This memo is intended to provide you and the Board of Trustees with general information regarding District rentals and to address three specific rental situations that are different from last fiscal year: 1) Episcopal Church of Incarnation; 2) the Lesbian/Gay/Bisexual/Transgender Community Center and 3) Mission Language and Vocational School.

The subject of District rentals is complex and sensitive. As a landlord, the District does have standard rates it charges for the use of District classrooms, laboratories, etc., These were set many years ago by the Buildings and Grounds Department and should be reviewed and raised accordingly. As a tenant, the District enters into negotiations with landlords and tries to work with the landlord on establishing a fair, equitable and justifiable rent.

As a tenant, our relationship with each landlord varies. Establishing a relationship with a partner, CBO or other landlord generally starts with a request from the instructional side of the house. Instructional deans, campus Deans and/or the Vice Chancellor of Academic Affairs decide that for a variety of reasons it is beneficial to the District and the community at large to offer classes at a community site. Occasionally the Vice Chancellor of Academic Affairs will determine that a rented site is no longer needed and classes will no longer be offered at the site. In some cases we partner with the landlord and there is little expectation on the part of the landlord for reimbursement. Many of these types of sites receive yearly minimal rents ranging from $100 to $500 per year. By paying even a small amount of rent, the District can receive additional reimbursement for our FTES at these rented sites. Rates are generally agreed upon depending on the number of classes and the FTES generated at these sites.

In some cases, we rent space and the landlord asks for more than just a minimal yearly rent. The District does what it can to negotiate fair and reasonable rates taking into consideration the asking price of the landlord. As expected, these rents vary considerably because of the asking price of the landlord. Unified School District rents, for example, have been derived
over a long period of negotiations. Rents at sites where we have exclusive use for a long term are negotiated for the long term period and, like the Unified School District rents, sometimes have CPI or escalators built into future years.

There are three sites that represent a change in rent or circumstances: 1) Episcopal Church of Incarnation; 2) the Lesbian/Gay/Bisexual/Transgender Community Center and 3) Mission Language Vocational School.

1) Simply put, the pastor at Episcopal Church of Incarnation requested a $50 per month increase in the rent we pay and he was not willing to take less. Since we want to remain at this site, I am recommending the increase.

2) When the Lesbian/Gay/Bisexual/Transgender Community Center was forming, City College was asked to provide classes for the site and the LGBT Community. Dean Bruce Smith and I had a number of meetings with the executive director on establishing a presence at the site and rental rate. Since the building has opened, the classes have been very successful. The LGBT Center began to review its bottom line and requested an increase in rent. We rent two rooms, one of which is a computer laboratory complete with computers and software. We would charge $10 per hour for the classroom and $20 for the computer laboratory if we were renting our rooms. We were paying the LGBT Center $3.50 an hour for both rooms and agreed to increase the rent (which the Board approved) to $5.00 an hour for both rooms starting July 1.

The executive director was recently replaced and staff of the LGBT Community Center contacted the District to say that their Board was requesting $10.00 per hour for each room. Explaining the District’s financial situation for this coming year, I was able to negotiate the rent at $5.00 per room for the fall semester with an increase to $7.50 starting the spring semester. This is still less than we would charge if we were renting these rooms.

One of the LGBT Community Center Board members spoke with me and agreed to place before the Board my proposal, but wanted the District Board of Trustees to approve the increase that would start spring 2004 in order that the Center could plan its budget. The LGBT Community Center board is well aware that they can ask and get approximately $40 an hour for the computer room and about $20 an hour for the regular classroom, but they are eager to maintain the partnership created by the Center and the District on behalf of the Lesbian/Gay/Bisexual/Transgender Community.

3) The Mission Language Vocational School is a site we have rented for many years. A few months ago, I was informed by the Vice Chancellor of Academic Affairs and the Dean of the Mission Campus that we have cut our program offerings in half and have gone from using two rooms to one room. I discussed this with the director of MLVS who requested that the rent remain at the current amount, even though we have cut our usage by half. In reviewing the rent, we pay about $7.10 per hour of current usage. Even though our usage is less, it is recommended at this time that we continue paying the same rent for the upcoming year to MLVS.

I hope this answers any questions the Board of Trustees has regarding a very complex and sensitive issue.