C.1 FACILITIES ACQUISITION

Overview

The school has not yet secured a facility but has identified a viable location within the target area, and three other back-up locations for Year 1, if necessary. The search for a location to best meet the needs of the school and community will continue during the charter review process. Hirsch Academy: CFA has identified four potential sites prior to approval of the charter and to secure a facility post-approval in January 2013 with an occupancy date feasible for the opening of the school in August 2013.

Location of Facility Necessary to Implement Program

Hirsch Academy: CFA will be located in the south end of the city of Scottsdale or southeast quadrant of the city of Phoenix and just north of the city of Tempe. We are focusing our search in the area bound by the AZ SR Loop 101 to the east, AZ SR Loop 202 to the south, North 44th Street to the west, and East Indian School Road to the north.

Hirsch Academy: CFA has already been in favorable discussions with several stakeholders, including community groups and the City of Scottsdale, regarding support for the creation of a community school, such as Hirsch Academy: CFA. Community support will be a key factor in the selection of a specific site for Hirsch Academy: CFA.

Facility Requirements Necessary to Implement Program

To effectively implement the Hirsch Academy: CFA program, the school facility would provide for up to six classrooms in Year 1, eight classrooms in Year 2, and ten classrooms in Year 3, with a small administrative area and more space if demand warrants.

Available Viable and Potential Sites and Description of Space

Because the opening of the school is 15 months out from the writing of this charter application, and 13 months out from the time the charter will be submitted for review, it is difficult to gauge whether a particular facility will be available at the time it will be needed for the opening of Hirsch Academy: CFA.

- Currently, the most viable and preferred site as of early November 2012 is current campus of Ville de Marie Academy at the Paiute Neighborhood Center, located just east of 64th Street on Osborn Road. The address is 6535 East Osborn Road #404, Scottsdale, Arizona 85251. This property is located in the northwest quadrant of the target demographic area for the school and is

currently owned by the City of Scottsdale. Being a currently-extant school, this site has existing office, conference, classroom, bathroom, and parking space, and is zoned for academic usage. The total size of the site is 85,000 square feet, or approximately two acres. The school buildings on site are 9,961 square feet with eight classrooms. A general floorplan and aerial map of the entire Paiute Neighborhood Center complex, with a diagram approximation of the layout of the school site, is included as an attachment. After an exhaustive search of the City of Scottsdale Records Office and discussions with the current inhabitant of the facility, an exact floorplan of the site was not available, but should the lease go through, an exact floorplan will be produced as soon as possible.

An additional aspect of this site that makes it particularly appealing for the establishment of a charter school is the availability of synergistic services at the Paiute Neighborhood Center site. These include a recreation center, Headstart, a Boys & Girls Club, a YMCA facility, a police substation, City of Scottsdale recreational and educational opportunities for children, adults, and seniors, a Scottsdale Community College satellite classroom, a health clinic, and Thrive After Three, the City of Scottsdale's After-School Program. Collocating with these complementary community programs would ensure that Hirsch Academy: CFA has close and inextricable links between itself and the community, which is a major goal of Hirsch Academy: CFA. The facility is also located next to Paiute Park, providing opportunities for recreation and exercise.

TeamCFA has been in contact with both the City of Scottsdale and local neighborhood leaders regarding this location. Both have indicated buy-in and support for this proposal. One reason for the community support is the current lack of an existing neighborhood school around the location. Currently, students in the neighborhood are being bused out of the neighborhood; community leaders have indicated that they would welcome the opportunity to have a neighborhood school to rally around in their backyard.

Negotiations regarding this location are currently in the advanced discussion phase. TeamCFA has requested a lease proposal pending approval at the location, which is currently being considered. At this point, TeamCFA has not been quoted a rental rate, but the City of Scottsdale has indicated its desire for a quality partner synergistic with the current services begin offered, and not necessarily maximum revenue from the school site rental. This gives TeamCFA confidence that the lease terms will fall within the acceptable guidelines of the Hirsch Academy: CFA budget and the authorizer's parameters for fiscal responsibility. In addition, as mentioned above, reception of our mission and educational program – by the City and community – has been overwhelmingly favorable.

TeamCFA and Challenge Foundation Properties do not expect any major additional work to be necessary to receive permits or a Certificate of Occupancy, as the location is currently functioning as a school. Thus, the only

work TeamCFA expects to complete on the facility to prepare it for the first day of teacher professional development is minor paint work and retrofitting. However, TeamCFA has extensive experience in being able to navigate the permitting process to make improvements or receive a Certificate of Occupancy suitable for school use, and based on that experience does not expect this factor to be prohibitive as it applies to Hirsch Academy: CFA.

Because of the ongoing, positive discussions with the City and community, the building's current usage as a school, and TeamCFA's experience in the school properties permitting process, the facility would most likely be acquired by early spring 2013, leaving significant time to prepare for the opening of the school.

