

**STATE OF ARIZONA  
SCHOOL FACILITIES BOARD**

**\* SCHOOL FACILITIES BOARD \***

**NOTICE OF PUBLIC MEETING**

Pursuant to Arizona Revised Statutes Annotated (A.R.S.) §38-431.02, notice is hereby given to the members of the School Facilities Board and to the general public that the Board will hold a meeting open to the public at the date, time and place set forth below. The Board will consider the items listed on the agenda and will take action when necessary and appropriate. The Board reserves the right to change the order of items on the agenda, with the exception of public hearings.

Pursuant to A.R.S. §38-431.03(A)(3), (4) and (7) the Board may vote to go into Executive Session, which is not open to the public to receive legal advice from the Board's attorney on any matter listed on the agenda.

One or more members of the School Facilities Board may attend either in person or by telephone, video or internet conferencing.

DATED AND POSTED this 22<sup>ND</sup> day of June, 2015.

June 24, 2015  
10:00am MST  
Arizona State Capitol Building  
Arizona School Facilities Board  
Conference Room A  
1700 W. Washington St. Ste. 104  
Phoenix, Arizona 85007

By Kerry Campbell  
Kerry Campbell, Public Information Officer  
602-542-6504  
School Facilities Board  
1700 W. Washington St., Ste. 104  
Executive Tower, 1st Floor  
Phoenix, Arizona 85007

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Kerry Campbell at 602-542-6504. Requests should be made as early as possible to allow time to arrange the accommodation.

06/22/2015

**AGENDA**  
**SCHOOL FACILITIES BOARD**  
**June 24, 2015**  
**10:00AM**

Arizona State Capitol Building  
Arizona School Facilities Board  
Conference Room A  
1700 W. Washington St. Ste. 104  
Phoenix, Arizona 85007

Pursuant to A.R.S. §38-431.03(A)(3), the Board may vote to go into Executive Session, which is not open to the public for discussion or consultation for legal advice with the Board's attorney.

- I. Call to Order
- II. Roll Call
- III. Director's Report
  - a. Refunding Certificates of Participation Tax Exempt Series 2015 Bond Preliminary Official Statement
  - b. FY 2015 Demography Report
  - c. Paperless Board Packets
  - d. Business Model Presentation – Shingle Roofs .vs Metal Roofs
- IV. Building Renewal Grant Requests
  - a. Consideration and possible vote to ratify the Executive Director's awards of Building Renewal Grant funds as authorized in the Building Renewal Grant Policy IX.C. (up to \$50,000 for deficiencies correction)

◆ Lake Havasu Unified (2 requests)
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◆ Paloma Elementary
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◆ Tuba City Unified
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◆ Yuma Elementary
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- b. Consideration and possible vote to accept, reject or modify Building Renewal Grant Requests

Supplemental Awards

◆ Douglas Unified (2 requests)
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06/22/2015

♦ Mammoth-San Manuel Unified
♦ Mohave Valley Elementary
♦ Pomerene Elementary
♦ Round Valley Unified
♦ Show Low Unified (2 requests)
♦ Tolleson Union
♦ Valley Union
♦ Yuma Union

- c. Consideration and possible vote to accept, reject or modify Building Renewal Grant Requests

Construction Awards

♦ Cave Creek Unified (3 requests)
♦ Concho Elementary
♦ Elfrida Elementary
♦ Florence Unified
♦ Mesa Unified (3 requests)
♦ Valley Union
♦ Wickenburg Unified

- d. Consideration and possible vote to accept, reject or modify Building Renewal Grant Requests

Design Awards

♦ Clarkdale-Jerome Elementary
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V. Emergency Deficiencies Correction Requests

- a. Consideration and possible vote to accept, reject or modify Emergency Deficiencies Correction requests (construction awards)

♦ Sunnyside Unified
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VI. Future Agenda Items

VII. Public Comment

Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding

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to the criticism or scheduling the matter for further consideration and decision at a later date.

VIII. Adjournment

**STATE OF ARIZONA  
SCHOOL FACILITIES BOARD**

**Meeting Date: June 24, 2015**

**Agenda Item III.a.**

**Subject: III. Director's Report (action of the Board may be requested)**

- a. Refunding Certificates of Participation Tax Exempt Series 2015 Bond  
Preliminary Official Statement**

Phil Williams will provide an overview of the Preliminary Official Statement.

**Board Action Requested: [ X ] information [ ] action / described below**

**Attachments:    Yes [ X ]        No [ ]**

**PRELIMINARY OFFICIAL STATEMENT DATED JULY \_\_, 2015**

**NEW ISSUE – BOOK-ENTRY-ONLY**

**RATINGS: See “Ratings” Herein**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, the portion of the Lease Payments paid and denominated as interest under the Lease and received by the owners of the 2015A Certificates (the “Interest Portion”) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the Interest Portion is exempt from Arizona state income tax. Bond Counsel expresses no opinion as to the treatment for federal income tax purposes or Arizona state income tax purposes of amounts paid to the owners of the 2015A Certificates in the event of termination of the Lease by an Event of Non-appropriation of Funds (as defined herein). The Interest Portion may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of the Interest Portion. For a more complete discussion of the tax aspects, see “TAX MATTERS” herein.*

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**ARIZONA SCHOOL FACILITIES BOARD  
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2015A**

**Dated: Date of Delivery**

**Due: September 1, as shown on the inside front cover**

The securities offered hereby consist of Refunding Certificates of Participation, Series 2015A (the “2015A Certificates”). The 2015A Certificates (a) evidence proportionate interests of the owners thereof in Lease Payments (as defined herein) to be made by the Arizona School Facilities Board (the “Board”) pursuant to a Lease-to-Own Agreement (the “Lease”) between The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as lessor, and the Board, as lessee, (b) are being executed and delivered to provide monies to refund and redeem through prepayment the Certificates Being Refunded (as defined herein) and to pay Delivery Costs (as defined herein) of the 2015A Certificates (see “PLAN OF REFUNDING” herein), and (c) will be parity obligations with the other certificates outstanding from time to time under the Declaration of Trust (as defined herein), including any Additional Certificates (as defined herein) executed and delivered in the future.

The Lease requires that the Board pay Lease Payments at times and in amounts sufficient to pay the principal and interest with respect to the certificates outstanding from time to time under the Declaration of Trust, including the 2015A Certificates and any Additional Certificates. Initially, the 2015A Certificates will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the 2015A Certificates. Purchases of beneficial interests in the 2015A Certificates will be made in book-entry-only form in principal amounts of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interests in the 2015A Certificates. See APPENDIX E - “BOOK-ENTRY-ONLY SYSTEM” herein.

Interest with respect to the 2015A Certificates is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015\*, until maturity or prior prepayment, and principal with respect to the 2015A Certificates is payable annually on September 1 in accordance with the schedule set forth on the inside front cover. So long as the 2015A Certificates are registered in the name of DTC, or its nominee, payments of the principal and interest with respect to such 2015A Certificates will be made by the Trustee directly to DTC which, in turn, is obligated to remit such payments to its participants for subsequent distribution to beneficial owners of the 2015A Certificates, as described herein.

The 2015A Certificates are not subject to optional prepayment prior to maturity. See “THE 2015A CERTIFICATES – No Prepayment.”

The Board’s obligation to pay Lease Payments and any other obligations of the Board pursuant to the Lease are subject to, and dependent upon, annual appropriations being made by the Legislature of the State of Arizona (the “State”) and annual allocations of such appropriations being made by the Board for such purpose. The Board agrees to use its best efforts to budget, obtain, allocate and maintain sufficient appropriated monies to pay Lease Payments under the Lease. Upon the occurrence of an Event of Non-appropriation of Funds, the Lease will terminate and there can be no assurance that the proceeds from the re-leasing or sale of the Trustee’s interest in the Projects (as defined herein) related to the Lease will be sufficient to pay principal and interest with respect to the then-outstanding certificates executed and delivered pursuant to the Declaration of Trust, including the 2015A Certificates. See “RISK FACTORS” herein.

The Board’s obligation to pay Lease Payments under the Lease does not constitute a debt or liability of the Board, the State, any school district or any other political subdivision of the State within the meaning of any constitutional or statutory limitation. Neither the full faith and credit nor the general taxing power of the State, any school district or any other political subdivision of the State is pledged to make payments of principal or interest with respect to the 2015A Certificates. Such payments will be made solely from amounts derived pursuant to the terms of the Lease, including Lease Payments, and amounts from time to time on deposit under the Declaration of Trust.

This cover page contains certain information for general reference only. It is not a complete summary of this issue. Investors are advised to read this entire Official Statement to obtain information essential to the making of an informed investment decision.

*The 2015A Certificates will be offered when, as and if executed and delivered, subject to the legal opinion of Squire Patton Boggs (US) LLP, Bond Counsel. Squire Patton Boggs (US) LLP is also serving as Disclosure Counsel to the Board. Certain legal matters will be passed upon for the Board by its counsel, the Arizona Attorney General, and for the Underwriters (described in the section entitled “UNDERWRITING” herein) by their counsel, Greenberg Traurig, LLP. It is expected that the 2015A Certificates will be available for delivery through DTC in New York, New York, on or about July \_\_, 2015.*

\_\_\_\_\_, 2015

**Citigroup**

**J.P. Morgan**

**Wells Fargo Securities**

\* Preliminary, subject to change.

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**ARIZONA SCHOOL FACILITIES BOARD**  
**REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2015A**

**Base CUSIP<sup>®(1)</sup> No. 04057P**

**PRINCIPAL PAYMENT SCHEDULE**

Principal Payment Date (September 1)	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>®(1)</sup> No.</u>
	\$	%	%	

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\* Preliminary, subject to change.

**STATE OF ARIZONA**

Douglas A. Ducey  
*Governor*

**ARIZONA SCHOOL FACILITIES BOARD**

Jennifer Stielow  
*Chair*

Thomas Rushin  
*Vice Chair*

Vacant  
*Member*

Edward Boot  
*Member*

Vern Crow  
*Member*

Bryan Peltzer  
*Member*

Traci Sawyer-Sinkbeil  
*Member*

Ward Simpson  
*Member*

Jeffrey Smith  
*Member*

Ashley Berg,  
*Designee of Superintendent of Public Instruction*  
*(Advisory Non-Voting Member)*

**MANAGEMENT STAFF**

Philip Williams  
*Interim Executive Director and Deputy Director – Finance*

**PROFESSIONAL SERVICES**

Financial Advisor ..... Stifel, Nicolaus & Company, Incorporated  
Bond Counsel/Disclosure Counsel ..... Squire Patton Boggs (US) LLP  
Trustee and Lessor ..... The Bank of New York Mellon Trust Company, N.A.



No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such information or representation must not be relied upon as having been authorized by the State of Arizona (the "State"), the Arizona School Facilities Board (the "Board") or the Underwriters (identified on the cover page). This Official Statement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities other than the securities offered hereby, nor shall there be any sale of the 2015A Certificates by any person in any jurisdiction where such offer or solicitation or sale would be unlawful.

The information contained in this Official Statement has been obtained from the State, the Board and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a representation by, the Board or any of those sources. The presentation of such information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends. Stifel, Nicolaus & Company, Incorporated (the "Financial Advisor") and the Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but neither the Financial Advisor nor the Underwriters guarantee the accuracy or completeness of such information. All information, estimates and assumptions contained herein have been based on past experience and on the latest information available and are believed to be accurate and reliable, but no representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. To the extent that any statements made in this Official Statement involve matters of forecasts, projections, opinions, assumptions or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, assumptions, opinions or estimates are "forward looking statements," which must be read with an abundance of caution and which may not be realized or may not occur in the future. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or of the State since the date hereof.

The 2015A Certificates will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency has passed upon the accuracy of this Official Statement.

The Board, on behalf of the State, will undertake to provide continuing disclosure with respect to the 2015A Certificates pursuant to Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE UNDERTAKING" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2015A CERTIFICATES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION .....	1
THE 2015A CERTIFICATES .....	3
General Provisions .....	3
No Prepayment .....	4
SOURCES OF PAYMENT FOR THE 2015A CERTIFICATES .....	4
SCHEDULE OF PAYMENT REQUIREMENTS .....	5
SECURITY FOR THE 2015A CERTIFICATES .....	5
General .....	5
Event of Non-appropriation of Funds .....	6
Defeasance .....	7
Other Board Certificates; Additional Certificates .....	7
Lease Payments for Outstanding Certificates of Participation of the Board .....	8
Other State Obligations .....	8
SOURCES AND USES OF FUNDS .....	9
PLAN OF REFUNDING .....	9
VERIFICATION OF MATHEMATICAL COMPUTATIONS .....	10
THE PROJECTS .....	10
General Description .....	10
The Projects .....	11
The Ground Leases .....	12
The Subleases .....	12
Maintenance, Insurance and Other Obligations .....	13
STATUTORY AUTHORITY FOR THE LEASE .....	13
THE STATE .....	13
THE BOARD .....	14
History and Creation .....	14
Board Members .....	15
Staff .....	16
Sunset Laws .....	16
No Claim on Other Monies Received by the Board .....	16
RISK FACTORS .....	17
LITIGATION .....	20
LEGAL MATTERS .....	22
TAX MATTERS .....	22
General .....	22
Risk of Future Legislative Changes and/or Court Decisions .....	23
Original Issue Discount and Original Issue Premium .....	24

**TABLE OF CONTENTS**  
**(continued)**

	<b><u>Page</u></b>
UNDERWRITING .....	25
RATINGS.....	25
FINANCIAL ADVISOR .....	26
FINANCIAL STATEMENTS .....	26
CONTINUING DISCLOSURE UNDERTAKING.....	26
ADDITIONAL INFORMATION.....	27
CONCLUDING STATEMENT .....	27
Appendix A – State of Arizona	
Appendix B – State of Arizona Audited Financial Statements for Fiscal Year Ended June 30, 2014	
Appendix C – Summary of Legal Documents	
Appendix D – Form of Bond Counsel Opinion	
Appendix E – Book-Entry-Only System	
Appendix F – Form of Continuing Disclosure Undertaking	

## OFFICIAL STATEMENT

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### ARIZONA SCHOOL FACILITIES BOARD REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2015A

#### INTRODUCTION

*General.* This Official Statement, including the cover page, the inside front cover and the appendices hereto (this "Official Statement"), is provided to furnish information with respect to the execution and delivery of Refunding Certificates of Participation, Series 2015A (the "2015A Certificates"), in a Lease-to-Own Agreement, dated as of November 1, 2008, as supplemented to date and as further supplemented by a Lease Supplement Series 2015A, to be dated as of \_\_\_\_\_ 1, 2015 (the "Lease"), between The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as lessor, and the Arizona School Facilities Board (the "Board"), as lessee.

