

MEMORANDUM

TO: SARASOTA ACADEMY OF THE ARTS – GOVERNING BOARD

FROM: STEPHANIE L. MURPHY

DATE: APRIL 8, 2019

RE: SCHOOL RELOCATION

In accordance with the recent request for a written update as to the status of the school relocation committee efforts, please be advised as follows:

1. Status of sale of current school premises & property
 - a. The property on which the school currently operates is still in the process of being marketed for sale with the school's neighbor immediately to the west of the property, CAN Community Health.
 - b. The property is not currently under contract, though negotiations continue.
 - c. The intent of both parties, i.e., CAN and Rohr Trust, is that the property be purchased in early 2020, with an anticipated lease-back through the conclusion of the 2020-2021 school year.
 - d. The parcel owned by SAA is currently listed for sale with listing agent Gail Bowden.
2. Needs for future SAA campus:
 - a. The future SAA campus is based on the presumption that there will be two (2) classes per grade level, with additional spaces for all of the existing enrichment programs, as well as additional space for storage, administration, kitchen, etc. The anticipated need for "under air" space is 25,000 – 30,000 square feet¹.
3. Cost/Budget
 - a. Under the terms of the current lease, SAA pays \$7,500.00 per month (\$90,000.00) in rent to the Trust. This equates to approximately \$8 per square foot.
 - b. Current listings for space (found on LoopNet) indicate that the average market rates for properties within a 5 mile radius of the current location is \$14 per square foot.
4. Current options being researched
 - a. The buyer of the parcel SAA had been pursuing for purchase is open to the idea of developing that property with the intention of SAA operating its new campus there. The buyer recently met with his builder and engineer to discuss the plan, but the buyer has not followed up with us since that meeting last week.
 - i. If the school/board pursues this option, the intention is/should be to enter into a long-term lease with an option to purchase.

¹ Note that the current campus is slightly under 10,000 square feet "under air."

- ii. In this scenario, it would be ideal to sell the parcel already owned by the school to the buyer of the Fruitville Road parcel, so as to allow the construction of the school to include this parcel (which is approximately 1 ¼ acres), for a total campus size of approximately 4 acres. This would provide the school with a source of cash to offset early deficit spending while the school grows and levels out with its bigger operating budgetary needs and capital expenditures.
- b. Another option being addressed is using the parcel already owned by the school, which is approximately 1 ¼ acres, and acquiring the house and property immediately behind same. This would provide the school with slightly under 2 acres on which a new campus could be constructed. However, due to the limited size of the combined parcels, this would not allow the construction of a school with larger classrooms and learning space (although it would be anticipated that the size of the classrooms and learning spaces would be larger than what the school currently utilizes).
- c. Rob McClain, member of the SAA Governing Board, is drafting a Letter of Interest to be provided to the owners of the property on which Hershorn Schiff Community Day School currently operates. It is commonly known that Community Day School is building a new campus, leaving their current campus (located at the corner of Bahia Vista and Tuttle). Their new campus will be fully operational for the 2021-2022 school year. The Letter of Interest is intended to put the owners of the property on notice that we are interested in potentially leasing the property for the future SAA campus.
- d. Finally, the listing agent for the parcel currently owned by SAA, Gail Bowden, is informally searching for properties between 2-5 acres available for sale and/or lease. As of the date of this Memorandum, no properties have been identified.