C.1 Facilities Acquisition

Synergy Public School, with the assistance of real estate professionals, has completed a thorough search of the target community to identify facility options. (The target community as outlined in A.2 for Synergy Public School will serve the geographic area of West Central Phoenix defined by the boundaries of 43rd Avenue to 15th Ave between Glendale Avenue and Washington Street encompassing the zip codes 85007, 85009, 85015, 85017, and 85019. Although there are five zip codes listed, our focus will not span across each zip code in its entirety.)

A. Identification and Description of Facility Needs

The program at Synergy Public School will need a facility with the following specifications:

- Projected enrollment for year 1: 200 students. At a calculation of 45-57 square feet per student, the desired facility range of square footage: 9,000-11,400 square feet. In order to deliver Synergy's Program of Instruction, a facility must have a minimum of 8 regular size classroom spaces for 8 General Education classes, 1 conference room, 1 multi-purpose space (for Physical Education and Cafeteria service on daily scheduled rotation), 1 teacher work room, 3 Administration Offices for the Executive Directors and Director of Curriculum, 1 storage room, 1 office entry area, 1 area for special education and contracted services, enough restrooms and drinking fountains to satisfy the number of students and adults at the school. (*See C.1 Table 1: Minimum Facility Requirements*)
- Projected enrollment for year 2: 350 students. At a calculation of 45-57 square feet per student, the desired facility range of square footage: 15,750-19,950 square feet. In order to deliver Synergy's Program of Instruction, a facility must have a minimum of 14 regular size classroom spaces for 14 General Education classes, 1 conference room, 1 multi-purpose space (for Physical Education and Cafeteria service on daily scheduled rotation), 1 teacher work room, 3 Administration Offices for the Executive Directors and Director of Curriculum, 1 storage room, 1 office entry area, 1 area for special education and contracted services, 1 Art room, enough restrooms and drinking fountains to satisfy the number of students and adults at the school. (*See C.1 Table 1: Minimum Facility Requirements*)
- Projected enrollment for year 3: 425 students. At a calculation of 45-57 square feet per student, the desired facility range of square footage: 19,125-24,225. In order to deliver Synergy's Program of Instruction, a facility must have a minimum of 17 regular size classroom spaces for 17 General Education classes, 1 conference room, 1 multi-purpose space (for Physical Education and Cafeteria service on daily scheduled rotation), 1 Art room, 1 teacher work room, 4 Administration Offices for the Executive Directors, Director of Curriculum, and School Principal, 1 storage room, 1 office entry area, 1 area for special education and contracted services, and enough restrooms and drinking fountains to satisfy the number of students and adults at the school. (*See C.1 Table 1: Minimum Facility Requirements*)

C.1 Table 1: Minimum Facility Requirements

	Year 1 (2017-2018)	Year 2 (2018-2019)	Year 3 (2019-2020
Number of Students	200	350	425
Number of Staff Members	16	25	32
Grade Levels	K-3	K-4	K-5
Total square footage	9,000-11,400	15,750-19,950	19,125-24,225
Total classroom spaces	8	14	17
Conference Room	1	1	1
Multi-Purpose/PE Room	1	1	1
Art Room	0	1	1
Teacher Workroom	1	1	1
Administrative Offices	3	3	4
Special Education Contracted Services	1	1	1
Storage	1	1	1
Office/Entry	1	1	1

In establishing the facility costs, Synergy Public School used the highest square footage of each range to ensure adequate funding to cover facility cost expenses. The quote of $12 per square feet was the average price quoted after renovations within our targeted community according to the real estate company Keyser. The average projected facility costs to support the Program of Instruction at Synergy Public School In years 1-3 are outlined below (*C.1. Table 2 Projected Facility Costs Years 1 through 3):*

C1. Table 2: Projected Facility Costs Years 1 through 3

	Year 1	Year 2	Year 3
Building Rent/Lease/Loan	$136,800	$239,400	$290,700
Interior Square Feet	11,400	19,950	24,225
Rent/Lease/Loan per sq. ft.	$12	$12	$12
Building and Improvements	$10,000	$10,000	$10,000
Land and Improvements	$5,000	$5,000	$5,000
Fees/Permits	$1,000	$1,000	$1,000
Property/Casualty Insurance	$5,000	$10,000	$14,000
Liability Insurance	$4,000	$5,500	$7,000
Utilities	$17,100	$29,925	$36,338
Utilities per sq. foot	$1.50	$1.50	$1.50
Total	$178,900	$300,825	$364,038
Percent of Revenue	16%	13%	13%

