

OFFICE OF THE SUPERINTENDENT  
Millburn Public Schools

INFORMATION ITEM

December 14, 2010

To: Board of Education Members

From: Ellen E. Mauer, PhD

Subject: Rental Costs for 2011-12

For-Profit Rentals

I talked to Paul from Grubb and Ellis Company, a commercial real estate advisory firm. He specializes in office space rentals. For office space, the going rates commercially are \$20 per square foot with payments due monthly. Tenants also share in any increases in the following: real estate tax, insurance, utilities, HVAC, snow removal, janitorial, or any other operational costs. He said that the percentage model we are using is typically what one would see in a restaurant or retail model.

I described our daytime situation to Paul. He went on to say that we are a very specialized business in a very specialized space and that it will be very difficult, if not impossible to find comps for what we are doing. He said that small businesses typically have very thin margins of profit. He did say that it would be more typical to expect a business to pay about 15% of their overall costs for rental, but depending upon the renter's profit margins, it may not allow them to rent the space any longer.

During school hours, we are currently renting 3 classrooms at 725 square feet per classroom for a total of 2175 square feet per month. If we charged users what is typical for an office building, at \$20 per square foot, it would be \$3625 per month. Currently, they pay \$5.41 per square foot based on that model, but it could change based on their profit in any given month because our current terms call for 8.5% of the gross profit.

We need to also keep in mind that with our other commercial renters before/after school and during the summer, this would affect those renters

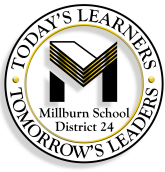
as well. Given the above, we feel that a 10-15% charge of the overall costs is fair. We would see an increase, but not drive anyone out of business.

### Non-Profit Rentals

For our non-profit groups, I spoke to the secretaries and principals doing the bulk of the work in the organizing of the room space and the restructuring of custodial work. Dorothy was very helpful in summarizing in the following manner:

- Groups using one classroom, after school, are not a problem. There is usually one available space that can be used without causing much disruption to the staff or creating too much extra work for the custodians.
- Once you rent out two or more rooms, especially in the evening, it's a different situation. As Bruce explained to me, it's not just the rooms that have to be cleaned, but the hallways, bathrooms and entry ways. The later the activity goes on, the less time the custodian has to get the work done within a scheduled shift.
- I also think it's important to point out that staff members whose rooms are being used must make accommodations before they leave for the day, knowing that an outside group will be using the space. When you think about it, a teacher's classroom is really his or her office. And each student in that class has a personal space that is being used by someone else.
- I think the rate should be higher when more than one room is being rented. I think this could even apply to instances in which two gyms are being used; the rate should be higher because there is traffic between the two spaces. Also, the number of people that can fit in the larger spaces, such as the gym and cafeteria, create a larger impact on building maintenance.

For our non-profits, we suggest that we double the cost for anyone renting two or more rooms in a single use. That should help to cover the extra clerical and custodial costs. That would bring the costs to \$10 per classroom and \$50 per larger area space.



# Application for Facilities Use

MILLBURN C. C. SCHOOL DISTRICT 24 • [www.millburn24.net](http://www.millburn24.net)

- Millburn Central • 18550 Millburn Road • Wadsworth, IL 60083 • PH 847-356-8331 • FAX 847- 356-9722
- Millburn West • 640 Freedom Way • Lindenhurst, IL 60046 • PH 847-245-1600 • FAX 847-265-8198

**FACILITIES CHARGES** District 24 is charging rental fees in an attempt to cover the costs incurred for overtime, custodial, supplies, and utilities as approved by BOE, 11/23/09.

Category:	Rental Charge	Custodial Fee
District Sponsored, PTO and Foundation	Waived	Waived
Charitable and Non-Profit (requires tax-exempt status)	\$5 per classroom \$25 per gym or cafeteria	\$35 per hour*
Colleges and Universities	\$50 per hour	\$35 per hour*
Commercial	Whichever is greater: 8.5% of gross revenue realized through location OR \$5 per classroom/\$25 per gym or cafeteria	\$35 per hour*
Field Use	\$10 per event**	

\*This additional fee will be charged only at times we have to schedule a custodian during non-working hours regardless of the number of rooms rented by a group.  
\*\*Lindenhurst Park District is exempt.

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Contact Person:	Email
Mailing Address, City, State, Zip	Phone

**GROUP INFORMATION**

Name of Requesting Group: (Scout groups must include troop/den number and grade level)
Check one: <input type="checkbox"/> District Organization <input type="checkbox"/> Colleges and Universities <input type="checkbox"/> Commercial <input type="checkbox"/> Non-Profit
Purpose and Nature of Activity (briefly)
Anticipated Number of Participants:
Activity will be open for <input type="checkbox"/> General Public <input type="checkbox"/> Group Members Only <input type="checkbox"/> Restricted to:

**DATE and TIME REQUESTED**

Check one: <input type="checkbox"/> Single Meeting Date <input type="checkbox"/> Series of Meetings	
Date(s) Requested:	Day of Week:
Start time of activity:    AM or PM	End time of activity:    AM or PM

**FACILITIES REQUESTED**

<input type="checkbox"/> East Gym	<input type="checkbox"/> Classroom
<input type="checkbox"/> West Gym	<input type="checkbox"/> Soccer Field <input type="checkbox"/> North <input type="checkbox"/> Center <input type="checkbox"/> South
<input type="checkbox"/> Cafeteria	<input type="checkbox"/> Other

**OTHER NEEDS**

<input type="checkbox"/> Audio/Visual	<input type="checkbox"/> Sound System
<input type="checkbox"/> Tables	<input type="checkbox"/> Bleachers
<input type="checkbox"/> Chairs	<input type="checkbox"/> Other

➔ NOTE: A Certification of Liability Insurance and check for the full amount according to the Facilities Charge chart above must be submitted with this application. Checks are made payable to "Millburn District 24." Dates will only be approved when school is in session.

The undersigned, who is to be in charge of the activities, is 21 years of age or older. He/She agrees to be responsible to the Board of Education for the use and care of the school property. He/She further agrees to be personally responsible for any damage to property other than ordinary wear and tear due to such facilities use.

Signature of Responsible Person \_\_\_\_\_ Date \_\_\_\_\_

For Office Use Only  
 Facilities Use     APPROVED     DENIED    Other Needs     APPROVED     DENIED    Principal Approval \_\_\_\_\_

Room Assignment     Dates that are NOT included with this application