

STATE OF NEVADA

BRIAN SANDOVAL
Governor

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

1749 North Stewart Street Suite 40
Carson City, Nevada 89706-2543
(775) 687 - 9174 • Fax: (775) 687 - 9113

BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Ryan Herrick, General Counsel
SUBJECT: Agenda Item #14 – American Preparatory Academy Facility Amendment
DATE: October 20, 2017
CC: Patrick Gavin, Executive Director

Background:

American Preparatory Academy – Las Vegas (“APA-LV”) has submitted an application to the SPCSA to amend its Charter in regard to a new lease of its existing facility, as well as access to an additional contiguous five acres of land to be used as parking and driveways.

APA-LV is in its fourth year of operation. APA-LV is currently in the third year of a 30 year lease related to its existing facility. The current lease is between DHCO, a Utah corporation that built and owns the facility, and American Preparatory School (“APS”), an educational management organization. APS then has a 30 year lease with APA-LV.

The new proposed lease would remove DHCO and APS entirely. Under the new lease, the new landlord would be Charter Facility Support Foundation, a Utah limited liability company that is a subsidiary of American Preparatory Education Foundation, a non-profit foundation that supports all American Preparatory Academy schools nationwide with facility acquisition and development. The tenant under the new lease will be the charter school itself, APA-LV.

APA-LV states in its application that it does not currently plan to expand or develop the property at this time, but the new leasing arrangement will result in a cost saving of \$16 million over the next 35 years.

Recommendation:

Staff recommends approval of APA-LV’s application, subject to receiving clarifying information from APA-LV regarding the details of the new ownership / leaseholder structure. APA-LV’s proposed lease amendment appears promising – including removal of seemingly unnecessary intermediaries, substantial cost savings, and no immediate plans for development. Staff has been in

contact with APA-LV representative(s) in regard to this issue, and can update the Board regarding these details at the upcoming meeting.