B. Available Facilities

The facility search is a top priority for Synergy Public School. It is particularly important to Synergy 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) 3345 N. 19th Avenue, Phoenix, Arizona 85015
2) 1726 W. Camelback Road, Phoenix. Arizona 85015
3) 3615 N. 27th Ave. Phoenix, Arizona 85017

Option One:

The first option for a facility is located at 3345 N. 19th Ave within the 85015 region. The building is a 23,993 square foot building and was previously retail space. The cost for this space is $6.00 per square foot with the cost for expenses per square foot being $2.40. The total lease rate for this facility is $8.40 per square foot. Annual lease costs for this facility are $201,541.20, however Synergy Public School will only occupy a portion of the full space. The facility provides ample parking and a small area that could be converted to playground space. Synergy's broker assures the directors that this building will meet the needed characteristics described above. See required exhibit for further detail.

Option Two:

The second option for a facility is located at 1726 W. Camelback Road within the 85015 region. The building is a 21,169 square foot building and was previously retail space. The cost for this space is assumed to be $10.00 per square foot with the cost for expenses per square foot being $1.37. The total lease rate for the facility is assumed to be $11.37 per square foot. Annual lease costs for this facility are $240,691.53, however Synergy Public School will only occupy a portion of the full space. The property owner is open to construction solutions that could possibly connect the two separate buildings together to make for one continuous expanded facility. The facility provides ample parking and area that could be converted to a playground space. See required exhibit for further detail.

Option Three:

The third option for a facility is located at 3615 N. 27th Ave. within the 85017 region. This is a three-story building with 33,333 square foot per floor which was previously used an office building. Synergy would occupy only a third of the 1st floor during year 1 and plan to expand to the full first floor by year 3. The cost for this space is $10 per square foot with the cost for expenses per square foot being $1.17. The total lease rate is $11.17 per square foot. Annual lease costs for this facility are $372,329.61, however Synergy Public School will only occupy a portion of the full space. The facility provides ample parking space and playground area. See required exhibit for further detail.

C. Timeframe for Securing a Facility

The Administration Team at Synergy Public School will continue to actively track the real estate market within our target community to begin a lease of a facility that allows for our

programmatic needs on July 1, 2017. In addition, Synergy Public School is utilizing real estate professionals to advise on potential facility status updates. Below is a timeline for securing the appropriate facility (*Figure c.1.2 Timeline for Securing a Facility*):

Figure C.1.2 Timeline for Securing A Facility

Month	Task Overview
May- November 2016	Programming/ Area Selection/ Site Search
December 2016	Charter Approval
December 2016	Property tour/ RFP/ Proposal
January 2017	Space planning/ Constructing pricing/ Site selection/Proposed negotiation/Lease Documents
February 2017	Construction Documents
March 2017	Permits
April 2017	Construction
May 2017	E-Class Certificate of Occupancy
June 2017	Furniture/Fixtures/Equipment
July 2017	Move-In

D. Costs Associated with Securing a Facility /Compliance with Laws

Synergy Public School will abide by House Bill 2197 which clearly states "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." Synergy Public School will be in full compliance with:

- Building codes: Uniform Building Codes, Uniform Mechanical Codes, State of Arizona
- Fire codes: Fire Marshal Charter School Requirements, International Fire Code, National Fire Code (including Fire Marshal annual inspections)
- OSHA (Occupational Safety and Health Association) mandates.
- Accessibility codes: Americans with Disabilities Act
- Construction permits: Fire, Site, Civil, and Building
- Educational Occupancy Guidelines: City of Phoenix Developmental Services

Synergy Public School will keep detailed documentation of compliance with all applicable laws and regulations outlined above. Synergy Public School's potential facilities identified above have been analyzed to identify costs to secure the facilities and ensure compliance with the laws and regulations outlined above: Synergy Public School assumes $1,000 for permit issuance in the start-up budget. Given that all of our sample facilities will require some level of tenant improvement, we anticipate that we will need to negotiate with landlords to pay the tenant improvements up front, with the agreement that through a slightly elevated rent cost we would reimburse the landlord for the tenant improvements over time this cost is accounted for in the estimates provided.

