

Update on the Utilization of the Standard Lease Agreements

EXECUTIVE SUMMARY

The PSFA has created standard leases for leasing private facilities, public facilities, and land, as well as, lease-purchase agreements. The leases have two parts to ease understanding of terms and allow easy comparability to other agreements. Part B is the boiler plate language that cannot be modified and intended to provide a fair advantage to the school while being balanced to the owner. Basically, all a school entity would need under an unmodified PSFA lease is custodial and pay for utilities. Yet the standard lease can be modified by language utilized in part A. Part A captures all variables to the boiler plate language. The leases are designed to be easy to use and can accommodate any possibility, but guide users away from illegal activities such as improving private property with public funds.

The Council has directed PSFA in the short term to encourage but not require the use of the standardized leases. Instead, and to provide sage guidance and diligence required of the PSCOC to grant funds for lease assistance, the PSFA will add a disclosure statement. This disclosure statement will provide the character and attributes of lease agreements so that they can be compared to other lease agreements. The disclosure will supplement the conflict of interest statements that have been expanded to require the signatures not only of the superintendent/learner/chancellor and chief financial officer, but also the signatures of each of the governing council/board.

PSCOC Leased Facility Information Disclosure

Link to PSFA Std. Lease - http://www.nmpsfa.org/project_development/Standard-Charter-Lease-Forms.htm

SCHOOL NAME: _____

ADDRESS OF PREMISES TO BE LEASED: _____

DATE THIS FORM SUBMITTED: _____

COMPLETED BY: _____

I. Governmental Certifications and Approvals.

A. Authorizing Agency 'E' Occupancy Certificate date: _____.

B. NMPSFA:

(i) Approval date: _____.

(ii) NMCI score: _____.

C. NMPSFA Square Footage Calculations:

(i) "Gross Square Feet": _____.

(ii) "Net Square Feet": _____.

(iii) "Tare" Square Feet: _____.

(iv) Percent Tare: ____%.

(v) Education Square Feet (w/tare included): _____.

(vi) Administration Square Feet (w/tare included): _____.

(vii) Other Space: _____.

II. Lease Term.

A. Anticipated Term Commencement Date _____

B. Term Duration _____

C. Renewal? (Yes/No) _____

III. Initial Uses.

D. Total number of students _____

E. Grades served _____

F. Unique (non-traditional) educational programs served:

- (i) **No** ()
- (ii) **Yes** () [describe space needs that are different from the Educational Occupancy Standards or the Statewide Adequacy Standards, as applicable, for traditional schools]

G. Community programs served:

- (i) **No** ()
- (ii) **Yes** () [describe space needs that are different from the Educational Occupancy Standards or the Statewide Adequacy Standards, as applicable, for traditional schools, and revenue generated]

IV. Tenant Improvements.

A. Are tenant improvements to be constructed by Landlord?

- (i) **No** ()
- (ii) **Yes** () [please explain and provide details]

What is the estimated cost of the Tenant Improvements?

What is the anticipated Substantial Completion date of the Tenant Improvements?

V. Repairs & Maintenance.

A. Landlord is responsible for risk and expense of repairing or replacing the following building components servicing the leased premises and all of the common areas:

(Check all that apply):

- () Roof
- () HVAC systems
- () Foundations and exterior walls
- () Electrical systems
- () Plumbing systems
- () Drainage systems
- () Parking areas
- () Landscaping
- () Exterior lighting

- Damage due to fire or casualty (as limited by Landlord's insurance coverage)
- Work on components required by Law and not resulting from use of premises by School
- Other item(s) not listed above

Provide reasons below if any items above are unchecked:

VI. Utilities, Taxes, and Insurance.

A. Utilities serving the premises (separately metered):

(Check all that are separately metered for the premises and billed directly to the school):

- Gas
- Electric
- Water
- Sewer
- Telephone
- Data
- Internet
- TV
- Trash removal
- Other item(s) not listed above

B. Utilities serving the premises (not separately metered):

(Check all that are not separately metered for the premises and billed to the school as Reimbursable Expenses):

- Gas
- Electric
- Water
- Sewer
- Telephone
- Data
- Internet
- TV
- Trash removal
- Other item(s) not listed above

C. Taxes:

(i) What is School's Pro Rata Share of all real property taxes and assessments to be paid to Landlord as Monthly Fixed Reimbursable Expenses? _____

(ii) List categories of all taxes and assessments included in School's Pro Rata Share:

D. Insurance:

- (i) List categories of insurance coverage to be obtained and maintained by Landlord during the Lease Term:-

VII. Assignment; Subletting.

- A. Does the School intend to assign, transfer or convey its interest in the Lease and the Premises to any third party?

- (i) **No** ()
- (ii) **Yes** () [please explain and provide details]

- B. Does the School intend enter into a joint use agreement with, or sublease or grant a right to use all or any portion of the Premises to any third party?

- (i) **No** ()
- (ii) **Yes** () [please explain and provide details]

VIII. Hazardous Substances.

- A. Has the Landlord determined whether there might be hazardous substances in existence and located in or under the Complex, including the Premises?

- (i) **No** ()
- (ii) **Yes** () [Please describe the results of that determination and whether remedial action is necessary]

IX. Lease Cost.

- A. What is the cost of this lease?

- (i) Per square foot _____
- (ii) Per student _____

B. Why do you believe the cost of this lease is fair?

- (i) Please describe how you made this determination

- (ii) Please provide three comparable lease rates to your agreement.

- a. Cost per sf _____ Location _____
- b. Cost per sf _____ Location _____
- c. Cost per sf _____ Location _____

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