The 2015A Certificates evidence the proportionate interests of the Owners thereof in lease payments (the "Lease Payments") to be made by the Board for certain property (the "Projects" or the "Leased Property") pursuant to the Lease.

The 2015A Certificates will be executed and delivered under authority of Arizona Revised Statutes ("A.R.S.") §§ 15-2004 and 2006 and Arizona Laws 2015, Fifty-second Legislature, First Regular Session, Chapter 15 (Senate Bill 1476), Section 16 (collectively, the "Act").

The 2015A Certificates are being executed and delivered for the purpose of providing monies (a) to refund and redeem through prepayment of the Certificates Being Refunded (as defined herein) and (b) to pay Delivery Costs (as defined herein) of the 2015A Certificates. See "PLAN OF REFUNDING" herein.

The 2015A Certificates will be executed and delivered pursuant to a Declaration of Irrevocable Trust, dated as of November 1, 2008, as supplemented to date and as further supplemented by a Declaration Supplement Series 2015A, to be dated as of \_\_\_\_\_ 1, 2015 (collectively, the "Declaration of Trust"), each executed by the Trustee.

The Board has caused to be executed and delivered prior series of certificates of participation to provide funds (i) to finance the costs of acquiring leasehold interests in the School Sites (as defined herein) and constructing and equipping thereon certain school facilities (the "Facilities") (collectively, the "Projects" or the "Leased Property"), which have been subleased to various school districts within the State of Arizona (the "State" or "Arizona") (collectively, the "Sublessee School Districts"), (ii) to pay capitalized interest on certain of such certificates of participation, (iii) to pay the costs of executing and delivering such certificates of participation (the "Delivery Costs"), and (iv) to refund and refinance the certificates of participation. See "THE PROJECTS" and "PLAN OF REFUNDING" herein.

Following execution and delivery of the 2015A Certificates, there will be \$ \_\_\_\_\_ \* principal amount of certificates outstanding under the Declaration of Trust (the "Certificates"). The Certificates of Participation, Series 2008 (the "2008 Certificates") and Refunding Certificates of Participation, Series 2010A-3 (the "2010A-3 Certificates") are collectively referred to as the "Prior Certificates." Payments of the outstanding 2010A-3 Certificates have been insured by Assured Guaranty Municipal Corp.

Additional Certificates may be executed and delivered under the Declaration of Trust under the circumstances contained therein and without the consent of, or notice to, the Owners of 2015A Certificates executed and delivered pursuant to the Declaration of Trust.

*The Projects.* At the time of the original execution and initial delivery of the Prior Certificates, the respective Sublessee School Districts either owned the parcels of real property on which Facilities are located or had

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\* Preliminary, subject to change.

a leasehold interest in such real property (each a "School Site" and, collectively, the "School Sites"). In connection with the execution, delivery and sale of the Prior Certificates, each of the Sublessee School Districts granted to the Trustee, as ground lessee, a leasehold interest in their respective School Site for a term of one and one-half times the term of Prior Certificates, pursuant to a ground lease (each a "Ground Lease" and, collectively, the "Ground Leases"), containing substantially identical provisions with the other Ground Leases. The Trustee thereupon leased each of the School Sites and the Facilities making up the Projects for such Prior Certificates to the Board pursuant to the Lease. The Trustee holds title to the Facilities and its interest in the Ground Leases related to Prior Certificates and the Lease, as trustee, solely for the benefit of the Owners of the Certificates executed and delivered under the Declaration of Trust. The Board subleased its interests in each Project to each Sublessee School District pursuant to a sublease (each a "Sublease" and, collectively, the "Subleases"), containing substantially identical provisions with the other Subleases.

The Ground Leases and Subleases used in connection with the Projects are substantially identical to each other.

**So long as Certificates remain Outstanding under the Declaration of Trust, Lease Payments required by the Lease to be made with respect to the applicable Certificates are required to be applied to, and the Trustee's interest in the Projects will equally secure, payment of principal and interest represented by the Certificates executed and delivered under the Declaration of Trust. However, at such time that payment of all Certificates has been made or provided for under the Declaration of Trust, whether by payment, prepayment or defeasance, the Trustee's interest in all of the Projects will be released to the applicable Sublessee School Districts and the Projects will no longer provide security for payment of the Certificates executed and delivered under the Declaration of Trust.**

A general description of the Sublessee School Districts and the Projects that have been financed or refinanced in the Board's lease-to-own program through the execution and delivery of the Prior Certificates appears under "THE PROJECTS" herein. The governing board of each Sublessee School District has authorized its participation in the Board's lease-to-own program and each has submitted to the Trustee an executed Ground Lease and Sublease.

*Additional Projects.* The Declaration of Trust provides for the execution and delivery of additional series of certificates thereunder ("Additional Certificates") for the purposes of refunding outstanding Certificates or financing additional schools (the "Additional Projects"), subject to the conditions described herein under "SECURITY FOR THE 2015A CERTIFICATES - Other Board Certificates; Additional Certificates" and upon the execution and delivery of related supplements to the Declaration of Trust and the Lease. Such Additional Certificates, if executed and delivered, will be payable on a parity with other Certificates then Outstanding, including the 2015A Certificates, from monies available pursuant to the Declaration of Trust, including Lease Payments required to be made by the Board pursuant to the Lease.

*Lease Provisions Applicable to the Projects.* The Lease provides that the Projects may be changed from time to time and that any Project may be changed in scope or kind, provided that the Facilities of each Project shall at all times qualify as Facilities for the purposes of the Lease. One or more Projects may be added to the Lease so long as there is delivered to the Trustee an executed Ground Lease and an executed Sublease with respect to each such Project. One or more Projects financed by a series of Prior Certificates (without regard to the refunding to be achieved through the application of the proceeds of the 2015A Certificates) may be deleted from the Lease, and each such Project's related Ground Lease and Sublease terminated, so long as the total cost of the remaining Projects financed by that series of Prior Certificates equals or exceeds the original principal amount of that series of Certificates.

There has been no appraisal or other determination of market value of any of the Projects, either as to School Sites or as to Facilities, in connection with the execution and delivery of the Certificates and there is no requirement for any future appraisal or determination of market value. There can be no assurance that the market value of the Trustee's interest in the Projects will at any time equal or exceed the amount of Outstanding Certificates or the remaining Lease Payments due pursuant to the Lease or that, upon the occurrence of an Event of Default or termination of the Lease by an Event of Non-appropriation of Funds, revenues from the Trustee's re-leasing or sale of its interest in the Projects will be sufficient to pay in full all Outstanding Certificates under the

Declaration of Trust, including the 2015A Certificates. The ownership or leasehold interest in certain School Sites held by some Sublessee School Districts may be subject to restrictions on the use of the related Project, the violation of which could lead to cancellation. See “THE PROJECTS” and “SECURITY FOR THE 2015A Certificates” herein.

The Board’s obligation to pay Lease Payments and any other obligations of the Board pursuant to the Lease are subject to and dependent upon annual appropriations being made by the State Legislature and annual allocations of such appropriations being made by the Board to pay Lease Payments. The Board agrees in the Lease to use its best efforts to budget, obtain, allocate and maintain sufficient appropriated monies to pay Lease Payments. If the State does not make an appropriation or the Board does not make an allocation of monies sufficient to pay Lease Payments in any Fiscal Period with respect to the Projects related to the Lease, the Lease will terminate and the Board will then be required to return possession of the Projects to the Trustee for the remainder of the term of the Ground Leases, all in accordance with and subject to the provisions of the Lease and Declaration of Trust. See APPENDIX A - “STATE OF ARIZONA – THE STATE BUDGET AND APPROPRIATIONS PROCESS.”

Neither the Board nor the Trustee has a duty to insure or to rebuild the Facilities in the event of destruction or damage. Arizona statutes presently require that the Sublessee School Districts keep the Facilities insured, at full insurable value, and provide that the Sublessee School Districts may not receive monies from the Board for costs of replacement or repair of the Facilities to the extent such replacement or repair costs are covered by insurance or a performance or payment bond, but there is no requirement in the Subleases that the Sublessee School Districts rebuild, repair or replace the Facilities in the event of destruction or damage. Likewise, neither the Board nor the Trustee has a duty to replace, rebuild or repair the Facilities in the event they are taken, in whole or in part, by eminent domain and there is no requirement in the Subleases that the Sublessee School Districts rebuild, repair or replace the Facilities in the event they are taken, in whole or in part, by eminent domain. Neither the Board nor the Trustee will have a lien or claim upon any monies due to or received by the Sublessee School Districts as a result of destruction, damage or condemnation of the Facilities.

Certain capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings given to such terms in APPENDIX C under the heading “SUMMARY OF LEGAL DOCUMENTS - Definitions.”

The descriptions and summaries of various documents contained herein do not purport to be comprehensive or definitive and reference is made to each document for the complete details of all its terms and conditions. All statements herein are qualified by reference to each such document in its entirety and are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforceability of creditors’ rights.

## **THE 2015A CERTIFICATES**

### **General Provisions**

The 2015A Certificates will be dated the date of delivery and will be payable as to principal on the dates and in the amounts as shown on the inside front cover hereof. Each 2015A Certificate represents an undivided proportionate interest in the portion of the Lease Payments paid by the Board and denominated as principal pursuant to the Lease (the “Principal Portion”), due and payable with respect to the scheduled principal payment date of such 2015A Certificate, and in the portion of the Lease Payments paid by the Board and denominated as interest pursuant to the Lease (the “Interest Portion”), due and payable semiannually on March 1 and September 1 of each year (each an “Interest Payment Date”), commencing September 1, 2015\*, to and including such scheduled principal payment date at the rate set forth in such 2015A Certificate.

As described in APPENDIX E – “BOOK-ENTRY-ONLY SYSTEM,” The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2015A Certificates. Beneficial ownership interests of the 2015A Certificates, in principal amounts of \$5,000 or any integral multiple thereof, will be executed and delivered initially in book-entry-only form and registered in the name of Cede & Co., as Registered Owner and

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\* Preliminary, subject to change.

nominee of DTC. So long as Cede & Co. is the Registered Owner of the 2015A Certificates, as nominee for DTC, references herein to “Owners” or registered owners of the 2015A Certificates (other than under the caption “TAX MATTERS”) shall mean Cede & Co., as aforesaid, and shall not mean the owners of book-entry interests in the 2015A Certificates (“Beneficial Owners”). When notices are given under the Declaration of Trust, they shall be sent by the Board or the Trustee to DTC only. When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes.

### **No Prepayment**

The 2015A Certificates are not subject to optional prepayment prior to maturity.

### **SOURCES OF PAYMENT FOR THE 2015A CERTIFICATES**

The principal and interest evidenced by the 2015A Certificates of each series are payable, on a parity with the Outstanding Prior Certificates and Additional Certificates executed and delivered pursuant to the Declaration of Trust, from Revenues received by the Trustee, which consist of (a) Lease Payments; (b) all other monies received or to be received by the Trustee pursuant to the Lease, including without limitation, all monies and investments in the Certificate Fund, and all other rentals, revenues and other income, charges and monies realized from the lease, sale or other disposition of the Projects, except for any money in, or required to be deposited in, the Rebate Fund; (c) any monies and investments in the Acquisition Fund, to the extent provided in the Declaration of Trust; and (d) all income and profit from the investment of the foregoing monies, except for any investment income that is required to be rebated to the United States of America in order to continue the exclusion from gross income for federal income tax purposes of the Interest Portion.

The Lease provides for Lease Payments payable on the 15th day of the month prior to each Interest Payment Date in amounts equal to the Principal Portions and Interest Portions payable with respect to the Certificates executed and delivered pursuant to the Declaration of Trust, including the 2015A Certificates, on such Interest Payment Date. The Declaration of Trust provides that such amounts be deposited in the Certificate Fund and applied on a semiannual basis to make payments due with respect to the 2015A Certificates.

