



Date: October 16, 2020

To: Board of Directors

From: Kevin Sved, CEO

Subject: 407 Main Street Project Update

The 407 Main Street Project passed an important hurdle last week when the Watsonville Planning Commission approved the Special Use Permit. There is a 14-day appeal period that expires on October 21. Assuming no appeals are filed, the Special Use Permit will be final. If an appeal is filed, then the matter will be considered by the City Council.

In order to begin construction on the project, many steps must be completed, including the following:

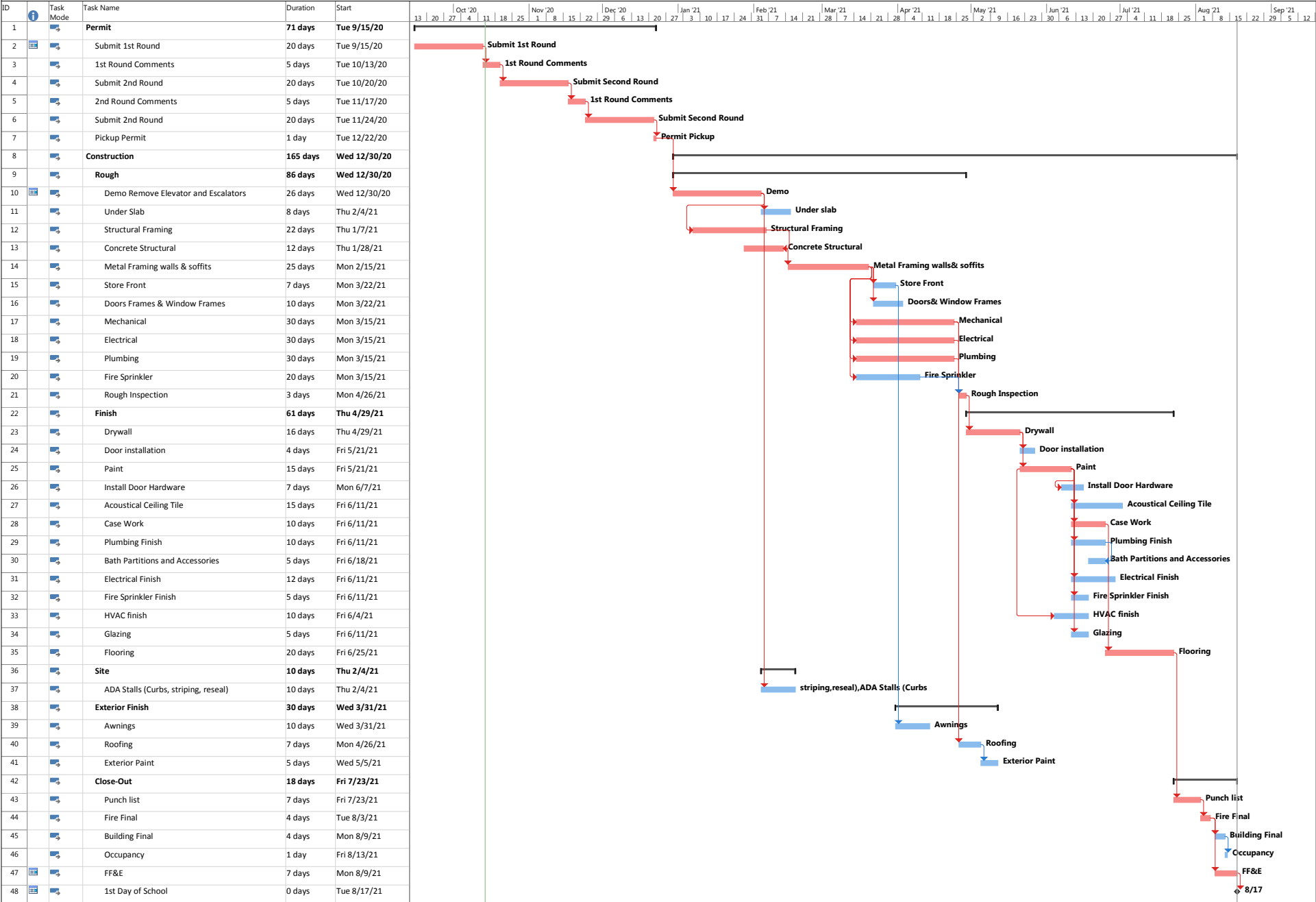
1. Watsonville Building Department approves construction documents and issues a building permit
2. General Contractor, Swenson Builders, finalizes bidding processes and proposes a contract with a Guaranteed Maximum Price (GMP)
3. Navigator secures financing option(s)
4. Owner (Hansen Family Trust) agrees to terms of a ground lease
5. Navigator Board creates an affiliated 501(c)(3) and a subordinate LLC entity as tenant for ground lease, which help ensure maximum rent reimbursement allowable under SB740 and help protect Navigator Schools
6. Navigator Schools Board of Directors reviews total project costs and related risks and considers approval of ground lease, financing terms, and contractor contract

In order to help prepare the Navigator Schools Board of Directors in making the decisions associated with the steps outlined above, further information will be provided over the next few weeks, and a special board meeting may be scheduled.

At this time, the financing, lease, and construction deals in development are based on an August 2021 opening. The attached project schedule developed by Swenson Builders demonstrates the detailed work to be completed by the various trades in order for this to be realized.

Attachment: 407 Main Street Project Schedule

NAVIGATOR SCHOOL - SCHEDULE



Project: Navigator School Sched
Date: Wed 10/14/20

Task	Summary	Inactive Milestone	Duration-only	Start-only	External Milestone	Critical Split
Split	Project Summary	Inactive Summary	Manual Summary Rollup	Finish-only	Deadline	Progress
Milestone	Inactive Task	Manual Task	Manual Summary	External Tasks	Critical	Manual Progress