

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** June 2, 2009

**Action Agenda  
Item No.** 4-W

**SUBJECT:** Lease Renewal: Community School for People Under Six

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**DEPARTMENT:** Purchasing and Central Svcs.

**PUBLIC HEARING: (Y/N)**

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**ATTACHMENT(S):**

**INFORMATION CONTACT:**

Lease Renewal  
Funding Request Letter from Community  
School for People Under Six

Pam Jones (919) 245-2652

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**PURPOSE:** To consider renewing a lease through June 30, 2010 for space used as a daycare by Community School for People Under Six at the Northside Center, Chapel Hill.

**BACKGROUND:** The Community School for People Under Six has occupied space at the Northside facility on Caldwell Street Extension in Chapel Hill since 1983. The attached lease renewal will extend the lease for one-year through June 30, 2010.

Although the Board of Commissioners has given permission for the Chapel Hill Carrboro City Schools (CHCCS) to construct a new elementary school (#11) on this location, funding constraints limit development during FY 2009-2010. Collaboration among the CHCCS, the Town of Carrboro, the County and the Community School has yielded an alternative location for the daycare at Carr Court. Community School for People Under Six has requested an FY 2009-2010 appropriation from the County toward upfit of this new location in the amount of \$150,000 (see attached). Although the County may be in a more favorable position to do so in FY 2010-2011, fiscal constraints precluded its consideration in the FY 2009-2010 Manager's Recommended Budget. The extension of the lease, however, will allow additional time for the daycare to raise the funds for the upfit. It will also provide a level of certainty to the parents and staff of the daycare which may in turn stabilize the enrollment and give a clearer revenue picture with the transition to the new space after this lease expires.

The one-year lease renewal is recommended under the following terms and conditions:

- The daycare is responsible for cleaning their space.
- Rent is provided as in-kind support, at an estimated value of \$8,000 annually for approximately 752 square feet of County space. The daycare sought approval in 1996 from the County to add approximately 2000 square feet to the building. The addition was funded entirely by the Community School for People Under Six and was completed in 1999.

- If the daycare is able to access funds for utilities cost from the State or other sources, by terms of the lease it is to pay its pro-rata share of the building's utilities. If no funds are available, the County continues to pay the utilities for the daycare space.
- Building maintenance is provided by the County for HVAC, plumbing and electrical systems.
- Grounds care is provided by the County (the lease does not include maintenance of playground or other program related equipment. The daycare provides all maintenance for playground equipment since it is placed for the exclusive use of the daycare.).
- Parking lot maintenance is provided by the County.
- The daycare maintains insurance on personal property located within the facility.

**FINANCIAL IMPACT:** Operational costs are incurred by the County for the upkeep of the building, which now has limited use for County programs. Heretofore, no revenue has been derived from this lease.

**RECOMMENDATION(S):** The Manager recommends the Board approve a one-year lease renewal for space at the Northside facility in Chapel Hill for use as a daycare by Community School for People under Six through June 30, 2010; and authorize the Chair to sign the lease renewal on behalf of the Board.

**LEASE AGREEMENT**

**RENEWAL**

**NORTH CAROLINA  
ORANGE COUNTY**

**WHEREAS**, a lease agreement was made and entered into as of the 15th day of November, 1983, by and between Orange County, **LESSOR** and the Community School for People Under Six, **TENANT**, for space to be used as a Day Care Center at the Southern Human Services Center, Chapel Hill, NC;

**WHEREAS**, the **LESSOR** and the **TENANT** wish to renew the lease agreement as amended; **NOW, THEREFORE, LESSOR** and **TENANT** mutually agree to the following:

1. The lease agreement will be continued for a period of five years commencing on July 1, 2009 and ending at 12:00 midnight on the day of June 30, 2010.
2. Section 3, "Utilities" shall be modified to read as follows:  
Utilities:  
In the event TENANT's funding source will reimburse TENANT for utilities at the leased facility, the TENANT shall pay for the electricity and fuel for heat based on the following formula:
  - Total square footage used by TENANT
  - Divided by total usable square feet of the building where property is located
  - Times the amount of electricity and fuel for heat bills received the COUNTY during the term of this lease for the building where the leased property is located.

The COUNTY shall send the TENANT on a timely basis a statement itemizing such utility charges. Payment shall be due to the COUNTY within thirty (30) days of the date on such statements. The COUNTY shall pay for all water and sewer charges.

3. All other terms and conditions will remain the same.

This agreed to the \_\_\_\_\_ day of \_\_\_\_\_, 2009.

**County Of Orange**

BY: \_\_\_\_\_  
Valerie Fourshee, Chair  
Orange County Board of Commissioners

Attest: \_\_\_\_\_  
Donna S. Baker, Clerk to the Board

**Community School for People Under Six**

By: \_\_\_\_\_

Witness: \_\_\_\_\_

\_\_\_\_\_  
Printed Name and Title

**Community School for People under Six**  
**400 Caldwell Street Ext.**  
**Chapel Hill, NC 27516**  
**(919) 929-1543 (O); (919) 929-0091 (F)**  
**Website: [www.cspu6.org](http://www.cspu6.org); Email: [csix@bellsouth.net](mailto:csix@bellsouth.net)**

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TO: Valerie Foushee, Chair, Orange County Commissioners  
 Mike Nelson, Vice Chair  
 Alice Gordon, Commissioner  
 Pam Hemminger, Commissioner  
 Barry Jacobs, Commissioner  
 Bernadette Pelissier, Commissioner  
 Steve Yuhasz, Commissioner

FROM: Anna Mercer-McLean, Director

DATE: May 18, 2009

RE: Request for Funding Support and Lease Extension

Community School for People under Six, a nationally accredited child care program under the National Association for the Education of Young Children and 5-Star licensed by North Carolina will be dislocated from the Northside facility due to the construction of the Chapel Hill/Carrboro Elementary School #11. With our current Orange County lease agreement expiring on June 30, 2009, we are requesting: 1) an extension of our lease agreement until June 2010; and 2) financial support in the amount of \$150,000 to complete the necessary repairs and renovations on the proposed site at 102 Hargraves Street in Carrboro that will be leased to CSPU6 upon approval at the Carrboro Town of Alderman’s meeting.

CSPU6 has struggled financially since the announcement that a new school would be built on our home site of over 38 years at Northside; and to learn that we would have to find a new “home”. Families have terminated their care and/or not enrolled due to the uncertainty of the program’s status. It took 6 months to bring our status back to a calm; but now we are at the same point again of uncertainty; and families again are terminating care. We loss good teachers during the year due to the economic status that this unforeseen change caused for the school. We have served the community, and we met the needs of a diverse population. We want to help our families to feel more secure; and to reassure them that we will continue to exist in Orange County to provide the best early care and education for their child (ren).

An extension of our lease will allow us time to raise the other \$100,000 to achieve our renovation goals (Total \$250,000). The current site has 7 classrooms; and the proposed site only has 3 classrooms. We are working to develop a plan to reconstruct office space and patio space into two classrooms; and to modify bathroom space into usable office space; while repairing other areas that are needed to meet building, sanitation and licensing standards.

Thank you for your consideration. Our 56 children, 15 teachers and 3 support staff appreciate you for your work and commitment to young children.