

**report to
Board of Trustees**

Recommendation to Commence Public Input to Consider the Relocation of the Marlborough Discovering Choices II Program

Date	December 8, 2020
Meeting Type	Regular Meeting, Public Agenda
To	Board of Trustees
From	Christopher Usih Chief Superintendent of Schools
Purpose	Decision
Originator	Dany Breton, Superintendent, Facilities & Environmental Services
Governance Policy Reference	Governance Policies GC-3E: Closure of Schools Procedure Operational Expectations OE-2: Learning Environment/Treatment of Students OE-3: Instructional Program OE-7: Communication With and Support for the Board OE-8: Communicating and Engaging With the Public OE-9: Facilities
Resource Person(s)	Carrie Edwards, Director, Transportation, Property & Noon Supervision Prem Randawa, Director, Area 1 Sherri Lambourne, Manager, Real Estate & Leasing Services Kris Reinhardt, Principal, Outreach School

1 | Recommendation

- THAT the Board of Trustees is satisfied that there is cause to commence the public input process to consider the closure of Discovering Choices II

for the purpose of relocation in accordance with GC-3E Closure of Schools Procedure.

- THAT the Board of Trustees approves the public input period to consider the closure of Discovering Choices II for the purpose of relocation be shortened from 60 calendar days to 49 calendar days in accordance with GC-3E Closure of Schools Procedure.

2 | Issue

The Discovering Choices II outreach school program has outgrown its leased premises. A larger location is required to meet growing student demand. Move of the program to another location will require a formal closure process in accordance with CBE governance policy GC-3E.

3 | Background

Discovering Choices is the CBE's outreach high school program. There are four Discovering Choices locations throughout the city, each situated in leased premises. September 30, 2020 enrolment for the program was over 1,200 students.

The "Discovering Choices II" program is located in NE Calgary, operating from storefront space within Marlborough Mall. The program has been in its current location for over 15 years, and is the second largest CBE outreach program in terms of number of students. Enrolment at this location has continued to increase over the years. The program has been running at maximum capacity for several years, resulting in overcrowded classrooms and students being turned away due to a lack of instructional space.

With the lease at Marlborough Mall set to end in August of 2021, a lease opportunity has been identified at Northgate Village Shopping Centre, a strip mall location across the street from the current Discovering Choices II location (Appendix I).

The Northgate option is substantially less expensive on a per square foot rental basis, which would allow the CBE to double its current instructional area for roughly the same rental costs. This would both ease enrolment pressures and provide an opportunity for the program to create functional program spaces that are not possible in the current location. The Northgate option would keep the program in an area of high demand and within a community already familiar to students. This location also provides improved accessibility, with street front access, free off-street parking and close walking distance to a LRT station.

The challenge with this option is that the space is currently unfinished, requiring an initial investment from the CBE to build out the space for its use. Aside from the financial investment, this option will require a 6-month lead-time for construction and fit-up, as well as a longer lease commitment.

In order to accommodate relocation of the program for September 2021, the CBE will need to execute a lease agreement prior to January 30, 2021. Once the lease is signed, construction on the unit can begin, and the CBE will be fully committed to the financial terms of the lease agreement.

Although the Discovering Choices program is not located in a school building, move of the program is considered a closure in accordance with CBE policies, thereby requiring a public input process. Given that the program would only be moving a distance of 600 meters, and would also result in expanded space better suited to meet student instructional needs, an accelerated timeline for the consideration of closure process is proposed.

The lease agreement for the existing Marlborough Mall location has been extended until August 31, 2021, which allows the CBE to consider relocation of the program without impacts to the instructional calendar.

4 | Analysis

Student enrolment at Discovering Choices II has steadily increased over the years. The program currently serves over 290 students from a 3,026 square foot leased space. This location has been operating above capacity for several years. With just 1.5 classrooms, staff and other common spaces have been converted to student spaces in an attempt to meet enrolment demand. A program that is often considered a “last chance” for students at risk of not graduating, the program consistently has to turn students away due to lack of available instructional space.

There are no opportunities for expansion of the program in its current location. Suitable contiguous space is not available, and the Landlord is unwilling to negotiate on their higher than average lease rates.

Moving the program to an existing CBE high school was not considered. Capacity pressures at CBE high schools across the system limit available space, and the ability to remain in the high demand NE quadrant of the city would be unlikely within a CBE high school facility. Experience has also shown that outreach students will avoid attending programs within a traditional high school setting.

Until very recently, Alberta Education did not permit outreach programs to operate within a traditional CBE school building, as the purpose of an outreach program is to “reach out” and bring the school to the students, in areas where the need is greatest and with a unique format separate from traditional high schools. Since outreach schools are likely to exist in leased facilities, Alberta Education provides school boards with a fixed grant amount to help offset facility lease costs.

Lease options for the Discovering Choices II program are impacted by the budgetary limitations of the CBE, as well as location specifications to best meet student demand, and by municipal land use zoning, in that many retail, office, and industrial spaces are not often zoned to allow for a school type use. Although there are several lease vacancies in the Marlborough area, only a handful of these properties have the requisite land use zoning. The Northgate Village lease option represents the best value in terms of cost, location, and space suitability.

