA Academy will also ensure that the State Fire Marshal conducts scheduled inspections at CASA Academy.

CASA Academy anticipates some of facility improvements will be included in the terms of its lease. Whenever any type of construction takes place, CASA Academy will ensure that all plans are approved by the City of Phoenix, that permits are in order, including Fire, Site, Civil, and Building, that a licensed contractor is hired, and that compliance is consistently reviewed. Upon completion of these improvements, CASA Academy will ensure that it is in complete compliance with all codes specified in the Occupancy Guidelines of the City of Phoenix Development Services Department.

D. Timeframe for Securing a Facility

CASA Academy will continually communicate the status of its facility acquisition to the Board. In addition, CASA Academy is in regular communication with real estate advisors and members of the community who have connections to potential facilities. When authorization occurs, CASA Academy will have identified and completed necessary documents to occupy a space. All improvements made to the building will be completed by June of 2014. CASA Academy will negotiate the terms of its lease to allow for the first monthly payment to be deferred to August 2014. Due to the fact that CASA Academy does not anticipate making this payment until August, summer staff development will take place in an off-site donated facility.

The timeline for securing a facility will be as follows:

February-September 2013	Programming/ Area Selection/ Site Search
October 2013	Property tour/ RFP/ Proposal

[1] Legislature of the State of Arizona

November 2013	Space planning/ Constructing pricing/ Site selection
December 2013	Proposal negotiation/ Lease documents
January 2014	Construction Documents
February 2014	Permits
March 2014	Construction
April 2014	Construction
May 2014	E-Class Certificate of Occupancy
June 2014	Furniture, Fixtures, and Equipment
August 2014	Move-In

Costs Associated with Securing a Facility

CASA Academy assumes $1,500 for City plan review, site visit, and permit issuance and $1,000 for associated vendors such as mechanical and electrical.

Costs associated with improvements at the following locations are as follows:

Option One

This site would require tenant improvements. However, the landlord would consider providing funding for the improvements with a lease guarantee. This site would be the most costly to lease between the three sites and is the least desirable due to this cost.

Option Two

This facility was previously a school. Therefore minimal tenant improvements are needed. The landlord will consider covering the cost of improvements or finance it, working repayment into the lease agreement.

Option Three

This was formerly a school and no tenant improvements would be needed.

Financial Arrangements for Securing a Facility

CASA will be working with both private and non-profit groups to secure either or both credit enhancement guarantees and lease to purchase options. Founding leaders have reached out by way of its partners to several groups that can provide 100% financing for charter school which would include the facility and the build-out costs. Should CASA Academy seek a lease opportunity, they will work with one of many groups that will provide both credit enhancement and lease guarantees.

Layout of Space

Each property considered will allow CASA Academy the ability to provide a space layout which will be consistent with the charter petition. A simple layout of space is attached.