E. Financial Arrangements for Securing a Facility

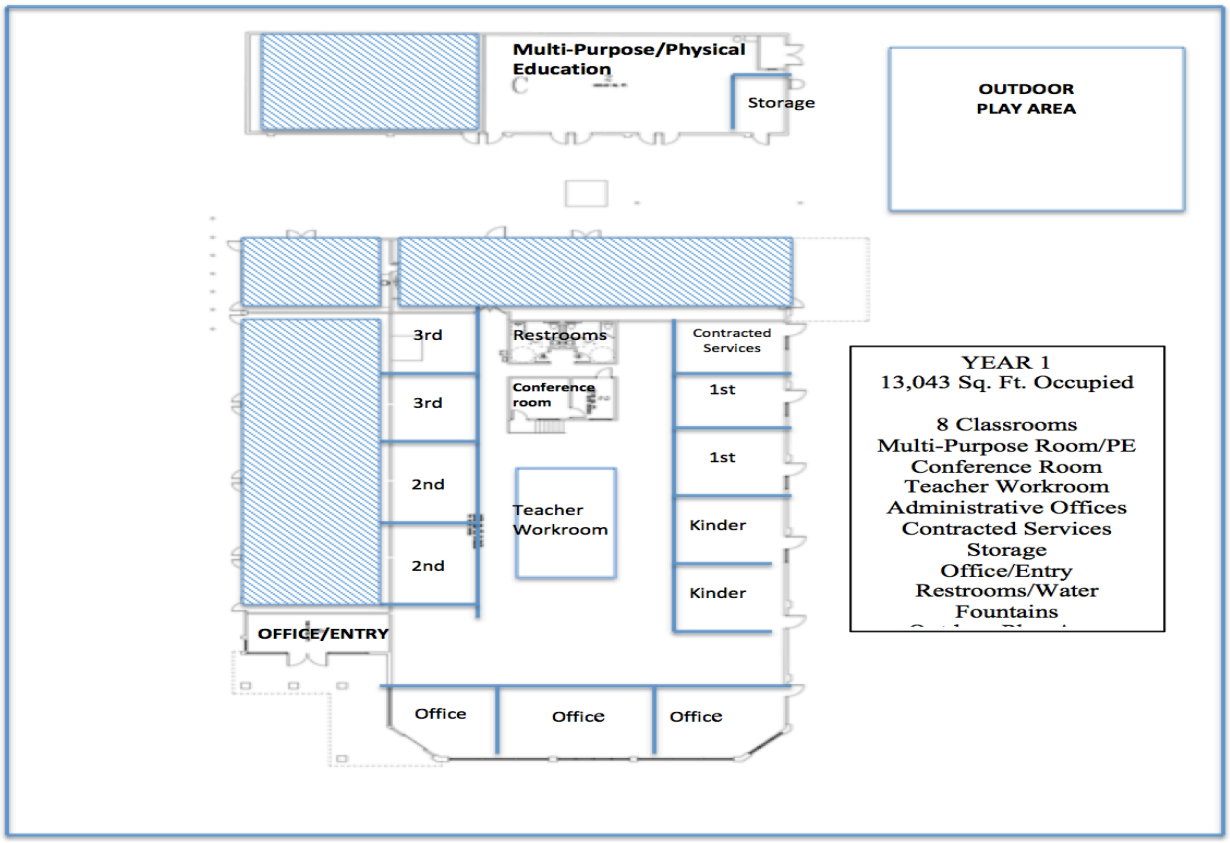
Synergy Public School will be working with both private and non-profit groups to secure either or both credit enhancement guarantees and lease to purchase options. Founding leaders have reached out by way of its partners to several groups that can provide 100% financing for the charter school, which would include the facility and the build-out costs. Should Synergy Public School seek a lease opportunity, they will work with one of many groups that will provide both credit enhancement and lease guarantees. Synergy Public School is seeking to form a partnership with landlords who are willing to assist with the property improvement fees and defer the lease payment for July and divide these costs into installment payments through increasing the price per square foot. Synergy Public School has budgeted for $10,000 for building improvements annually in Years 1-3 to come out of the equalization payment revenue. In addition, Synergy has allocated $5,000 annually in Years 1-3 for land improvement based on similar sized operating charter schools.