The Lease provides that the Board’s obligation to pay the Lease Payments is absolute and unconditional, subject to and dependent upon annual appropriations being made by the State Legislature and annual allocations of such appropriations being made by the Board to pay Lease Payments. The Board agrees to use its best efforts to budget, obtain, allocate and maintain sufficient appropriated monies to pay Lease Payments, but appropriating State monies is a legislative act and is beyond the control of the Board. During the Lease Term, each Lease Payment is payable without any right of set-off or counterclaim regardless of any contingencies and whether or not the Board possesses or uses the Projects. See “SECURITY FOR THE 2015A CERTIFICATES - Event of Non-appropriation of Funds” and APPENDIX A - “STATE OF ARIZONA - THE STATE BUDGET AND APPROPRIATIONS PROCESS.” The Board’s obligation to pay Lease Payments will continue until all Lease Payments and all other amounts due pursuant to the Lease have been paid, unless sooner terminated in accordance with the provisions of the Lease.

The Lease Payments evidenced by the 2015A Certificates cannot be accelerated pursuant to the Lease or Declaration of Trust for any reason, including, but not limited to, Events of Default, destruction or condemnation of a Project or an Event of Non-appropriation of Funds.

IN THE EVENT OF TERMINATION OF THE LEASE, THERE IS NO ASSURANCE THAT THE TRUSTEE WILL HAVE ADEQUATE FUNDS AVAILABLE PURSUANT TO THE DECLARATION OF TRUST TO PAY PRINCIPAL AND INTEREST REPRESENTED BY THE CERTIFICATES, INCLUDING THE 2015A Certificates OR THAT SUCH PAYMENTS REPRESENTING INTEREST, IF MADE, WILL REMAIN EXCLUDABLE FROM GROSS INCOME FOR STATE INCOME TAX PURPOSES. See “SECURITY FOR THE 2015A CERTIFICATES - Event of Non-appropriation of Funds” and “RISK FACTORS - Limitations on Remedies” and APPENDIX A – “STATE OF ARIZONA – THE STATE BUDGET AND APPROPRIATIONS PROCESS.”

The Board's obligation to pay Lease Payments does not constitute a debt or liability of the Board, the State, any Sublessee School District or any other political subdivision of the State within the meaning of any constitutional or statutory limitation. Neither the full faith and credit nor the general taxing power of the State, any Sublessee School District or any other political subdivision of the State is pledged to make payments of the principal or interest evidenced by the 2015A Certificates. Payments with respect to the 2015A Certificates will be made solely from amounts derived pursuant to the terms of the Lease, including the Lease Payments, and amounts from time to time on deposit pursuant to the terms of the Declaration of Trust.

### SCHEDULE OF PAYMENT REQUIREMENTS

Set forth below are the annual debt service requirements for the Certificates.

Fiscal Year (June 30)	Outstanding Prior Certificates Payments* <sup>(1)</sup>	2015A Certificates*			Total Payments
		Principal	Interest <sup>(2)</sup>	Total	
	\$	\$	\$	\$	\$

<sup>(1)</sup> Includes the 2008 Certificates and 2010A-3 Certificates outstanding under the Declaration of Trust, net of the Certificates Being Refunded by the proceeds of the 2015A Certificates.

<sup>(2)</sup> First Interest Payment Date is September 1, 2015\*.

### SECURITY FOR THE 2015A CERTIFICATES

#### General

The 2015A Certificates evidence proportionate interests in Lease Payments to be paid by the Board to the Trustee pursuant to the Lease. See "THE 2015A CERTIFICATES - General Provisions" herein.

The Board's obligations to pay Lease Payments and any other obligations of the Board pursuant to the Lease are subject to and dependent upon annual appropriations being made by the State Legislature and annual allocations of such appropriations being made by the Board to pay Lease Payments. The Board agrees in the Lease to use its best efforts to budget, obtain, allocate and maintain sufficient appropriated monies to pay Lease Payments thereunder. For the purposes of the Lease, the Board will be deemed to have made the necessary allocation for any Fiscal Period if (a) the State Legislature makes a specific line-item appropriation for the Lease for such Fiscal Period or (b) the State Legislature makes a lump-sum appropriation to the Board for such Fiscal Period in an amount at least sufficient to pay the Lease Payments becoming payable under the Lease in such Fiscal Period unless, within 15 days following the date on which such lump-sum appropriation becomes law, but not later than August 15th of such Fiscal Period, the Board notifies the Trustee that monies have not been allocated to pay Lease Payments under the Lease for such Fiscal Period. If the Board receives a lump-sum appropriation from the State Legislature, there is no present statutory requirement that the Board allocate any or all of such appropriation to pay Lease Payments under the Lease. If the State Legislature does not make an appropriation or the Board does not make an allocation of money sufficient to pay Lease Payments under the Lease in any succeeding Fiscal Period with respect to all Projects covered thereunder, the Lease will terminate, subject to reinstatement as herein described, and the Board will be required to return possession of the Projects covered thereunder to the Trustee for the remainder of the term of the Ground Lease, all in accordance with and subject to the terms of the Lease and the Declaration of Trust. In that event, the Trustee is entitled to exercise all available remedies, which could include re-leasing or selling its interest

\* Preliminary, subject to change.



in the Projects related to the Lease. See “Event of Non-appropriation of Funds” below and “RISK FACTORS - Limitations on Remedies” herein.

For a discussion of the State’s budget and appropriation process, see APPENDIX A - “STATE OF ARIZONA - THE STATE BUDGET AND APPROPRIATIONS PROCESS.” For a discussion of the State’s recent financial position, see APPENDIX A - “STATE OF ARIZONA – SUMMARY OF STATE REVENUES AND EXPENDITURES.”

All monies and investments held by the Trustee pursuant to the Declaration of Trust (except monies and investments in the Rebate Fund) are irrevocably held in trust for the benefit of the Owners and the Board, as their respective interests appear, and for the purposes specified in the Declaration of Trust, and such monies, and any income or interest earned thereon, will be expended only as provided in the Declaration of Trust and will not be subject to levy or attachment by lien by or for the benefit of any creditor of the Trustee, the Board or any Owner or any of them.

Pursuant to the terms of the Lease, the Board is obligated to pay on each Lease Payment Date an amount equal to the Base Rent plus any Additional Rent (which relates to Trustee’s fees and expenses and other costs associated with the Lease) then due. The Base Rent portion of the Lease Payment due on each Lease Payment Date equals the aggregate amount of the Principal Portion and the Interest Portion payable on the ensuing Interest Payment Date.

#### **Event of Non-appropriation of Funds**

The Lease provides that the obligation of the Board to pay Lease Payments is subject to annual appropriation by the State Legislature and annual allocation by the Board. Such obligation is a current expense of the State, payable exclusively from appropriated monies, and is not a general obligation or indebtedness of the State. If the State Legislature fails to appropriate sufficient monies or the Board fails to allocate sufficient monies to pay Lease Payments thereunder, the State and the Board are relieved of any subsequent obligation pursuant to the Lease. The Board agrees in the Lease to use its best efforts to budget, obtain, allocate and maintain sufficient appropriated monies to pay Lease Payments thereunder, but the Trustee, as lessor under the Lease, acknowledges that appropriating State monies is a legislative act beyond the control of the Board.

If, on the 30th day prior to the beginning of a Fiscal Period, sufficient funds have not been appropriated and allocated for the purpose of paying all the Lease Payments scheduled to be paid under the Lease during that ensuing Fiscal Period, the Board will immediately deliver written notice thereof to the Trustee. If, on or before the last day of the Fiscal Period for which Lease Payments have been appropriated and allocated, no such appropriation has been made for the ensuing Fiscal Period, the Lease will terminate on such last day; provided, however, that if within 45 days after such date of termination an appropriation or allocation is made which would have caused the Lease to have continued in effect if the appropriation or allocation had been made prior to the date of termination, then the Lease will be reinstated with respect thereto and deemed renewed as of the day following the date of such termination.

In the event the Lease is terminated by an Event of Non-appropriation of Funds, the Board is under no obligation to pay any future Lease Payments with respect thereto. Under such circumstances, the Trustee will have all legal and equitable rights and remedies to take possession of the Projects and the Board agrees to peaceably surrender possession of such Projects to the Trustee not later than the 45th day following such termination. Thereupon, the Trustee may exercise one or more of the remedies provided in the Declaration of Trust, subject to receipt of indemnity satisfactory to the Trustee, including an option to re-lease or sell its interest in the Projects and apply the proceeds of such disposition, if any, together with the monies in the Certificate Fund, to the payment of Certificates, including the 2015A Certificates. See “THE DECLARATION OF TRUST - Action on Event of Default” in APPENDIX C hereto. However, there is no assurance that revenues from the Trustee’s re-leasing or sale of its interest in the Projects would be sufficient to pay in full amounts payable with respect to all Outstanding Certificates, including the 2015A Certificates. Should such a shortfall occur, the principal and interest represented by the Certificates, including the 2015A Certificates, would be paid to the extent of monies, if any, held by the Trustee under the Declaration of Trust. See “RISK FACTORS - Termination of Lease” herein.

Bond Counsel expresses no opinion as to treatment for Arizona state income tax purposes of amounts received by the owners of the 2015A Certificates following termination of the Lease by an Event of Non-appropriation of Funds.

Upon the occurrence of an Event of Default described in the Declaration of Trust, the Trustee is permitted to take action to force the Board and the Sublessee School Districts to surrender possession of the Leased Property. However, the exercise by the Trustee of any other subsequent or additional remedies may be delayed during any court proceedings which may be necessary to gain possession of the Leased Property or may be affected by other circumstances, such as the environmental condition of the Projects, such that the Trustee may decline to exercise such other remedies unless it is indemnified and obtains assurances to its satisfaction that it will not become responsible for environmental liabilities. See “RISK FACTORS - Limitations on Remedies” herein. Moreover, neither the Trustee nor the Board has any obligation whatever for nor is in any way responsible for the maintenance or repair of or provision of utilities service to, or any operating expense of any kind with respect to, any School Sites or the Facilities thereon, or the provision of insurance of any kind for, or with respect to activities connected in or with, any School Sites or the Facilities thereon, and none of the Ground Leases require the Sublessee School Districts to rebuild or repair Facilities which have been damaged, destroyed or taken by eminent domain. Accordingly, the value of the Leased Property may have substantially diminished or represent only nominal value at the time the Trustee is permitted or required to exercise remedies under the Declaration of Trust.

### **Defeasance**

The 2015A Certificates are subject to defeasance and may be prepaid or provided for, in whole or in part, with monies or specified investment securities provided by the Board in connection with the Board’s exercise of its option to purchase the Projects prior to the scheduled principal payment dates of all 2015A Certificates. See APPENDIX C – “SUMMARY OF LEGAL DOCUMENTS – THE DECLARATION OF TRUST - Defeasance.” The 2015A Certificates are also subject to defeasance and may be prepaid or provided for, in whole or in part, with monies or specified investment securities provided by one or more Sublessee School Districts in connection with the release of Projects as described under “THE PROJECTS - The Projects - Substitution, Addition and Release of Projects” herein.

### **Other Board Certificates; Additional Certificates**

*Other Board Certificates.* The Board has caused to be executed and delivered pursuant to A.R.S. § 15-2004, \$752,325,000 principal amount of certificates, of which \$444,650,492 remains outstanding, including the Refunding Certificates of Participation, Series 2005A-1, Refunding Certificates of Participation, Series 2005A-2, Refunding Certificates of Participation, Series 2005A-3, Refunding Certificates of Participation, Series 2010A-1, Refunding Certificates of Participation, Series 2010A-2, Certificates of Participation, Series 2010, Refunding Certificates of Participation, Series 2013A-1, Refunding Certificates of Participation, Series 2013A-2, Refunding Certificates of Participation, Taxable Series 2014A-1, Refunding Certificates of Participation, Taxable Series 2014A-2 and Refunding Certificates of Participation, Taxable Series 2014A-3 (collectively, the “Other Board Certificates”), under separate declarations of irrevocable trust, for the purpose of financing, or to reimburse the Board for financing, the costs of school projects similar to the Projects or to refund and refinance certain certificates of participation. The Other Board Certificates are payable from annual appropriations by the State Legislature, which is the same source being relied upon for payment of the 2015A Certificates. Neither amounts held by the trustee for the holders of the Other Board Certificates nor the school projects financed with the proceeds of the Other Board Certificates secure the payment of the 2015A Certificates. Likewise, none of the Lease Payments, amounts held by the Trustee under the Declaration of Trust or the Projects are security for the payment of the Other Board Certificates.

*Additional Certificates and Lease Financings.* The provisions of the Declaration of Trust do not limit the amount of Additional Certificates that may be executed and delivered. So long as the Lease remains in effect, and no Event of Default under the Declaration of Trust has occurred and is continuing, the Board may direct the Trustee to execute and deliver Additional Certificates from time to time to provide funds to pay the costs of refunding outstanding Certificates or to pay the costs of financing additional Projects, if authorized by subsequent legislation, and related costs permitted by the Act as the Board deems necessary or desirable and upon demonstration of compliance with the Act.