- The second-most viable site is located just east of 44th Street and one block south of Thomas Road. This property is located in the southwest quadrant of the target demographic area for the school. Improvement to add walls, doors and other infrastructure would be negotiated with the lease. This building has existing office space, conference room, and bathroom facilities that would work well for the school. Bathroom space would need to be improved and added to the existing space to accommodate expanding student enrollment. This property is zoned C-2 on 2.053 acres of land with 22,240 square feet of space, an asphalt parking lot with 180 parking spaces, and has a perfect "bus lane" or playground space along the back of the building. A particularly exciting feature is the adjacent city open green space, Pierce Park. Pierce Park has play equipment for large or small children and fields for sports or a place to walk or run. The eastern most side of the building does have parking lot space that could be converted to accommodate a dedicated playground for Preschool or Kindergarten students. This property rents for $.85 per square foot per month. In Year 1, we would anticipate renting 10,000 square feet of space to house 6-7 classrooms plus all other necessary common space at $8,500 per month. With an escalating lease option we would be able to add additional space for school use as the school enrollment grows. This property is listed by Cutler Commercial and is located at 4451 E. Oak Street, Phoenix, AZ 85008 and is within the Balsz School District. The floor plan of the current unimproved space is attached as an exhibit. It is northwest of Griffith Elementary School and northeast of Balsz Elementary School. A vacant property sits just south of this property that could be developed for additional school use if desired.

  We would need to secure this location by late spring 2013 to allow time for additional work, necessary inspections, improvements, permits, and occupancy compliance procedures. TeamCFA has previous experience in being able to navigate the permitting process to receive a Certificate of Occupancy for a school use, and based on that experience does not expect this factor to be prohibitive as it applies to Hirsch Academy: CFA.

- A second potential location, perhaps good for a temporary location in Year 1, would be located in the northeast quadrant of the target demographic area at the intersection of North Hayden Road and East Osborn Road. Scottsdale Presbyterian Church has existing classroom space available. Within 5,000 square feet there are seven classrooms, a large fellowship hall, kitchen, handicapped accessible bathrooms, and an outdoor, fully fenced playground area. Special Area classes would be held in the seventh classroom space. At $1.00 per square foot per month including utilities, with a monthly cap on electric enough to cover five classrooms and overage would be paid in addition to rent. We have not tried to negotiate costs on this property yet but would seek a more reasonable rent given the age of the property. This property would accommodate K-2nd grades only and would require a move for year 2. We do not have a layout of this space available; however, it is essentially one long building of five classrooms and a second building that houses two classrooms, the kitchen, fellowship hall and storage closet (school office).

  We would need to secure this location by late spring 2013 to allow time for necessary inspections, improvements, permits, and occupancy compliance procedures. TeamCFA has previous experience in being able to navigate the permitting process to receive a Certificate of Occupancy for a school use, and based on that experience does not expect this factor to be prohibitive as it applies to Hirsch Academy: CFA.

- The third potential site is located at 44th Street and East McDowell Road, in the southwest quadrant of the target area. Housed in an office park setting, this location would serve the purpose of housing the school for 1-2 years. Approximately 7,000 square feet of space could be improved to accommodate 6-8 classrooms and space for bathrooms, offices and indoor play. At $0.65 per square foot per month rent would be $4500 per month plus approximately $125 per classroom per month for utilities. An unimproved space plan of the layout is attached as an exhibit.

  We would need to secure this space by late spring 2013 to allow time for necessary inspections, improvements, permits and occupancy compliance procedures. TeamCFA has previous experience in being able to navigate the permitting process to receive a Certificate of Occupancy for a school use, and based on that experience does not expect this factor to be prohibitive as it applies to Hirsch Academy: CFA.

Financial Arrangements for Securing the Facility

TeamCFA is prepared to offer Hirsch Academy: CFA an interest-free line of credit to cover the start-up costs associated with opening a new charter school. Should Hirsch Academy: CFA not receive grant monies to assist with this effort, then the costs will be amortized over a five-year period and be included as part of the rental payment to

TeamCFA. A portion of this will be used if a security deposit is required, or if improvements beyond the dollars that the landlord will provide are necessary.

Costs Associated with Securing the Facility & Ensuring Compliance

The school has access to Challenge Foundation and its Properties Division, which over the years has been involved in the opening of over 180 schools with 8 of their own ground-up schools in the last thee years. They have navigated the inspections, permitting, and compliance process with local highly reputable contractors, architects, and municipalities multiple times. The grant monies will be available for this process if necessary.

Thus, Challenge Foundation, its Properties Division, and TeamCFA all have previous experience securing a facility and ensuring compliance within a timeframe consistent with the start-up of the school.

Existing Facility Acquisition Plan

Facilities will be planned to support instruction. As the mission of Hirsch Academy: CFA is to offer all students a high quality education, teachers must be prepared to present lessons through a variety of methods of instruction. Varied delivery methodologies will demand a flexible facility. While direct instruction can be very effective in a class of 30 students with desks in rows facing the teacher, other techniques succeed best with smaller numbers and require space for rearranging furniture and furniture that is light weight enough to allow easy rearrangement for small group and collaborative learning.