F. Layout of Space

Each property considered would allow Synergy Public School the ability to provide a space layout, which will be consistent with the charter petition. In Year 1, the school will utilize only a portion of the building and occupy approximately 13,000 square feet. Below are sample year 1-3 layouts of property 2 located at 1726 W. Camelback Road. (*See C.1 Illustration 1 Real Estate Layout Year 1*)

C.1 Illustration 1 Real Estate Layout Year 1

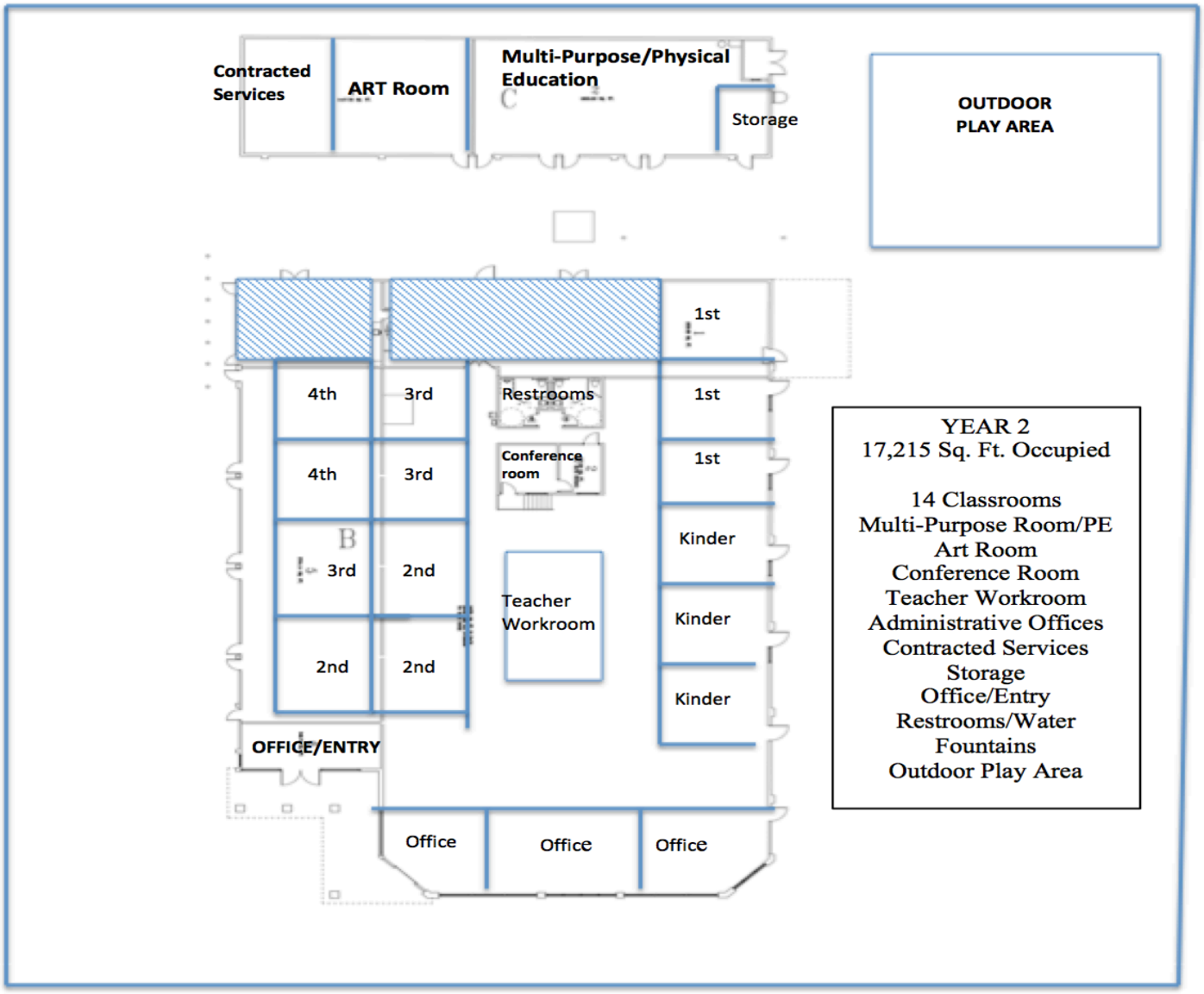
1726 W. Camelback Road



In Year 2, Synergy will utilize approximately an additional 4200 square feet to accommodate 6 additional classrooms and an art room. (*See C.1 Illustration 2 Real Estate Layout Year 2*)

