

POLICY

BOARD OF EDUCATION OF MONTGOMERY COUNTY

Related Entries: DNA-EA, DNA-RA
Responsible Office: Chief Operating Officer
Related Source: *Annotated Code of Maryland*, Education Article, §4-115, §5-301

Management of Board of Education Property

A. PURPOSE

The Montgomery County Board of Education (Board) has an important responsibility to carefully manage its real property in order to ensure adequate schools and support facilities are available to serve future enrollment levels. In an era of enrollment growth, increasing the inventory of future school sites is a critical activity. This is accomplished through processes that result in school sites being included in county and city master plans as they are drafted. Management of the real property inventory also requires the establishment of processes to govern interim use of property that is not currently needed for a school or support facility or other appropriate educational purpose and disposition of real and non-real property when the Board determines that it is no longer needed for school purposes or has reached the end of its useful life.

B. PROCESS

1. Inventory Real Property

The Board owns real properties that are not currently used as school or support facilities, including developed and undeveloped sites that have been acquired for future school construction as part of long-range planning. Management of these properties may include interim use through a short-term lease. Leasing provides for the productive use of the property, while reserving it for future use. Leasing also provides income for this asset while achieving savings by passing maintenance responsibilities for the property to the tenant. The superintendent of

schools or his/her designee is authorized to negotiate fees and determine conditions consistent with this policy for the interim use of properties within the Board's real property inventory. The interim use through a short-term lease may occur under the following circumstances:

- a) The Board retains the property in its inventory to meet future educational needs.
- b) The interim use of undeveloped property should be consistent with its zoning classification and applicable laws.
- c) Community feedback for the interim use are considered in the recommendations of the superintendent of schools for lease of the property.
- d) Leases shall be awarded by competitive sealed bid or request for proposal.
- e) Leasing conditions should prohibit substantial alteration of property and purposes that interfere with future use for Montgomery County Public Schools (MCPS) educational purposes.
- f) No improvements to the property shall be allowed without permission of the superintendent of schools or his/her designee. As a part of the lease term, the superintendent of schools or his/her designee will evaluate permitted improvements made by the tenants, consider the impact of the improvement on the surrounding community, and determine whether the improvements should be removed by the tenant or kept for future school use.
- g) All lease terms shall be a maximum of three years with a renewal option determined by the Board. The Board has the option to allow a longer term under special circumstances. Such requests must be evaluated in the context of the six-year Capital Improvements Program (CIP) and the operational needs of schools. The superintendent of schools shall advise the Board of any pending request for a lease term longer than three years during the negotiation process.
- h) All new leases and renewals will require approval by the Board.

- i) When leasing properties, priority will be considered for programs that benefit MCPS students, their families, or staff in accordance with applicable laws.
- j) Leases will contain a termination clause that requires the tenant to relinquish possession of the land prior to the end of lease term when any of the following conditions exist:
 - (1) The tenant has defaulted on lease requirements.
 - (2) The property is needed for an approved capital project in the CIP before the current lease term expires.
 - (3) Another public use is identified as determined by the Board.
 - (4) The property is needed to meet requirements of environmental conservation regulations.
 - (5) The land is declared surplus by the Board because it is no longer needed for school purposes.
 - (6) The Board may terminate a lease at its sole discretion with adequate notice to the tenant.
- k) A sufficient timeline should be programmed in terminating or ending a lease with adequate notice to the tenant.

2. Disposition of Real Property

Maryland law governs the disposition of real property when the local board of education determines that it is no longer needed for school purposes.

In the event that any Board real property is considered to have no further use for school system purposes, the superintendent of schools shall make a recommendation to the Board that the property be surplus in accordance with Maryland law. The recommendation will include the rationale for the proposal, an estimate of the fair market value of the property based on independent appraisals, and the identification of the amount and year of state appropriations for construction and/or improvements of buildings on the site. Real property

surplused to the county must include rights to reclaim the property in the future if needed for school purposes.

3. Easements and Rights-of-Way

The superintendent of schools or his/her designee is authorized to approve and execute easements, rights-of-way, and memorandums of understanding requested by other public agencies and utility firms that are routine in nature and report to the Board annually.

4. Other Than Real Property

The superintendent of schools is authorized to trade in or sell property that is no longer of operational value to the instructional program or school operations and has trade-in or sale value. Property that does not have trade-in or sale value may be donated to charitable organizations.

C. REVIEW AND REPORTING

1. Sales that exceed \$25,000 in proceeds will be reported to the Board as an item of information.
2. The superintendent of schools shall annually report the non-school use of real property in the Board's inventory and fees received for such use.
3. The superintendent of schools shall annually report executed easements, rights-of-way, and memorandums of understanding requested by other public agencies and utility firms.
4. This policy will be reviewed in accordance with the Board policy review process.

Policy History: Adopted by Resolution No. 431-58, August 12, 1958, amended by Resolution No. 447-73, July 10, 1973; reformatted by Resolution No. 333-86, June 12, 1986, and Resolution No. 458-86, August 12, 1986; amended by Resolution No. 10-15, January 13, 2015.