Arizona Laws 2015, Fifty-second Legislature, First Regular Session, by Chapter 15 (Senate Bill 1476), Section 16, authorized the Board to enter into a refinancing or refunding agreement in fiscal year 2015-2016 that reduces the Board's lease-purchase payments by a combined total of at least \$7,000,000 in fiscal years 2015-2016 through 2023-2024, provided that the lease-purchase payments do not vary by more than \$1,000,000 in any single fiscal year during such period. Other than the 2015A Certificates, the Board does not anticipate executing and delivering any Additional Certificates pursuant to the above legislation.

Other than the authorization noted above, neither the Act nor any other legislation authorizes the Board to enter into additional lease-to-own transactions. Future transactions could, however, be authorized by the State Legislature and undertaken either through the execution and delivery of Additional Certificates pursuant to a Declaration of Trust or through separate lease-to-own transactions, unrelated to the Declaration of Trust or the Lease and using separate documentation and security.

### **Lease Payments for Outstanding Certificates of Participation of the Board**

For fiscal year 2014-15, the State has appropriated sufficient monies to make all lease payments on the following certificates of participation of the Board, including the Certificates Being Refunded and prior to the initial execution and delivery of the 2015A Certificates:

<b>Series Designation</b>	<b>Year of Lease Termination<sup>(1)</sup> (September 1)</b>	<b>Principal Portion of Lease Payments Remaining</b>
2005A-1	2015	\$ 47,495,000
2005A-2	2015	16,900,000
2005A-3	2015	220,000
2008 <sup>(2)</sup>	2023	*
2010A-1	2019	11,100,000
2010A-2	2019	10,000,000
2010A-3 <sup>(2)</sup>	2019	37,685,000
2010	2027	65,375,492
2013A-1	2019	27,920,000
2013A-2	2018	39,515,000
2014A-1	2017	110,695,000
2014A-2	2018	60,390,000
2014A-3	2019	55,040,000

\* Preliminary; subject to change.

<sup>(1)</sup> The final scheduled principal payment date of the Other Board Certificates or Certificates, as applicable, in each series.

<sup>(2)</sup> Outstanding under the Declaration of Trust.

<sup>(3)</sup> Includes Certificates Being Refunded. See "PLAN OF REFUNDING" herein.

### **Other State Obligations**

The State currently has outstanding \$1.2 billion aggregate principal amount of certificate of participation obligations, in addition to the Other Board Certificates, payable from annual appropriations by the State Legislature, which is the same source being relied upon for payment of the Certificates, including the 2015A Certificates, and the State may incur additional obligations in the future. This figure does not include the issuance of approximately \$154,500,000 aggregate principal amount of Refunding Certificates of Participation, Series 2015 anticipated to be issued by the State at or before the execution and delivery of the 2015A Certificates.

The following table indicates lease-purchase agreements for property entered into or authorized by the State to which the interest has been participated and sold in the form of certificates of participation that remain outstanding. For fiscal year 2014-15, the State has appropriated sufficient monies to make all lease payments on the following obligations:

<b>Effective Date of Lease</b>	<b>Year of Lease Termination</b>	<b>Principal Portion of Lease Payments Remaining</b>
10-01-05	2027	\$ 64,455,000 <sup>(1)</sup>
04-01-08	2027	179,345,000 <sup>(1)</sup>
01-01-10	2029	629,945,000
06-01-10	2029	256,470,000
02-01-13	2022	22,345,000
02-01-13	2028	24,560,000

<sup>(1)</sup> This figure includes the certificates to be refunded with the issuance of approximately \$154,500,000 aggregate principal amount of Refunding Certificates of Participation, Series 2015 to be issued by the State before or at the execution of the 2015A Certificates.

The State or the Board may participate in additional lease-to-own, lease-purchase financings or authorize the execution and delivery of other certificates of participation in the future. Neither the Board nor the State is limited in its ability to undertake additional lease-to-own or lease-purchase financings, whether accomplished through the execution and delivery of Additional Certificates or otherwise. Except as described above, the Board cannot predict whether such additional financings will be undertaken or, if undertaken, the form, timing or amounts of such additional financings.

## **SOURCES AND USES OF FUNDS**

Monies received from the sale and delivery of the 2015A Certificates will be applied as follows:

### **SOURCES OF FUNDS:**

Principal Amount of the 2015A Certificates	\$
Total Sources	

### **USES OF FUNDS:**

Deposit to the Defeasance Account	\$
Deposit to the Certificate Fund	
Delivery Costs <sup>(1)</sup>	
Total Uses	

<sup>(1)</sup> Includes Underwriters' discount and Bond Counsel, financial advisor and rating agency fees, etc.

## **PLAN OF REFUNDING**

The 2015A Certificates are being sold to provide funds to refund and redeem through prepayment prior to maturity certain of the Prior Certificates described below (the "Certificates Being Refunded"), which Certificates Being Refunded were executed and delivered pursuant to the Declaration of Trust, and to pay Delivery Costs of execution and delivery of the 2015A Certificates.

The proceeds received from the sale of each series of the 2015A Certificates, net of Delivery Costs, will be deposited by the Trustee into a special trust account under the Declaration of Trust and used to purchase United States government obligations (the "Government Obligations"), the maturing principal and interest income on which is calculated to be sufficient to pay the principal and interest represented by the Certificates Being Refunded to their respective maturity or payment dates or upon prior redemption. See "VERIFICATION OF MATHEMATICAL

COMPUTATIONS” herein. Upon such deposits, the Certificates Being Refunded will no longer be considered outstanding under the Declaration of Trust and the Owners of the Certificates Being Refunded must look solely to amounts held by the Trustee in the special trust account for payment.

**CERTIFICATES BEING PAID  
WITH PROCEEDS OF THE 2015A CERTIFICATES\***

<b>Series</b>	<b>Dated Date</b>	<b>Original Principal Amount</b>	<b>Maturity Being Paid (September 1)</b>	<b>Principal Amount Being Paid</b>	<b>Redemption Date</b>	<b>Redemption Price</b>	<b>CUSIP<sup>®(1)</sup> No. 04057P</b>
Series 2008							

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**VERIFICATION OF MATHEMATICAL COMPUTATIONS**

Concurrently with the initial delivery of and payment for the 2015A Certificates, Grant Thornton LLP, a firm of independent certified public accountants, will deliver to the Board and the Trustee its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of computations prepared by the Financial Advisor (as defined herein), relating to (a) the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, to pay, when due, the principal and interest on the Certificates Being Refunded and (b) the “yield” on the Government Obligations and the “yield” on the Certificates Being Refunded.

The report of Grant Thornton LLP will state that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in schedules provided to it by the Financial Advisor and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of its report.

**THE PROJECTS**

**General Description**

A portion of the net proceeds from the execution, delivery and sale of the Prior Certificates was deposited into the Acquisition Fund established pursuant to the Declaration of Trust and used to pay the costs for Sublessee School Districts to acquire the School Sites (or, in certain instances, ground lease interests therein) which have been or will be leased to the Trustee and become part of the Projects and to construct and equip the Facilities on the School Sites.

The Prior Certificates represent a program of lease-to-own transactions entered into by the Board in order to fulfill the Board’s statutory duty to provide additional school facilities for grades K-12. For a discussion of the

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\* Preliminary, subject to change.

Board's activities and its statutory duties, see "STATUTORY AUTHORITY FOR THE LEASE" and "THE BOARD" herein.

## **The Projects**

The governing board of each Sublessee School District has authorized its participation in the Board's lease-to-own program and delivered to the Trustee an executed Ground Lease and an executed Sublease relating to the Projects.

So long as 2015A Certificates remain Outstanding pursuant to the Declaration of Trust, Lease Payments required by the Lease to be made with respect to the 2015A Certificates are required to be applied to, and the Trustee's interest in the Projects will equally secure, payment of principal and interest represented by all Certificates executed and delivered thereunder, including the 2015A Certificates. However, at such time as payment of all 2015A Certificates have been made or provided for pursuant to the Declaration of Trust, whether by payment, prepayment or defeasance, the Trustee's interest in all of the Projects will be released to the Sublessee School Districts and such Projects will no longer provide security for payment of the 2015A Certificates.

The Projects financed through the execution and delivery of the Prior Certificates executed and delivered pursuant to the Declaration of Trust consist of the Trustee's leasehold interest in 21 School Sites, together with the Facilities to be provided thereon. The Projects provided new facilities or improvements for ten elementary schools, three middle schools and eight high schools. The School Sites were acquired, in most instances, with funds provided by the Board, with the remaining sites acquired with funds of the Sublessee School Districts. In connection with the 2015A Certificates, there will be no title insurance policy or title opinion issued insuring or confirming the Trustee's leasehold interest in each School Site or the ownership or leasehold interest of the Sublessee School District to such School Site.

*Features Common to the Projects.* In some instances, Sublessee School Districts have used separate school district funds to supplement amounts provided by the Board, including amounts provided through the execution and delivery of the Certificates, to construct or acquire Facilities on a School Site. In instances when the separately financed improvements are on the School Site being leased to the Trustee, the improvements constitute a portion of that Project and are subject to the Lease. In instances when the separately financed improvements have been located on parcels adjacent or proximate to, but not on a School Site, the improvements do not constitute a portion of the Project and are not be subject to the Lease.

There has been no appraisal or other determination of market value of any of the Projects, either as to School Sites or as to Facilities, in connection with the execution and delivery of the 2015A Certificates and there is no requirement of any future appraisal or determination of market value. Further, the ownership or leasehold interest in certain School Sites held by some Sublessee School Districts may be subject to restrictions on the use of the related Project the violation of which may lead to cancellation. There can be no assurance that the market value of the Trustee's interest in the Projects will at any time equal or exceed either the amount of Outstanding Certificates or the remaining Lease Payments due pursuant to the Lease or that, upon the occurrence of an Event of Default or a termination of such Lease by an Event of Non-appropriation of Funds, revenues from the Trustee's re-leasing or sale of its interest in the Projects will be sufficient to pay in full all Outstanding Certificates, including the 2015A Certificates.

*Substitution, Addition and Release of Projects.* The Lease provides that the Projects may be changed from time to time and that any Project may be changed in scope or kind, provided that the Facilities of each Project shall at all times qualify as Facilities pursuant to the Lease. One or more Projects may be added to the Lease so long as there is delivered to the Trustee an executed Ground Lease and an executed Sublease with respect to each such Project. One or more Projects financed by an issue of Certificates (without regard to the refunding to be achieved through application of the proceeds of the 2015A Certificates) may be deleted from the Lease, and each such Project's related Ground Lease and Sublease terminated, so long as the total cost of the remaining Projects financed by that issue of Certificates equals or exceeds the original principal amount of that issue of Certificates (without regard to the refunding to be achieved through application of the proceeds of the 2015A Certificates).

The Lease gives each Sublessee School District the right to purchase its Project or Projects at any time by irrevocably depositing with or making available to the Trustee monies or Defeasance Obligations sufficient, without reinvestment, to pay (i) all Lease Payments with respect to such Project or Projects when due, and (ii) all reasonable, necessary and proper fees, compensation and expenses of the Trustee pertaining to the Lease and Declaration of Trust with respect to such Project or Projects and its duties in connection therewith. The portion of the Lease Payments allocable to each Project is the portion relating to the Principal Portions and Interest Portions represented by a portion of the Certificates executed and delivered pursuant to the Declaration of Trust, to be determined as nearly as practicable by multiplying the aggregate outstanding principal amount of such Certificates by a fraction, the numerator of which is the amount disbursed for such Project from the Acquisition Fund, and the denominator of which is the aggregate amount deposited into the Acquisition Fund from proceeds of such Certificates. The scheduled principal payment dates of Certificates allocable to a particular Project shall be determined by the Board.

### **The Ground Leases**

Each Sublessee School District has entered into a Ground Lease relating to its respective School Site on the later of (i) the date of initial delivery of the applicable issue of the Prior Certificates financing the Project, or (ii) the date such district acquires title to such School Site (or, in certain instances, a ground lease interest therein). Each Ground Lease provides for the lease of a School Site to the Trustee for a term beginning on its date of execution and delivery and continuing for a term of up to one and one-half times the term of the Certificates financing the Project, but ending on the date on which no Certificates which were executed and delivered to provide funds for the Projects remain Outstanding pursuant to the Declaration of Trust. The Trustee's only rental obligation pursuant to the Ground Lease is to apply the proceeds of the related Certificates to finance the respective Project.

In the Ground Lease, the Sublessee School District agreed that the Facilities would be placed upon the School Site in accordance with the design and the construction contracts approved by the Board. During the term of the Ground Lease, each Sublessee School District retains title to, or its leasehold interest in, the School Site and title to the Facilities remains with the Trustee. The Sublessee School District acknowledged that if an Event of Default or termination occurs under the Lease, the Trustee will have the right to enter upon and have the right to occupy the School Site and the Facilities or relet or otherwise dispose of its interest in the School Site without affecting or terminating the Ground Lease.

Pursuant to the Act, the Arizona Attorney General's Office delivered, in connection with the execution and delivery of the Prior Certificates, its opinion that the Ground Leases and the Subleases are in compliance with the constitution and laws of the State, are in proper form and are within the powers and authority granted under the laws of the State to the Sublessee School Districts. The Ground Leases and the Subleases are not affected by and are not being modified in connection with the delivery of the 2015A Certificates.

