



Date: December 4, 2018

To: Board of Directors

From: Kevin Sved, CEO

Re: CEO Update

This CEO Update is dedicated to the extremely important topic of securing facilities for Watsonville Prep School (WPS). I have been working with real estate broker Elizabeth Sanborn, who presented during the October board meeting. Pacific Charter School Development (PCSD) has been helpful in vetting potential sites and performing affordability analysis, as well as providing project management support. PCSD helped us bring on an experienced architectural firm, ARTIK, to support the site feasibility process. This outside professional support has been critical, and still this project has required an intensive time investment on my time, as I am serving as the lead on securing WPS facilities among our Support Office team. Our Director of IT and Operations will have a big lift in getting the site ready and operational. Our Director of Business and Finance will be instrumental with budgeting, accounting, and insurance.

There are a number of options that we are pursuing, which we will discuss during the facilities update. Getting a site under control at an affordable cost while we do the necessary feasibility analysis has its challenges. Nonetheless, we are optimistic and hungry and will continue to work hard until a suitable site for Watsonville Prep is secured.

While I have wondered at times if a CEO at this stage in Navigator's growth should be so hands-on, my focus on this work was a conscious decision based on funding availability and budgetary priorities. I am grateful that I have had the opportunity to do this work for many reasons. First, securing a suitable location is of imminent importance for WPS, and I have experience to contribute. Secondly, it has provided me with opportunities to meet many people in the new community that we will serve. Thirdly, it helps me remember and appreciate how difficult charter school facilities can be, and to continue the learning and development process. It will help me better support and guide Navigator's future facility lead as we look to open schools four and five.

We are very grateful for the excellent facilities provided to us for Gilroy Prep and Hollister Prep. Gilroy Unified School District and Hollister School District have been great facility partners, providing these sites through Proposition 39. The costs for these facilities is primarily two percent of our LCFF revenue. While we have a Prop 39 request in to Pajaro Valley Unified School District (PVUSD), and PVUSD is required to make a facilities offer to WPS, we must be prepared with another site in the event the PVUSD offer is not acceptable. I am confident that we will find a suitable site and appreciate your support.