Because the lease space in Northgate Village mall is unfinished, the CBE has the ability to create a design plan optimally suited for their needs, which would include three classrooms, a kitchen, washrooms, as well as three offices and a meeting room all within a 5,700 square foot floor plan. This floor plan size is suitable to meet current enrolment needs and can accommodate projected enrolment growth for the term of the lease. The Northgate facility will offer students all of the same benefits as the current location, plus additional functional spaces that can be used for instructional options not provided for in the current space.

Construction requirements would be carried out by the Northgate landlord on behalf of the CBE. In order to secure a return on this investment, the landlord will require a lease commitment of 10 years, but will allow the CBE the option to terminate after 5 years so long as the costs to build out the CBE lease space have been repaid in full. The standard lease term for a Discovering Choices lease space is 5 years.

Escalating capacity pressures at Discovering Choices II have forced a pivotal decision point, as the current facility is no longer functioning to meet student instructional needs. Consideration for closure of the current Discovering Choices II program in order to relocate to a larger facility is recommended. Due to the lead time required to ready the new lease space for student occupation, the closure process must conclude before January 30, 2021.

Accordingly, the recommendation to abbreviate the 60 day public input period to 49 days is being made for two reasons. First, it is anticipated that the relocation will be supported by the community in light of how it will enhance the school's offerings, increase the number of students that can be supported and is accessible via the same means of transportation as the current site. Secondly, bringing this matter for decision at the regularly scheduled Board meeting of January 26, 2021 maximizes the opportunity for public input while still allowing for adequate time to fit-up the proposed new site should the Board decide to close the current site for the purpose of relocation effective September 1, 2021.

5 | Financial Impact

Based on the CBE's projected space needs, buildout costs for the Northgate Village lease option are anticipated to be \$400,000. The CBE has the ability to pay this amount incrementally over the term of the lease as part of its lease rate, or as a one-time, up-front payment.

Discovering Choices administration has the funds to cover the buildout costs as an up-front payment. This one-time payment to prepare a new lease space will not impact funding for the other Discovering Choices locations. In paying this amount up-front, the CBE can keep lease rates low for the term of the lease, which allows the program to expand its instructional area without dramatically impacting yearly program costs.

While the per square foot operating costs for the proposed location are expected to be approximately the same as the current location, the per square foot base rent rate for the new location would be substantially lower than the current lease space, allowing the program to occupy a larger area without increasing overall

lease costs. Table I below compares the CBE’s current lease area and lease costs with the proposed lease option.

Table I: Lease Details – Current Vs. Proposed

	Lease Area (Sq. Feet)	Annual Lease Fee (includes base rent & operating costs)
Marlborough Mall (Current Location)	3,026	\$113,188/year
Northgate Village Shopping Centre (Proposed Location)	5,700	\$114,114/year (years 1-5) \$125,514/year (years 6-10)

Because outreach programs are typically located in leased facilities, Alberta Education provides annual funding to school boards to help offset lease costs. This funding was previously provided on a per location basis, but effective in the 2020-2021 school year, outreach programs will now receive lump sum funding in the amount \$150,000 per year, regardless of the number of outreach sites. Additional costs incurred in the provision of an outreach program are paid from the school’s RAM funding. Discovering Choices administration has completed projected budgets based on the lease terms for the proposed location, and is confident funding will be in place to manage the lease commitments.

6 | Implementation Consequences

Completion of a Consideration for Closure process (for the purpose of relocation) prior to January 30, 2021 will enable the CBE to negotiate a lease agreement for a new lease space and prepare the new space for occupation in September 2021. This timing will allow for the move of students during a natural program break, and secure a lease location which meets the program’s enrolment needs for the long term.

Execution of the lease agreement makes the lease option binding, meaning the CBE will be committed to payment of lease costs for a minimum of 5 years, as well as full repayment of buildout costs to the landlord.

7 | Conclusion

The Discovering Choices II program requires a larger facility to meet student enrolment needs. An alternate site has been identified, but relocation of the program is considered a closure in accordance with CBE governance policy GC-3E.

An important consideration is that GC-3E requires that the Board provide a minimum of 60 calendar days for the public input before making a final decision. Accordingly, should the Board decide to proceed with the public input process, it

is recommended that the Board consider shortening the timeframe from 60 calendar days to 49.



CHRISTOPHER USIH
CHIEF SUPERINTENDENT OF SCHOOLS

APPENDICES

Appendix I: Current and Proposed Locations

GLOSSARY – Developed by the Board of Trustees

Board: Board of Trustees

Governance Culture: The Board defined its own work and how it will be carried out. These policies clearly state the expectations the Board has for individual and collective behaviour.

Board/Chief Superintendent Relationship: The Board defined in policy how authority is delegated to its only point of connection – the Chief Superintendent – and how the Chief Superintendent's performance will be evaluated.

Operational Expectations: These policies define both the nonnegotiable expectations and the clear boundaries within which the Chief Superintendent and staff must operate. They articulate the actions and decisions the Board would find either absolutely necessary or totally unacceptable.

Results: These are our statements of outcomes for each student in our district. The Results policies become the Chief Superintendent's and the organization's performance targets and form the basis for judging organization and Chief Superintendent performance

Discovering Choices II: Current and Proposed Locations