Pursuant to the Act, the Arizona Attorney General's Office will deliver, in connection with the execution and delivery of the 2015A Certificates, its opinion that the Lease is in compliance with the constitution and laws of the State, is in proper form and is within the powers and authority granted under the laws of the State to the Board.

Although each Sublessee School District has represented in each Ground Lease that it possesses the requisite ownership or leasehold interest in its School Site and that the Ground Lease has been duly authorized by its governing board in connection with the execution and delivery of the Prior Certificates, there will be no additional legal opinions delivered by Bond Counsel or by any Sublessee School Districts addressing those legal issues relating to any particular Ground Lease or Sublease in connection with the execution and delivery of the 2015A Certificates.

### **The Subleases**

No later than the completion of the construction and equipping of the Facilities on a School Site, the Sublessee School District entered into a Sublease with respect to such School Site and the Facilities, for a term expiring on the date when no Certificates executed and delivered to provide funds for that Project remain Outstanding pursuant to the Declaration of Trust. There is no rental obligation payable to the Board pursuant to the Subleases. Upon expiration of the Term of the Sublease, including upon expiration resulting from defeasance or prepayment of all Certificates, the related Ground Lease terminates and the Sublessee School District retains its ownership or ground lease interest in the School Site, together with the Facilities thereon.

The Subleases are subject to early termination by the Trustee prior to expiration upon (i) termination of the Lease by an Event of Non-appropriation of Funds, or (ii) the occurrence of an Event of Default described in the Lease. Upon early termination of a Sublease by the Trustee, the Sublessee School District is required to surrender possession of the School Site and the Facilities to the Trustee for the remainder of the term of the Ground Lease.

Pursuant to each Sublease, the applicable Sublessee School District is permitted to make alterations, additions or improvements to the Facilities as such district deems necessary or desirable and may, subject to the Trustee's rights pursuant to the Ground Lease and the Sublease, grant leases, easements and other rights or uses with respect to the Facilities as it may grant with respect to other school facilities.

Each Sublessee School District has covenanted in the applicable Sublease that, to the extent within its control, it will not take any action or fail to take any action, if any such action or failure to take such action would adversely affect the exclusion of the Interest Portion of the Certificates from gross income for federal income tax purposes.

### **Maintenance, Insurance and Other Obligations**

Neither the Trustee nor the Board will have any obligation whatever for or in any way be charged with (i) the maintenance or repair of or provision of utility services to, or any operating expense of any kind with respect to, any School Site or the Facilities thereon, or (ii) the provision of insurance of any kind for, or with respect to activities connected in or with, any School Site or the Facilities thereon.

A.R.S. §§ 15-341.A.6 and 15-2002.H require that the Sublessee School Districts keep the Facilities insured, at full insurable value, and provide that such Sublessee School Districts may not receive monies from the Board for costs of replacement or repair of Facilities to the extent such replacement or repair costs are covered by insurance or a performance or payment bond. However, there is no requirement in the Subleases that Sublessee School Districts rebuild, repair or replace Facilities in the event of destruction or damage. Likewise, neither the Board nor the Trustee has a duty to replace, rebuild or repair Facilities in the event they are taken, in whole or in part, by eminent domain and there is no requirement in the Subleases that Sublessee School Districts rebuild, repair or replace Facilities in the event they are taken, in whole or in part, by eminent domain.

Neither the Board nor the Trustee will have a lien or claim upon any monies due to or received by Sublessee School Districts as a result of destruction, damage or condemnation of Facilities.

### **STATUTORY AUTHORITY FOR THE LEASE**

The Board is authorized by the Act to enter into lease-to-own agreements relating to new school facilities. The obligation of the Board to make payments pursuant to such an agreement is considered a current expense of the Board, payable exclusively from appropriated monies, and is not a general obligation or indebtedness of the State. The Act requires that the Lease be reviewed and approved by the State Attorney General prior to the execution and delivery of the 2015A Certificates. The Act also requires that the Board submit the proposed financing terms of the 2015A Certificates for review by the Joint Committee on Capital Review ("JCCR") prior to the execution and delivery of the 2015A Certificates. The Board submitted the proposed financing terms of the 2015A Certificates to the JCCR on May 12, 2015, and the JCCR reviewed the proposed financing terms favorably on June 18, 2015.

### **THE STATE**

Summary material describing certain information about the State's General Fund, which is expected to be the primary source from which the State would appropriate monies for Lease Payments, the State's revenues and expenditures, information on the State's fiscal condition and budget deliberations for the current and recent fiscal years, and certain economic and demographic data is included in APPENDIX A hereto. The most recent audited financial statements of the State are included as APPENDIX B – "STATE OF ARIZONA AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2014."



## THE BOARD

### History and Creation

The Board was created by the Students FIRST Act (Laws 1998, Fifth Special Session, Chapter 1). Under the Students FIRST Act, the Board was charged with creating standards for public school facilities throughout the State to supplement the standards set forth in the Students FIRST Act and finance the capital needs of those facilities. The school financing system established by the Students FIRST Act is based upon the general premise that the State will provide full funding to ensure that all academic facilities in all school districts meet State standards and provide new facilities needed due to enrollment growth. The Students FIRST Act allows school districts, within limits, to expend local monies to exceed those State standards or to provide for capital needs that are not included in the State standards, such as administrative facilities.

The school facility standards are the foundation for the system. These standards were established in two ways. The Students FIRST Act specified general square footage and functional quality standards. The Board then promulgated the Minimum School Facility Adequacy Guidelines that provide additional detail and address the specialized facilities and equipment needed for students to achieve the State's academic standards.

The Board and its staff manage three active programs created by the State Legislature described below<sup>(a)(b)</sup>.

New School Facilities Fund. Monies are distributed by the Board to school districts on a formula basis for the construction of new facilities needed by a school district in order to meet the minimum adequacy standards for student capacity. Pursuant to recent legislation, to qualify for funding the current number of pupils must exceed the current student capacity of a district's school facilities in a given year. The district is entitled to a certain number of square feet and a certain dollar amount per square foot depending on the grade level of the students, with the ability to adjust the amount based on certain factors. The New School Facilities Fund also provides funding for the acquisition of land.

Building Renewal Grant Fund<sup>(a)</sup>. Under this program, the Board awards grant dollars to school districts. Awards are application based and must be used for projects that are required to meet the minimum adequacy standards for student capacity and that fall below minimum school facility adequacy guidelines.

Emergency Deficiencies Correction Fund<sup>(b)</sup>. Monies in this fund are transferred from the New School Facilities Fund (when available) and are distributed by the Board to meet emergency needs in school buildings. "Emergency" means a serious need for materials, services or construction or expenses in excess of the district's adopted budget for the current fiscal year that seriously threatens the functioning of the school district, the preservation or protection of property or public health, welfare or safety. The most recent awards from this fund were made on June 3, 2015. At that time, \$946,286 remained in the Emergency Deficiencies Correction Fund. While the State Legislature has never made a direct appropriation into this fund, it authorized the transfer of \$1,000,000 from the Building Renewal Grant Fund to this fund.

Access Our Best Public School Fund. Under this newly authorized fund, the Board awards monies to public schools that are members of the Arizona Public School Achievement District to construct new school facilities or expand existing facilities.

For fiscal year 2015-16, the State Legislature appropriated the following amounts for the Board's programs:

New School Facilities Fund – \$2,249,600(c)  
Building Renewal Grant Fund – \$16,667,900(d)  
Access Our Best Public School Fund – \$23,900,000

- (a) The Building Renewal Fund, ARS 15-2031, was repealed, 2013 Arizona Sessions Laws, First Special Session, Chapter 3, Section 42 (House Engrossed HB 2003).
- (b) The Board also managed the Deficiencies Correction Fund. Under this program the Board was required to review school facilities and to pay the costs of bringing existing public school facilities up to State standards. All deficiency related projects have been fully funded and this program has ended, and the remaining funds were transferred to the Emergency Deficiencies Corrections Fund.
- (c) [Funds are for Benson Unified School District No. 9 of Cochise County, Arizona.][The Legislature authorized the transfer of \$1,000,000 from this fund to the Emergency Deficiencies Correction Fund.]
- (d) In addition to the fiscal year 2015-16 appropriation, a line-item appropriation during fiscal year 2014-15 increased monies available by a net amount of \$10 million.

## **Board Members**

The Board consists of nine voting members appointed by the Governor, subject to Senate confirmation. Board members serve four-year terms. The Superintendent of Public Instruction or his designee serves as a non-voting advisory member of the Board. Each of the nine appointed members is required to have certain knowledge and experience or be representative of a certain group. There is currently one vacancy on the Board. The following are the current appointed Board members:

### Jennifer Stielow, Chair – Arizona Tax Research Association

Member who is a private citizen and taxpayer representative.

Term Expires: January 2018

### Thomas Rushin, Vice Chair – Retired School Superintendent

Member with knowledge and experience in school construction.

Term Expires: January 2018

### Vern Crow, Member – Owner, Dominion Environmental

Member who is a business owner.

Term Expires: January 2018

### Edward Boot, Member – Education Market Director at Orcutt/Winslow Architects

Member with knowledge and experience in demographics.

Term Expires: January 2016

### Jeffrey Smith, Member – Superintendent of the Balsz School District

Member who has knowledge and experience in school facilities management.

Term Expires: January 2016

### Bryan Peltzer, Member – Senior Project Engineer and Part-owner, Peterson Geotechnical Group

Member with engineering experience.

Term Expires: January 2017

### Traci Sawyer-Sinkbeil, Member – Dysart Unified School District Board Member

Member who is an elected member of a school district governing board.

Term Expires: January 2017

### Ward Simpson, Member – Committee Chairman and Project Manager for the Sojourner Center

Member who is a registered professional architect and who has current knowledge and experience in school architecture.

Term Expires: January 2017

## **Staff**

The staff of the Board consists of an Executive Director, appointed by the Governor, a Deputy Director and a number of liaisons to school districts in the State, each of whom has experience and expertise in design, construction or another field related to the construction, finance and maintenance of school facilities. The staff of the Board also includes a staff architect, public information officer and various administrative support positions. The following are brief biographies of the Executive Director and the Deputy Director for Finance of the Board.

Mr. Philip Williams – Interim Executive Director of the Board and Deputy Director for Finance. Mr. Williams became Deputy Director for Finance of the Board in January 2010 and has been a business and finance manager for more than 30 years with significant experience in both government and private business sectors. Mr. Williams has served as Deputy Associate Superintendent of School Finance for the Arizona Department of Education and Chief Financial Officer for the Comprehensive Medical & Dental Program in the Arizona Department of Economic Security. Prior to his employment with the State, Mr. Williams worked in the private sector as a manager for a number of Fortune 500 corporations and was managing director for a technology consulting firm in Silicon Valley. Throughout his career, Mr. Williams has focused on building, implementing and managing business/financial systems and he has gained practical experience in strategic planning, policy development, forecasting and budgeting, information system management and organizational planning and development.

## **Sunset Laws**

In order to encourage systematic legislative review of State agencies and statutes, State law provides for automatic termination of State agencies and statutes pursuant to a statutory schedule, unless the State Legislature takes affirmative action to continue the agencies' or statutes' existence. These termination statutes, commonly known as sunset laws, provide a system for automatic committee and legislative review of agencies and statutes prior to their termination. The Board is scheduled for sunset on July 1, 2018. While it is impossible to predict what action, if any, the State Legislature will take, the Board is not aware of any factual matter which would cause the State Legislature to discontinue the existence of the Board. The statute establishing the Board is scheduled for sunset on January 1, 2019, but only if either the Board has no outstanding state revenue bonds, improvement bonds, or lease-to-own transactions, including revenue bonds which were issued under authority of certain legislative provisions (which revenue bonds include the hereinafter-described Education Transaction Privilege Tax Revenue Bonds), or the State Legislature has otherwise provided for paying or retiring the Board's outstanding state revenue bonds, improvement bonds and lease-to-own transactions, including the 2015A Certificates.

## **No Claim on Other Monies Received by the Board**

As a result of a favorable vote at an election held in the State on November 7, 2000, the Board receives the first allocation of the proceeds of a Statewide 0.6% "Education Transaction Privilege Tax" for payment of principal and interest on \$339,790,000 outstanding principal amount of State School Improvement Revenue Bonds (the "Education Transaction Privilege Tax Revenue Bonds") of the Board, maturing on each July 1 through July 1, 2020. The remaining tax revenues not required to pay debt service on the Education Transaction Privilege Tax Revenue Bonds are designated for other statutorily-prescribed educational purposes.

The Board caused to be executed and delivered pursuant to legislative authorization, \$266,600,000 principal amount of State School Trust Revenue Bonds, Series 2003B, Series 2004A and Series 2007 of which \$89,033,842 remains outstanding (the "State School Trust Revenue Bonds") (which includes \$6,153,842 of qualified zone academy bonds issued in 2003) for the purpose of correcting deficiencies in existing school facilities and pledged to the payment of such revenue bonds certain amounts derived from the State's "school trust," made up of distributions from the permanent fund established in the State constitution for common schools and from rental income and interest income on financed sales of State trust land held for the benefit of common schools. To the extent that such pledged revenues are not required to pay debt service on the State School Trust Revenue Bonds and the qualified zone academy bonds, they are not available to the Board, but are required to be used by the State for other school purposes.

