



Rand Facility

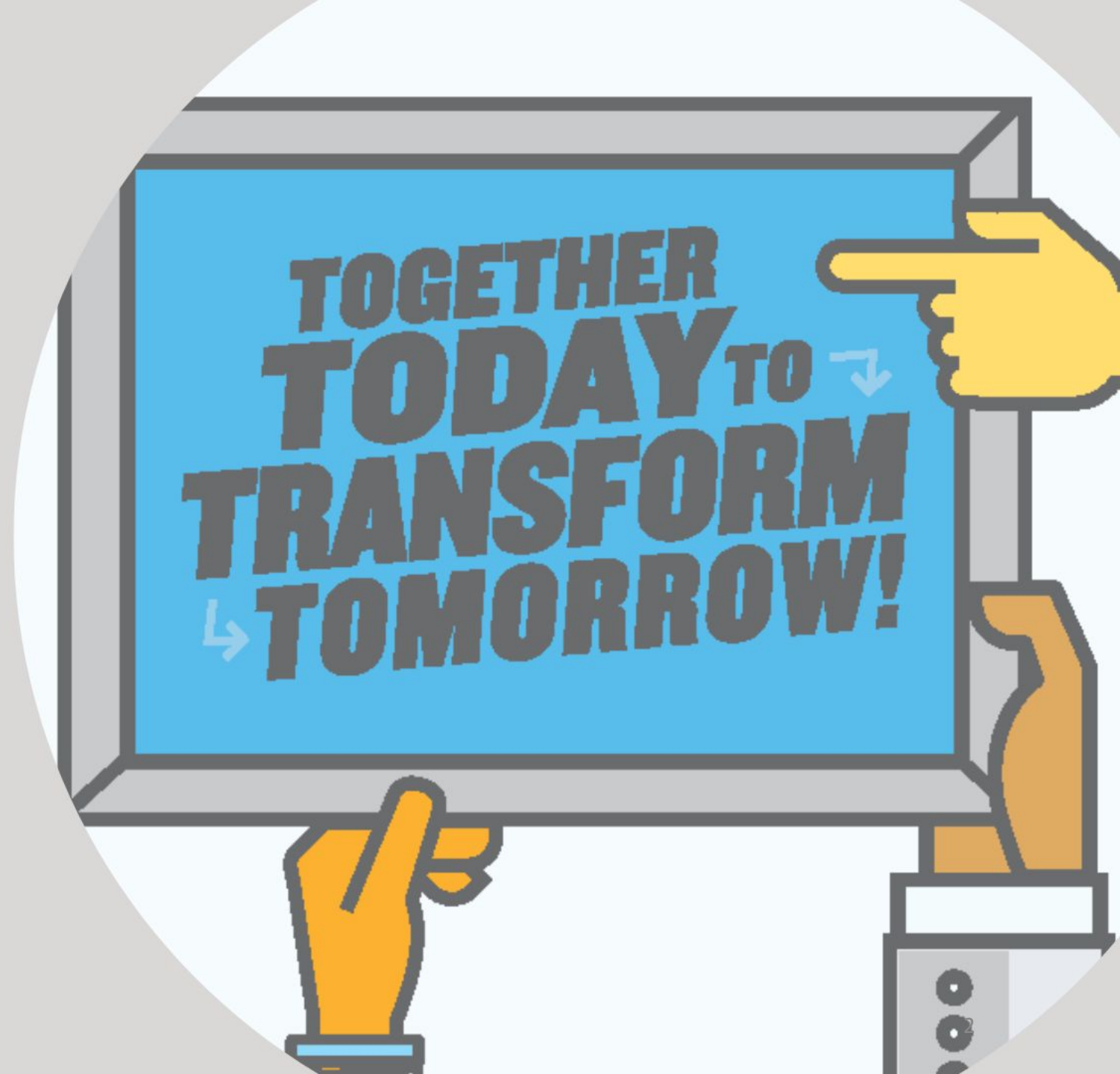
Lease Renewal Assessment
March 2026



STRATEGIC PLAN |

Our mission is to:

empower an
inclusive, diverse
community of
learners to innovate
and thrive as global
citizens.



OUR GOALS & STRATEGIES

This presentation falls under the:

1. Student Achievement Goal
2. Family & Community Goal
3. Learning Environment Goal
4. High-Quality Staff Goal
5. Stewardship of Resources Goal

Executive Summary



Building Age & Condition

Rand is an aging facility requiring substantial capital investment to maintain basic operations and code compliance over time.

Financial Sustainability

Projected long-term expenditures are not recoverable under the terms of the existing lease, creating a net financial burden for the District.

No Viable School Reuse for D25

The building does not align with current or projected District school facility needs.

Future Flexibility Retained

The Board may separately explore a new lease with terms that reflect long-term financial sustainability, or other alternatives options and use.

Staff does not recommend renewal of the current Rand Building lease upon its expiration in March 2028.

Building Profile



Tenant Since

~1999

Approx. 25+ years of occupancy

Lease Expiration

March 2028

Does not align with school year-end

Current Status

Leased – Futabakai School

Serves as school campus

Key Considerations

- ▶ Aging infrastructure with deferred maintenance concerns
- ▶ Long-term capital expenditures expected to be substantial
- ▶ Current lease terms do not reflect true cost of ownership
- ▶ Building no longer suited for District educational programming
- ▶ District sustainability requires aligned financial terms

Financial Impact Overview



Deferred Maintenance

Accumulated deferred maintenance on an aging building represents near-term expenditures required simply to maintain current operating condition.