Classroom arrangement should be tailored to facilitate delivery of the lesson. Small group projects or discussions may need 4-6 desks clustered together or floor space to build a project. Larger group projects, such as acting out a scene, might require pushing all desks to the wall leaving a large central area for student activity. In the upper elementary grades, Socratic questioning may happen best with desks circled or lined up in two groups facing each other. Hirsch Academy: CFA will plan space and choose furniture to enhance a variety of delivery methodologies.

Ideally, to support any of the above layouts that support Hirsch Academy: CFA's program of instruction, the typical classroom will be 750-800 square feet or larger.

Facilities Timeline

As stated in the sections above, Hirsch Academy: CFA will secure a facility, of the above options, by spring 2013. This allows all requisite inspections, improvements, permits, and occupancy compliance procedures to be completed by June 2013 to ensure that staff is ready to enter the building by the first day of staff pre-service on July 29, 2013.

TeamCFA has previous experience in being able to navigate the permitting process to receive a Certificate of Occupancy for a school use, and based on that experience does not expect this factor to be prohibitive as it applies to Hirsch Academy: CFA.

New Build Acquisition Plan

As has happened with other Challenge Foundation Academies in Arizona, it is anticipated that Hirsch Academy: CFA will partner with Challenge Foundation Properties to obtain land and build a new facility if the existing facility used in the first three years for grades K-4 is not adequate to support expansion for Pre School - Grade 8. If the process to purchase the land and build the facility takes longer than anticipated, Hirsch Academy: CFA will consider partnering with other entities such as a church or commercial development to share space, or will seek out a previous school property that has vacated. As is necessary to solve most challenges facing a charter school, flexibility, creativity, and determination will be used to meet this challenge.

If purchasing land and building a new facility would become a reality in the future for Hirsch Academy: CFA, it would be preferable to break ground 12-15 months from opening. However, it is possible to break ground in early- March and be ready for occupancy in early August. Both of these situations allow ample time for the necessary permits and inspections.

Ideally, the typical classroom will be 750-800 square feet or larger. The following plan is based on three classrooms per grade level K-8 with additional instructional space for Special Education, Reading and Math Intervention, Music, Art and Physical Education.

Future Expansion in Year 4 through Year 7

Classrooms (1-3 serve Preschool, 31 serve K-8)

1-3 rooms serving Preschool
3 rooms for Kindergarten age (4-6 year olds)
24 classrooms for grades 1-8
2 classrooms for Special Education and Tier 3 Intervention
2 classrooms for Special Areas – Art and Music

School Offices (total 948 sq. ft.)

School Director	10ft. by 12ft.
Asst. Director/Fellow	10ft. by 12ft.
Business Manager	12ft. by 12ft. (2 desks, bookkeeper and Office Manager)
Conference room	12ft. by 12ft.
Secure File room	6ft. by 12ft.
School Office	14ft. by 18ft. (entry, seating area, receptionist, Office Manager)
Health Office	10ft. by 14ft.

948 sq. ft.

Support Facilities (total 9000 sq. ft.)

Resource/Reference Center: basic library and computers 30ft. by 60ft. = 1800 sq. ft.

Restrooms (adult and student)	900 sq. ft.
Multi-purpose area	3,600 sq. ft.
Maintenance and Storage	900 sq. ft.
Teacher lounge	600 sq. ft.
Parent Teacher work area	1,200 sq. ft.

Including hallways, circulation, and other miscellaneous spaces the school will need approximately 45,000 – 48,000 square feet at a total cost of $5,000,000 for a new facility.

Land would be an additional expense. Challenge Foundation Properties would explore several sites within the targeted area to determine the cost of land. They have discovered that many of the parcels that will fit the current and future needs of Hirsch Academy: CFA will cost in the range of $1 million to $2 million for 8.5 acres. In an effort to be conservative and to use similar financial numbers to other facilities recently built in the TeamCFA network (Pioneer Preparatory School: A Challenge Foundation Academy and Ridgeline Academy: A Challenge Foundation Academy), we will assume the entire cost to purchase the land and build the facility to equal $7,500,000. Since the total amount would be paid in cash with no financing the budget will reflect a similar arrangement between Challenge Foundation Properties and our two current Arizona schools. Pioneer Preparatory School: CFA currently pays $70 per student enrolled per month, which roughly equates to $27,000 per month. Hirsch Academy: CFA would anticipate its rental payment on a new facility to be and annual payment of approximately $288,750 for year one, $420,000 for year two, and $546,000 in year three at this new facility. With a new build, Hirsch Academy: CFA would budget $60 per student for each of the first three years to partially reimburse Challenge Foundation Properties for the rent on the building. After three years, Hirsch Academy: CFA would be responsible for the full amount of rent; however, Challenge Foundation Properties would not put the school at risk by requiring payments beyond the school's ability to pay.