In addition, the Board receives State funds and other monies which are deposited into the “emergency deficiencies correction fund,” the “building renewal grant fund,” the “new school facilities fund,” and the “access our best public school fund,” each of which the Board administers.

Notwithstanding the additional monies available to the Board, the Certificates, including the 2015A Certificates, are payable solely from Lease Payments made by the Board pursuant to the Lease, which are derived from appropriations made by the State Legislature and required by the Act to be deposited into the “Lease-to-Own Fund” of the Board. Neither the Trustee nor any Owner or Beneficial Owner of any of the 2015A Certificates shall have any claim, lien or interest in any other funds of the Board, including those described above.

## **RISK FACTORS**

The purchase of the 2015A Certificates involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective 2015A Certificate purchaser should make an independent evaluation of all of the information presented herein. Certain of these investment risks are described below. The list of risks described below is not intended to be definitive or exhaustive and the order in which the following factors are presented is not intended to reflect relative importance of risks.

**Limited Obligation.** The obligation of the Board to pay Lease Payments is not secured by the levy or pledge of any tax or any other funds or revenues derived from the Leased Property and does not constitute a debt or indebtedness of the Board, the State, any Sublessee School District or any other political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction. See “SECURITY FOR THE 2015A Certificates” herein.

A number of factors beyond the control of the Board, including downturns in the national or Arizona economy, decreased tax or other State revenues, spending reductions or increased expenditures for other purposes mandated by legislation or voter referendum or initiative measures or governmental rules, policies or judicial decisions, could adversely affect the amount of appropriated or nonappropriated funds made available to the Board in any year and could adversely impact the availability of monies for Lease Payments. For further discussion of the State’s recent financial position, see APPENDIX A - “STATE OF ARIZONA.”

**No Pledge of Board or State Funds.** No funds or revenues of the Board or the State are pledged, obligated or restricted for the payment of the Lease Payments. In addition, the State has the right to refuse to appropriate funds to the Board for any reason. If the State refused to appropriate funds to the Board or the Board failed to allocate funds to pay the Lease Payments, the Lease would terminate and there is no assurance that the Trustee would have adequate funds available pursuant to the Declaration of Trust to pay principal and interest represented by the Certificates, including the 2015A Certificates.

**Other Obligations of Board and State.** The Board presently has \$\_\_\_\_\_ \* principal amount outstanding of certificates, including the Certificates and the Other Board Certificates, and the State presently has outstanding an additional \$1,177,120,000<sup>1</sup> aggregate principal amount of lease-purchase financing and other obligations, all of which are payable from annually appropriated funds on the same basis as the 2015A Certificates. See “SECURITY FOR THE 2015A Certificates - Other Board Certificates; Additional Certificates” and “- Other State Obligations” herein. The Act presently permits the Board to enter into additional lease-to-own transactions as described under “SECURITY FOR THE 2015A Certificates - Other Board Certificates; Additional Certificates” herein and there is currently no restriction which limits the amount of future financing obligations the State may issue or incur for its activities and needs. To the extent that additional lease-to-own obligations are incurred by the Board or additional lease-purchase obligations are incurred by the State, the funds available to pay Lease Payments may be decreased. The Lease imposes no restrictions upon the ability of the Board or the State to incur additional obligations other than incurred pursuant to the Lease or the Declaration of Trust.

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\* Preliminary, subject to change.

<sup>1</sup> This figure does not include the certificates to be refunded with the issuance of approximately \$154,500,000 aggregate principal amount of Refunding Certificates of Participation, Series 2015 to be issued by the State before or at the execution and delivery of the 2015A Certificates.

Termination of Lease. In addition to termination of the Lease by an Event of Non-appropriation of Funds (see “SECURITY FOR THE 2015A Certificates - Event of Non-appropriation of Funds” herein), several other events may lead to a termination of the Lease:

- (1) an Event of Default on the part of the Board and an election by the Trustee to terminate the Lease (see APPENDIX C - “SUMMARY OF LEGAL DOCUMENTS - THE LEASE – Defaults and Remedies”);
- (2) the taking of all of the Leased Property pursuant to the power of eminent domain, described below; and
- (3) violation of certain State statutes pertaining to conflicts of interest, described below.

If an Event of Default described in the Lease occurs, the Trustee may terminate the Lease and relet the Leased Property or re-lease or sell its rights in the Leased Property. Under the Ground Leases, which have terms of one and one-half times the term of the applicable issue of the Prior Certificates, the Trustee has the power to re-lease or sell its leasehold estate in the Leased Property, subject to any restrictions that may exist on the use of the Projects. The net proceeds from the re-leasing of the Leased Property or sale of the Trustee’s interest therein, together with other monies then held by the Trustee pursuant to the Declaration of Trust are required to be used pursuant to the Declaration of Trust to pay principal and interest represented by the Certificates, including the 2015A Certificates, as it becomes due, to the extent of such monies. No assurance can be given that the amount of funds obtained from such re-leasing or sale and from funds held pursuant to the Declaration of Trust would be sufficient to pay the Certificates, including the 2015A Certificates, when due.

While the Board has covenanted, pursuant to statutory authority, to use its best efforts to obtain and allocate sufficient appropriated monies to pay Lease Payments, the Lease also provides, as required by statute, that appropriating State monies is a legislative act and is beyond the control of the Board. See “SECURITY FOR THE 2015A Certificates - Event of Non-appropriation of Funds” and APPENDIX A – “STATE OF ARIZONA – THE STATE BUDGET AND APPROPRIATIONS PROCESS.” If the Board fails to allocate appropriated monies or if the State Legislature fails to appropriate sufficient funds, then the Lease would terminate. If the Board fails or refuses to allocate funds and the Lease is terminated, there is no assurance that the Trustee would have adequate funds pursuant to the Declaration of Trust to pay principal and interest represented by the Certificates, including the 2015A Certificates.

As required by the provisions of A.R.S. § 38-511, as amended, the State may, within three years after its execution, cancel any contract (including the Lease and the Subleases), without penalty or further obligation, made by the State or the Board if any person significantly involved in the initiating, negotiating, securing, drafting or creating the Lease or the Subleases on behalf of the Board is, at any time while the Lease or the Subleases or any extension thereof are in effect, an employee of any other parties to the Lease or the Subleases in any capacity or a consultant to any other parties of the Lease or the Subleases with respect to the subject matter thereof. The cancellation shall be effective when written notice from the Governor is received by all other parties to the Lease or the Subleases unless the notice specifies a later time.

Bond Counsel is not rendering an opinion with respect to the tax-exempt status of payments made to Owners from sources other than funds made available by the Board in the event of the termination of the Lease for any reason (including termination by an Event of Non-appropriation of Funds). If the Lease is terminated while 2015A Certificates are Outstanding, there is no assurance that any such termination payments made to Owners (from sources other than funds made available by the Board) with respect to interest will be exempt from Arizona income tax.

In addition, neither Bond Counsel nor counsel to the hereinafter defined Underwriters are rendering an opinion as to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to the transfer of any 2015A Certificates in the event payments are received from sources other than funds made available by the Board following termination of the Lease for any reason. If the Lease is terminated while 2015A Certificates are Outstanding, there is no assurance that after such termination 2015A Certificates may be transferred by an Owner without compliance with the registration provisions of the Securities Act of 1933, as amended, or that an exemption from such registration is available.

Limitations on Remedies. The enforcement of any remedies provided in the Lease and the Declaration of Trust could prove both expensive and time consuming. In addition, the enforceability of the Lease and the Declaration of Trust is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the State and its political subdivisions. Because of delays inherent in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in the ability of the Trustee to obtain possession of the Leased Property upon termination of the Lease or exercise of remedies upon default by the Board will, of necessity, result in delays in the receipt of revenues from the Lease Payments.

Although the Lease and the Declaration of Trust provide that the Trustee may take possession of the Leased Property and (upon receipt of indemnification satisfactory to the Trustee) re-lease it or sell its interest therein if there is a default by the Board thereunder or if the Board terminates the Lease, and the Lease provides that the Trustee may have such rights of access to the Leased Property as may be necessary to exercise any remedies, no assurance can be given that revenues from the Trustee's re-leasing or selling of its interests in the Leased Property would be sufficient to pay in full all Outstanding Certificates, including the 2015A Certificates.

Upon the termination of the Lease or if the Board defaults in its obligation to pay Lease Payments thereunder, the Trustee is required pursuant to the Declaration of Trust to take action to force the Board to surrender possession of the Leased Property. However, if the Trustee determines that to do so exposes the Trustee to a risk of financial liability (including environmental liability, pursuant to the terms of the Declaration of Trust, the Trustee is not under any obligation to take any other action) for which it reasonably believes it is not adequately indemnified. See "SECURITY FOR THE 2015A Certificates - Event of Non-appropriation of Funds" herein. Prior to taking other actions pursuant to the Declaration of Trust, the Trustee may demand assurances from the Owners, such as an additional environmental audit or indemnity satisfactory to the Trustee, that it will not incur liability by reason of any other action taken by the Trustee pursuant to the Declaration of Trust.

Payment of principal is not subject to acceleration for any other reason including the occurrence of an Event of Default, destruction or condemnation of one or more Projects or failure by the State Legislature to appropriate one or more Lease Payments. Therefore, if the Lease is terminated, any amounts held by the Trustee under the Declaration of Trust over and above the amount required to pay the Interest Portion due for the current period would be applied to the payment of principal of Certificates in the order in which the Certificates mature, rather than pro rata toward principal of all unmatured Certificates executed and delivered pursuant to that Declaration of Trust.

Land for a site for public school facilities may be transferred to a school district for no or for below market value consideration, subject to the condition that use of the property be limited to use for public education. Such a limitation may occur, for example, in a transfer from a developer of single family homes of a site for a public school to serve the development's residents. Some school sites may also consist of a long-term land lease with similar use restrictions, as is the case with some leases of State-owned land to school districts through the Arizona State Land Department. One or more of the School Sites may be subject to these or other limitations under the instruments of transfer to the Sublessee School District, which could limit the alternate users to whom the Trustee could transfer its interest in the Leased Property or otherwise adversely affect the amount the Trustee could realize upon the exercise of remedies with respect to the Leased Property.

Title to or Ownership of Leased Property. As described under "THE PROJECTS - The Ground Leases" herein, there will be no title insurance policies or legal opinions delivered on behalf of any Sublessee School District regarding the status or priority of its ownership or leasehold interest in a School Site. There were no legal opinions delivered in connection with the execution and delivery of any particular Ground Lease or Sublease. Furthermore, there will be no legal opinions delivered in connection with the execution and delivery of the 2015A Certificates confirming that the Ground Lease or the Sublease have been duly authorized, executed and delivered by the governing board of the Sublessee School Districts, although each Ground Lease contains a representation of the Sublessee School District to that effect. The amount of money that could be realized by the Trustee upon an exercise of remedies pursuant to the Declaration of Trust could be materially and adversely affected if one or more of the Ground Leases is held to be invalid or unenforceable against a Sublessee School District or if it is determined that one or more Sublessee School Districts do not possess good title to, or a sufficient leasehold interest in, any School Sites.

Substitution, Addition and Release of Projects; No Assurance of Utility and Collateral Value of Projects. The Lease provides that the Projects may be changed from time to time and that any Project may be changed in scope or kind, upon compliance with the requirements of the Lease. The Lease further provides that one or more Projects may be deleted from the Lease, and their related Ground Leases and Subleases terminated, so long as the total costs for the remaining Projects equal or exceed the original principal amount of the Certificates, including the 2015A Certificates, as determined by the Board. In addition, the purchase of Projects by Sublessee School Districts and their release from the Lease could result in lower expenditures on all remaining Projects and the release of commercially more attractive School Sites and Facilities from the Lease, which could adversely affect the Trustee's ability to sell or re-let its interest in the remaining Projects upon the occurrence of an Event of Default or upon termination of the Lease.

No Appraisal or Determination of Market Value of Projects; No Assurance of Adequacy of Market Value as Collateral. There has been no appraisal or other determination of market value of any of the Projects, either as to School Sites or as to Facilities, in connection with the execution and delivery of the 2015A Certificates and there is no requirement of any future appraisal or determination of market value. There can be no assurance that the market value of the Trustee's interest in the Projects will at any time equal or exceed either the amount of Outstanding Certificates, including the 2015A Certificates, or the remaining Lease Payments due under the Lease or that, upon the occurrence of an Event of Default or a termination of the Lease by an Event of Non-appropriation of Funds, revenues from the Trustee's re-leasing or sale of its interest in the Projects will be sufficient to pay in full all Outstanding Certificates, including the 2015A Certificates.

In addition, neither the Trustee nor the Board has any obligation whatever for maintaining, repairing, insuring or operating any of the School Sites or the Facilities thereon, and neither the Trustee, the Board, nor Sublessee School Districts are obligated to rebuild, repair or replace any Project in the event of damage, destruction or taking by eminent domain, in whole or in part. Failure by one or more Sublessee School Districts to properly maintain Projects or to rebuild, repair or replace Projects upon damage, destruction or taking could materially and adversely affect the utility and market value of the Trustee's interest in such Projects, including upon the occurrence of an Event of Default or a termination of the Lease by an Event of Non-appropriation of Funds.