Near-Term Priority

Capital Improvements

Code compliance updates, ADA accessibility requirements, and infrastructure renewals (roof, HVAC, plumbing, electrical) carry substantial projected costs.

Significant Investment

Long-Term Viability

Total projected expenditures over the coming years are not financially sustainable under the current lease structure and do not serve District interests.

Sustainability Concern

Long-term expenditure requirements are not financially viable under the terms of the existing lease.

\$3M

Projected in the Next
5-Years

Up To

\$30M

Potentially needed long term
for building improvements

- Projected capital projects exceed \$3 million within the next five years.
- Total building improvements may cost up to \$30 million for long-term viability.

Life Safety and Code Compliance

- **Fire Sprinklers:** Not present in the entire building, a major life safety deficiency (**Very Poor - 1**). Installation would be required for a Level 3 Alteration or Change of Occupancy.
- **Fire Alarm:** Obsolete, zoned, non-addressable system (**Very Poor - 2**). Full replacement to a modern addressable system is recommended.
- **Vertical Access:** The two-story South Wing lacks compliant vertical access (elevator/vertical access). The existing chair lift is non-operational and not certified (**Very Poor - 1**), which is an active violation of Property Maintenance Code.

Plumbing and Sanitary Systems

- **Domestic Water/Fixtures:** Plumbing systems are end-of-life with widespread galvanized piping, leading to reduced flow and hot water inconsistencies (**Very Poor - 2**). Full plumbing replacement is recommended.
- **Sanitary Piping:** Believed to be original, with a planning-level rating of **Fair (4)**, but a camera inspection is required to assess integrity and plan for selective or full replacement.

Building Envelope and Exterior

- **Masonry/Envelope (North and South Wing):** Rated **Poor (3)** due to mortar degradation, sealant failure, and likely missing or failed vapor/air barriers, driving significant heat loss and air infiltration. Comprehensive restoration is recommended.
- **Windows (North Wing):** Rated **Very Poor (2)**; original single-pane glazing contributes significantly to heat loss and comfort issues.
- **Windows (South Wing):** Rated **Poor (3)**; original single-pane systems. Full replacement is recommended for both wings.
- **North Pods Roof:** Installed circa 1999 (**Poor - 3**). Full replacement is recommended due to age, material degradation, and below-code insulation.
- **South Wing Roof:** Replaced in 2017 (**Good - 8**), representing an "island of good condition".

Mechanical, Electrical, and HVAC

- **HVAC (North Pods Wing):** Systems are largely original unit ventilators without modern controls or integrated cooling (**Poor - 3**). Replacement with modern systems is recommended.
- **HVAC (South Wing Overall):** Rated **Fair (4)**, but this is a mixed condition. Newer RTUs for the Gyms and Library (circa 2017-2018) are **Good (8)**, while classroom unit ventilators and ancillary equipment are end-of-life and rated **Poor (3)**.
- **Electrical Distribution and Lighting:** Both are largely original and rated **Poor (3)**. Complete replacement and upgrade are likely needed to support modern loads, life safety systems, and code compliance.

Interior Finishes and Accessibility

- **Ceilings:** Rated **Very Poor (2)** due to the likely presence of **Asbestos-Containing Materials (ACM)**. Ceiling removal for abatement is a critical project driver to enable all major MEP and fire protection upgrades.
- **Restrooms/Locker Rooms (All Areas):** Rated **Very Poor (2)**. They are not ADA compliant, have functional deficiencies, and require full reconstruction and accessibility upgrades.
- **Accessibility:** The hexagonal geometry of the North Pods creates constraints for reconfiguration and accessibility improvements (**Poor - 3**).

Site Infrastructure

- **Pavement:** Parking lots and bus drop are **Poor (3)**, with the West Play Lot in **Very Poor (1-2)** condition, requiring priority full-depth replacement.
- **Stormwater:** The site likely lacks modern stormwater detention, and major hardscape replacements may trigger costly MWRD and VAH compliance requirements (**Poor to Fair - 3-4**).

DO NOT RECOMMEND

Renewal of Current Lease

- Existing terms do not reflect long-term financial realities
- Capital expenditure obligations are unsustainable for the District
- Lease structure does not address building age or deferred costs
- No mechanism to recover or share significant improvement costs
- Continuing under current terms is not in the District's interest

REMAIN OPEN TO

New Lease Negotiations

- A new lease may be considered with appropriate financial terms
- Terms must address long-term capital and maintenance costs
- Arrangement must demonstrate sustainability for the District
- Board retains full authority to evaluate any future proposal
- Broader options to be explored with Board in open session

01

Board Direction

Board to provide direction on recommendation regarding current lease renewal.

Recommending that we formally notify tenant that we do not intend to renew the current lease in its current form at its expiration in 2028



02

Future Meeting

Administration will return with broader analysis of building options, including potential new lease terms, alternative uses, or dispositions.

A large, faint, light gray circular background containing a stylized house icon. The house is composed of several nested, semi-transparent shapes. The outermost layer is a light gray circle. Inside it is a light blue house shape with a white roof. The house has a white chimney on the left side. The number '25' is written in white inside the house's body. The word 'QUESTIONS?' is written in bold, black, sans-serif capital letters across the center of the house icon.

QUESTIONS?