C.1 Illustration 2 Real Estate Layout Year 2

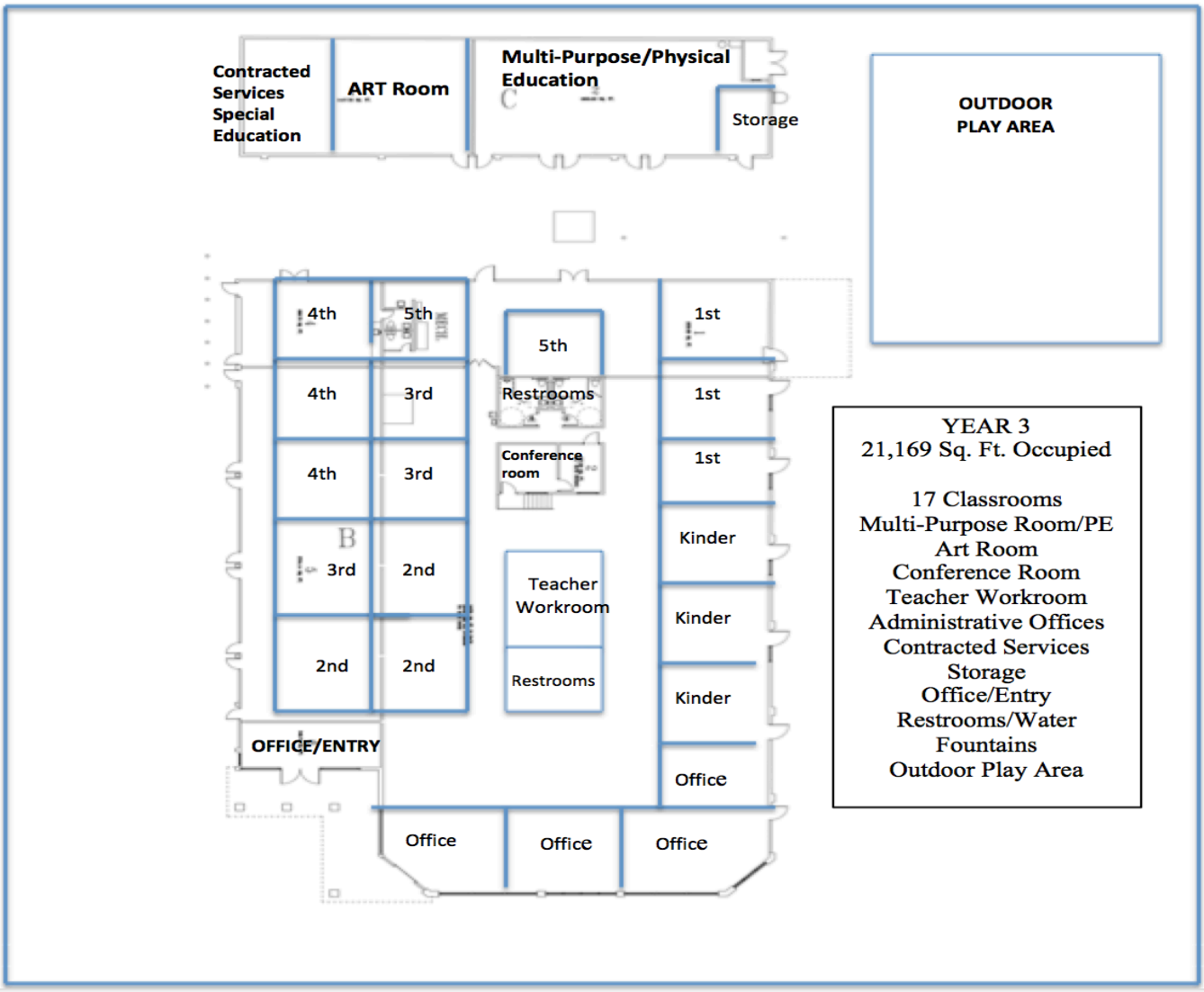
1726 W. Camelback Road



In Year 3, Synergy will utilize the entire building, 21,169 square feet to accommodate a total of 17 classrooms, a multi-purpose room/physical education, an art room, 4 administrative offices, a conference room, a teacher workroom, a contracted services/special education room, an office/entry area, additional restrooms, storage space and outdoor play area, (*See C.1 Illustration 3 Real Estate Layout Year 3*

C.1 Illustration 3 Real Estate Layout Year 3

1726 W. Camelback Road



G. Ensure Costs

The costs that are described in the narrative for the Start-up and Three-Year budgets are described in the Assumptions. Assumes rental fee of a facility for July will be deferred and divided into monthly payments through increasing the lease price per square foot beginning in August 2017. Therefore, there will be no cost for building rent/lease/loan in the start-up budget.

H. Section Consistency

All sections have been checked for consistency in this application package.