No Debt Service Reserve Fund Established for Certificates. There is no requirement in the Declaration of Trust for the establishment and maintenance of any reserve fund or account with the Trustee which could be available to make payments of principal and interest represented by the Certificates, including the 2015A Certificates, if the Trustee did not otherwise have sufficient funds to make such payments when due, including upon the occurrence of an Event of Default or a termination of the Lease by an Event of Non-appropriation of Funds.

Investment of Funds Held by Trustee under Declaration of Trust. The Declaration of Trust provides that amounts held by the Trustee are to be invested and reinvested to the fullest extent practicable in Eligible Investments which mature not later than such times as will provide monies when needed to make payments from such funds. Eligible Investments constitute any investments which are lawful for monies belonging to the Board which, as a State agency, include the same investments as for other State funds. The unavailability of appropriate Eligible Investments, payment delays or defaults by issuers of or obligors on Eligible Investments or declines in market or liquidation values of those investments, whether caused by market interest rate fluctuations, economic downturns, disruptions or illiquidity in the capital or credit markets or other circumstances, most beyond the control of the Board or the Trustee, could adversely affect the Trustee's ability to realize sufficient amounts to make payments under the Declaration of Trust when required, including, without limitation, timely payments of principal and interest in respect of the Certificates. Neither the Board nor the Trustee is responsible for investment losses on Eligible Investments.

## **LITIGATION**

There is no litigation or administrative action pending in any court, or to the best knowledge of the Board, threatened, (i) which would restrain or enjoin the execution or delivery of the Series 2015A Certificates or in any way contest or affect the validity of the Series 2015A Certificates or the pledge and any application of any funds provided for their payment, (ii) which concerns the proceedings of the Board taken in connection with the execution and sale of the Series 2015A Certificates (iii) which contests the powers of the State, including the Board, with respect to the foregoing.

The Office of the Attorney General of the State has reviewed the status of pending lawsuits and other claims affecting the State and the Board in connection with their operations. The Office of the Attorney General has reported that there are no substantive administrative claims currently pending against the Board.

*Prop 301 case.* In October 2010, several school districts, the Arizona Education Association, the Arizona School Boards Association and other individual taxpayers filed suit against the State, and the State Treasurer. Plaintiffs alleged that the State budget measure for fiscal year 2010-2011 had failed to fully fund certain mandatory annual inflation adjustments in State aid to schools required by Proposition 301, a statute enacted through a voter-approved referendum election, and that the State had thus violated the Voter Protection Act, because the Legislature's actions effectively constituted an impermissible amendment of a voter-proposed statute. They sought declaratory and injunctive relief, as well as relief in the nature of mandamus, which the superior court denied. After the State prevailed in the trial court, the Plaintiffs appealed only their Declaratory Judgment claim. On January 15, 2013, the Arizona Court of Appeals reversed the trial court decision as to plaintiffs' Declaratory Judgment claim, finding that the Legislature is required to fully fund the specified inflation adjustments prospectively. The Court of Appeals declined to hold that the State's past actions constituted a violation of the Voter Protection Act, did not address the rulings denying the injunction or mandamus relief as they were not raised on appeal, and directed that declaratory relief be entered in favor of the plaintiffs, thus affecting only future budgets that would be required to include the mandatory inflation adjustments specified in Proposition 301. The State and State Treasurer petitioned for review of the Court of Appeals decision, and on September 26, 2013, Arizona Supreme Court affirmed the Court of Appeals' opinion and remanded the case to Superior Court for entry of declaratory judgment in favor of plaintiffs and further proceedings consistent with the Arizona Supreme Court opinion. In its opinion, the Arizona Supreme Court stated that because the fiscal year 2010-2011 budget measure did not include the full inflation adjustment required by the voter-approved law, the budget measure did violate the Voter Protection Act. Based on that ruling, the plaintiffs have requested entry of a judgment in the Superior Court to the effect that (i) the adoption of the State budget for fiscal year 2010-2011 violated the Voter Protection Act because of its failure to fully fund inflation adjustments in State aid to schools required by Proposition 301; (ii) the base level amount per student defined in A.R.S. 15-901(B)(2) should be adjusted from the current amount of \$3,267.72 to \$3,559.62 for fiscal year 2013-2014 to make up for prior underfunded base level calculations (resulting in an increase of over \$320 million over the base level funding per student included in the budget for fiscal year 2013-2014); and (iii) the State must pay prior years' lost funding to schools in an amount approximating \$1.26 billion. The State and legislative intervenors are vigorously defending against the entry of any judgment containing any monetary relief for the Plaintiffs, including the requested adjustment to the current base level and any award of monies for prior lost funding. The parties are still briefing these issues before the Superior Court, and the outcome of these disputes cannot be predicted at this time. For the Base Level claim, the Superior Court found in August 2014 for the Plaintiffs and ordered the State defendants to increase the Base Level as requested by the Plaintiffs. The State defendants filed a timely Appeal in September 2014. As for the Plaintiffs' claims for past due monies, the parties had a one week evidentiary hearing in late October/early November and the Superior Court took the matter under advisement. Before the parties filed briefs in the Appeal on the Base Level claim and before the Superior Court ruled on the remaining claims for past due monies, both matters were stayed to allow the parties to participate in Mediation before the Court of Appeals. Mediation is currently ongoing.

*Craven case.* In April 2009, charter school children and their parents filed a lawsuit against the State, the State Superintendent of Public Instruction, and the State Board of Education in Maricopa County Superior Court. The lawsuit sought a declaratory judgment that the State's method for financing the operation of public district and charter schools failed to comply with the requirements of the Arizona Constitution, violated students' State equal protection rights and violates the Arizona Constitution's General and Uniform Clause. Plaintiffs also ask for injunctive relief plus attorney's fees and costs. On November 18, 2014, the Arizona Court of Appeals affirmed the Superior Court's judgment and on June 11, 2015, the Arizona Supreme Court denied the Plaintiff's Petition for Review. Any further steps that may be taken by the Plaintiffs cannot be predicted at this time. The case could result in the State being ordered to revise the method for financing operation of public charter schools.

The ultimate disposition of these pending legal proceedings cannot be predicted or determined at present. It is the opinion of the Office of the Attorney General that such pending litigation will not be finally determined so as to result, individually or in the aggregate, in a final judgment against the State which would materially and adversely affect the Board's ability to pay the principal of and interest on the 2015A Certificates, or on its continued operations.



There are currently no other significant lawsuits against the State or the Board that could affect the operations of the Board.

## **LEGAL MATTERS**

Certain legal matters incident to the execution and delivery of the 2015A Certificates and with regard to the tax-exempt status of the Interest Portion under Arizona law (see “TAX MATTERS”) are subject to the opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the Board. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as APPENDIX D, dated and premised on law in effect on the date of execution and delivery of the 2015A Certificates, will be delivered on the date of execution and delivery of the 2015A Certificates. Squire Patton Boggs (US) LLP is also serving as Disclosure Counsel to the Board.

Certain matters will be passed upon for the Board by its counsel, the Attorney General, and for the Underwriters by their counsel, Greenberg Traurig, LLP.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the 2015A Certificates express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **TAX MATTERS**

### **General**

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) the Interest Portion of the Lease Payments paid under the Lease and received by the Registered Owners is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the Interest Portion is exempt from Arizona state income tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the 2015A Certificates. Under certain circumstances, interest paid for periods following termination of the Lease by an Event of Non-appropriation of Funds may not be excludable from gross income for federal income tax purposes. Bond Counsel expresses no opinion on the federal income tax or Arizona state income tax treatment of amounts paid to Registered Owners in the event of termination of the Lease by Event of Non-appropriation of Funds or as to any other tax consequences regarding the 2015A Certificates. See also “SECURITY FOR THE 2015A CERTIFICATES – Event of Non-appropriation of Funds.”

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Board contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Interest Portion is and will remain excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Board’s certifications and representations or the continuing compliance with the Board’s covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to the exclusion of the Interest Portion from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these

requirements by the Board may cause loss of such status and result in the Interest Portion being included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the 2015A Certificates. The Board has covenanted to take the actions required of it for the Interest Portion to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Notwithstanding the previous sentence, in the event of termination of the Lease by an Event of Non-appropriation of Funds, use of the property or the facilities financed with the proceeds of the 2015A Certificates in a manner that would cause the Lease, if the property or the facilities financed with the proceeds of the 2015A Certificates had originally been used in such manner, to constitute a “private activity bond” under Section 141 of the Code may prompt the IRS to take the position that the Interest Portion is not excluded from gross income for federal income tax purposes, retroactive to the date of execution and delivery of the 2015A Certificates. After the date of execution and delivery of the 2015A Certificates, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of the Interest Portion or the market value of the 2015A Certificates.

A portion of the Interest Portion earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, the Interest Portion may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the 2013 Certificates. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the 2015A Certificates, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of a 2015A Certificate is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel’s engagement with respect to the 2015A Certificates ends with the execution and delivery of the 2015A Certificates, and, unless separately engaged, Bond Counsel is not obligated to defend the Board or the Beneficial Owners regarding the tax status of the Interest Portion of the 2015A Certificates in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the 2015A Certificates, under current IRS procedures, the IRS will treat the Board as the taxpayer and the Beneficial Owners will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the 2015A Certificates for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the 2015A Certificates.

Prospective purchasers of the 2015A Certificates upon their original issuance at prices other than the respective prices indicated on the inside front cover of this Official Statement, and prospective purchasers of the 2015A Certificates at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

### **Risk of Future Legislative Changes and/or Court Decisions**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2015A Certificates. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of execution and delivery of the 2015A Certificates will not have an adverse effect on the tax status of the Interest Portion or the market value or marketability of the 2015A Certificates. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in

the benefit) of the exclusion of the Interest Portion from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the 2015A Certificates should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the Interest Portion for federal income tax purposes for all or certain taxpayers. In such event, the market value of the 2015A Certificates may be adversely affected and the ability of holders to sell their 2015A Certificates in the secondary market may be reduced. The 2015A Certificates are not subject to special mandatory redemption as a result of a change in federal tax law, and the interest rates on the 2013 Certificates are not subject to adjustment in the event of any such change.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

### **Original Issue Discount and Original Issue Premium**

Certain of the 2015A Certificates (“Discount Certificates”) as indicated on the inside front cover of this Official Statement were offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Certificate. The issue price of a Discount Certificate is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Certificates of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Certificate over the period to maturity based on the constant yield method, compounding semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Certificate (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the 2015A Certificates, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Certificate. The amount of OID that accrues each year to a corporate owner of a Discount Certificate is taken into account in computing the corporation’s liability for federal alternative minimum tax. A purchaser of a Discount Certificate in the initial public offering at the price for that Discount Certificate stated on the inside front cover of this Official Statement who holds that Discount Certificate to maturity will realize no gain or loss upon the retirement of that Discount Certificate.

Certain of the 2015A Certificates (“Premium Certificates”) as indicated on the inside front cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes certificate premium. For federal income tax purposes, certificate premium is amortized over the period to maturity of a Premium Certificate, based on the yield to maturity of that Premium Certificate (or, in the case of a Premium Certificate callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Certificate), compounded semiannually. No portion of that certificate premium is deductible by the owner of a Premium Certificate. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Certificate, the owner’s tax basis in the Premium Certificate is reduced by the amount of certificate premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Certificate for an amount equal to or less than the amount paid by the owner for that Premium Certificate. A purchaser of a Premium Certificate in the initial public offering at the price for that Premium Certificate stated on the inside front cover of this Official Statement who holds that Premium Certificate to maturity (or, in the case of a callable Premium Certificate, to its earlier call date that results in the lowest yield on that Premium Certificate) will realize no gain or loss upon the retirement of that Premium Certificate.

***Owners of Discount and Premium Certificates should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or certificate premium properly accruable or amortizable in any period with respect to the Discount or Premium Certificates and as to other federal tax consequences and the treatment of OID and certificate premium for purposes of state and local taxes on, or based on, income.***

## UNDERWRITING

Citigroup Global Markets, Inc., J.P. Morgan Securities LLC and Wells Fargo Bank, National Association (collectively, the “Underwriters”) have agreed to purchase the 2015A Certificates at an aggregate purchase price of \$\_\_\_\_\_ (which represents the principal amount represented by the 2015A Certificates less an Underwriters’ discount of \$\_\_\_\_\_). The Underwriters will be obligated to accept delivery and pay for all of the 2015A Certificates if any are delivered. The Underwriters may offer and sell the 2015A Certificates to certain dealers (including dealers depositing 2015A Certificates into unit investment trusts) and others at prices lower than the public offering prices reflected on the inside front cover hereof. The initial public offering prices may be changed from time to time by the Underwriters.

The obligation of the Underwriters to accept delivery of the 2015A Certificates is subject to the terms and conditions set forth in the certificate purchase agreement, the approval of legal matters by counsel and other conditions. The Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the 2015A Certificates at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Board, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Board.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Board intends to use a portion of the proceeds from this offering to refund the Certificates Being Refunded. To the extent an Underwriter or an affiliate thereof is an owner of Certificates Being Refunded, such Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the execution and delivery of the 2015A Certificates contemplated herein in connection with such Certificates Beings Refunded being refunded by the Board.

## RATINGS

The 2015A Certificates have been rated “\_\_\_” by Moody’s Investors Service, Inc. (“Moody’s”), and “\_\_\_” by Standard & Poor’s Financial Services LLC (“S&P”). Explanations of the significance of such ratings may be obtained from Moody’s at 7 World Trade Center, 250 Greenwich Street, New York 10041 and S&P at 55 Water Street, New York, New York 10041. Such ratings express only the views of the rating agencies. There is no assurance that any such ratings will continue for any period of time or that the ratings will not be revised or withdrawn. Any such revision or withdrawal of the ratings may have an adverse effect on the market price or marketability of the 2015A Certificates.

The Board expects to furnish each rating agency with information and materials that it may request in the future. However, the Board assumes no obligation to furnish requested information or materials, and may enter into other lease-purchase agreements for which a rating is not requested. Failure to furnish requested information and materials, or the execution and delivery of certificates of participation for which a rating is not requested, may result in the suspension or withdrawal of a rating on the 2015A Certificates.

## **FINANCIAL ADVISOR**

The Board has retained Stifel, Nicolaus & Company, Incorporated (the “Financial Advisor”) as Financial Advisor for sale of the 2015A Certificates. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

## **FINANCIAL STATEMENTS**

The financial statements of the State as of June 30, 2014 and for its fiscal year then ended, which are included as APPENDIX B of this Official Statement, have been audited by the State of Arizona Auditor General (the “Auditor General”), as stated in the opinion which appears in APPENDIX B.

The Board neither requested nor obtained the consent of the Auditor General to include such financial statements and the Auditor General has not reviewed this Official Statement or performed any procedures subsequent to rendering its opinion on such financial statements.

## **CONTINUING DISCLOSURE UNDERTAKING**

In accordance with the provisions of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, the Board, on behalf of the State, will execute a written Continuing Disclosure Undertaking (the “Disclosure Undertaking”), substantially in the form set forth in APPENDIX F, wherein the Board will agree, for the benefit of the Beneficial Owners of the 2015A Certificates, to provide, or cause to be provided, certain annual financial information and audited financial statements for the prior fiscal year and notice of the occurrence of certain events or failures to take certain required actions with respect to the 2015A Certificates.

The Board may from time to time choose to provide notice of the occurrence of other events, in addition to those required in the Disclosure Undertaking, but the Board does not undertake to commit to provide any notice of the occurrence of any event except those events listed in the Disclosure Undertaking.

The obligations of the Board described in the Disclosure Undertaking will remain in effect until the 2015A Certificates are no longer Outstanding or the Rule no longer applies to the 2015A Certificates. The Disclosure Undertaking may be amended or waived upon receipt by the Board of an opinion of independent counsel to the effect that the amendment or waiver would not, in and of itself, cause the Disclosure Undertaking to violate the Rule.

A beneficial owner of a 2014 Certificate may seek to enforce the undertakings of the Board in the Disclosure Undertaking by an action for specific performance in any court of competent jurisdiction in Phoenix, Arizona, after providing the Board with 30 days prior written notice of its failure to perform. Any failure of the Board to comply with any of its obligations in the Disclosure Undertaking shall not be an Event of Default with respect to the 2015A Certificates or under the Lease.

The Board has made previous continuing disclosure undertakings that called for the filing of (i) certain annual financial information relevant to the source of payment of the particular obligations and (ii) audited financial statements to be filed by February 1 of each year. Separate financial statements are not prepared for the Board as a separate entity; rather information concerning the Board is included as part of the State’s annual financial statements the preparation of which is not within the Board’s control.

Notices of defeasance of previously issued certificates of participation and notices of changes of ratings may in some instances not have been filed on a timely basis. The Board has otherwise been and is currently in compliance, in all material respects, with its previous continuing disclosure undertakings. **[To be updated]**

### **ADDITIONAL INFORMATION**

Additional information and copies of this Official Statement may be obtained from Stifel, Nicolaus & Company, Incorporated, 2325 East Camelback Road, Suite 750, Phoenix, Arizona 85016, telephone: (602) 794-4000.

### **CONCLUDING STATEMENT**

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the Board from official and other sources and is believed by the Board to be accurate and reliable. Information other than that obtained from official records of the State has not been independently confirmed or verified by the Board and its accuracy is not guaranteed.

Neither this Official Statement nor any statements that may have been or that may be made orally or in writing is to be construed as a part of a contract with the original purchasers or subsequent Owners of the 2015A Certificates.

This Official Statement is submitted in connection with the original sale of the 2015A Certificates and may not be reproduced or used, as a whole or in part, for any other purpose. This Official Statement has been prepared and delivered by the Board and executed for and on behalf of the Board by its officer indicated below.

### **ARIZONA SCHOOL FACILITIES BOARD**

By: \_\_\_\_\_  
Philip Williams, Interim Executive Director

**STATE OF ARIZONA**

*(Fiscal Condition and Economic and Demographic Information)*

**STATE OF ARIZONA  
AUDITED FINANCIAL STATEMENTS  
FOR FISCAL YEAR ENDED JUNE 30, 2014**

**The audited financial statements for fiscal year 2013-14 are the most recent financial statements of the State. These financial statements are not current and do not represent the current financial condition of the State.**



**SUMMARY OF LEGAL DOCUMENTS**

The following are summaries of certain provisions of the Lease and the Declaration of Trust, as well as certain defined terms used therein. The summaries do not purport to be complete, and reference is made to the full text of the Lease and the Declaration of Trust, respectively, for a complete recital of their terms, as well as a complete recital of the defined terms used therein.

**DEFINITIONS**

“Acquisition Fund” means the Acquisition Fund created in the Declaration of Trust.

“Act” means Sections 15-2004 and 15-2006 of the Arizona Revised Statutes and Arizona Laws 2015, Fifty-second Legislature, First Regular Session, by Chapter 15 (Senate Bill 1476), Section 16.

“Additional Rent” means any payments required to be made pursuant to the Lease in addition to the Base Rent.

“Appropriation” or “Appropriations” means an appropriation by the Legislature that has become law.

“Attorney General” means the Attorney General of the State.

“Base Rent” means the payments, including both the principal and interest components of those payments, specified in the Lease Series Supplement.

“Beneficial Owner” means any person for whom a Participant acquires an interest in a Certificate.

“Book Entry Form” or “Book Entry System” means a form or system under which (i) the beneficial ownership of and rights to Certificate Payments may be transferred only through a Book Entry, and (ii) physical Certificates are executed and delivered only to a Depository or its nominee as Owners, with the Certificates “immobilized” in the custody of the Depository, and the Book Entry is the record that identifies the owners of beneficial interests in those Certificate Payments.

“Certificate” or “Certificates” means Certificates of Participation issued pursuant to the Declaration of Trust and a Declaration Series Supplement.

“Certificate Fund” means the Certificate Fund established pursuant to the Declaration of Trust.

“Certificate Payments” means, for any period or time, the Principal Portion and Interest Portion evidenced by the Certificates and any premium due with respect thereto for that period or payable at that time, as the case may be.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder.

“Credit Support Instrument” means an insurance policy, including a policy of bond insurance, letter of credit or other credit enhancement, support or liquidity device provided pursuant to an agreement to which the School Facilities Board or the Trustee is a party and which is used to enhance the security or liquidity of any Certificates or Series or two or more Series or part of a series of Certificates.

“Credit Support Provider” means the provider of a Credit Support Instrument relating to all or any portion of a Series of Certificates so long as those Certificates are Outstanding within the meaning of the Declaration of Trust, and so long as that Credit Support Instrument is in effect.

“Declaration Series Supplement” means a Declaration Supplement authorizing the execution and delivery of a series of Certificates in accordance with the provisions of the Declaration of Trust.

“Declaration Supplement” means an instrument executed by the Trustee that supplements or amends the Declaration of Trust in a manner permitted by the Declaration of Trust as then in effect, including any Declaration Series Supplement.

“Defeasance Obligations” means, except to the extent provided otherwise with respect to a Series of Certificates in the Declaration Series Supplement for that Series:

- (i) direct non-callable obligations of the United States of America; and
- (ii) evidences of ownership of proportionate interests in future interest and principal payments on direct non-callable obligations of the United States of America held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying direct non-callable obligations of the United States of America are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“Depository” means any securities depository that is a clearing agency under federal law, operating and maintaining, with its Participants or otherwise, a Book Entry System to record Beneficial Ownership of Certificates, and to effect transfers of Certificates, in Book Entry Form, and includes The Depository Trust Company (a limited purpose trust company), New York, New York.

“Eligible Investments” means, except as otherwise provided in a Declaration Series Supplement with respect to amounts held by the Trustee with respect to the Series of Certificates authorized by that Declaration Series Supplement, any investment which is lawful for investment of monies belonging to the School Facilities Board.

“Event of Non-appropriation of Funds” means termination of the Lease at the end of the then-current Fiscal Period for failure by the Legislature to make an Appropriation or for failure by the Board to allocate monies for any subsequent Fiscal Period with respect to the Lease.

“Facilities” means new school facilities which the School Facilities Board is authorized to provide for School Districts by entering into lease-to-own transactions pursuant to the Act and all or part of the Project Costs of which have been or are to be paid from monies derived from Certificates pursuant to the Declaration of Trust, and includes any undivided portion of Facilities representing the part of the Project Costs paid from those monies.

“Fiscal Period” means a period of 12 consecutive months commencing on July 1 and ending on June 30 or any other consecutive 12-month period that may be established as the fiscal year of the School Facilities Board for budgeting and appropriation purposes; provided, however, that if the Legislature enacts a general appropriations bill including Appropriations for Lease Payments due under the Lease for a period less than 12 consecutive months, Fiscal Period means the period for which the Legislature made such Appropriations.

“Force Majeure” means, without limitation, Acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or any of its departments, agencies, political subdivisions, courts or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation, or any other similar or dissimilar cause that is beyond the control of the School Facilities Board and occurs without the School Facilities Board’s fault or negligence and that the School Facilities Board is unable to prevent by exercising reasonable diligence.

“Ground Lease” means a Ground Lease from a School District, as lessor, to the Trustee, as lessee, of a Site for Facilities costs of which are to be financed with the proceeds of Certificates.

“Interest Payment Date” means the dates established for payment of the Interest Portion of Lease Payments to the Owners of a Series of Certificates as set forth in the Declaration Series Supplement for that Series.

“Interest Portion” means the portion of each Lease Payment made by the School Facilities Board under the Lease and denominated as and comprising interest pursuant to the Lease.

“Lease Payment Date” means the date that is 15 days prior to the date payment is due on the Certificates during the Lease Term.

“Lease Payments” means the sum of the Base Rent and Additional Rent due at or during a stated time.

“Lease Series Supplement” means a Lease Supplement entered into with respect to the execution and delivery of a series of Certificates in accordance with the provisions of the Lease.

“Lease Supplement” means an instrument executed by the Trustee and the School Facilities Board that supplements or amends the Lease in a manner permitted by the Lease and the Declaration of Trust, as then in effect, including any Lease Series Supplement.

“Lease Term” means except as otherwise provided in a Lease Supplement, the Lease Term with respect to each Project shall be as follows:

(i) For each Project that is specifically identified in a Lease Series Supplement, the Lease Term shall commence as of the date of that Lease Series Supplement, and expire as of the date on which all Certificates (including refunding Certificates) contemplated by a Lease Series Supplement in which that Project is identified no longer are outstanding pursuant to the Declaration of Trust.

(ii) For each Project that is not specifically identified in a Lease Series Supplement, the Lease Term shall commence as of the first date when the School Facilities Board authorizes monies from the Acquisition Fund to be expended for Project Costs of that Project, and expire as of the date on which all Certificates (including refunding Certificates), any of the proceeds of which are expended for those Project Costs (or proceeds of which are expended to refund, directly or through a series of refundings, such Certificates), are no longer outstanding pursuant to the Declaration of Trust.

“Legislature” means the Legislature of the State.

“Outstanding” when used with reference to Certificates, means, as of the applicable date, all Certificates that have been executed and delivered or which are being delivered by the Trustee under a Declaration of Trust, except:

(i) Certificates canceled upon surrender, exchange or transfer, or cancelled because of payment or redemption on or prior to that date;

(ii) Certificates, or the portions thereof, for the payment, redemption or purchase for cancellation of which sufficient monies have been deposited and credited with the Trustee or any paying agents on or prior to that date for that purpose (whether upon or prior to the maturity or redemption date of those Certificates); provided, that if any of those Certificates are to be redeemed prior to their maturity, notice of that redemption has been given or arrangements satisfactory to the Trustee have been made for giving notice of that redemption, or waiver by the affected Owners of that notice satisfactory in form to the Trustee has been filed with the Trustee;

(iii) Certificates, or the portions thereof, which are deemed to have been paid or discharged or caused to have been paid and discharged pursuant to the provisions of a Declaration of Trust; and

(iv) Certificates in lieu of which others have been executed under a Declaration of Trust.

“Owner” or “Registered Owner” means the person, including any nominee of the Depository, in whose name a Certificate is registered on the registration records maintained by the Trustee.

“Participant” means any participant contracting with a Depository under the Book Entry System and includes securities brokers and dealers, banks and trust companies, and clearing corporations.

“Predecessor Certificate” of any particular Certificate means every previous Certificate evidencing all or a portion of the same obligation as that evidenced by the particular Certificate. For the purposes of this definition, any Certificate executed and delivered under one Declaration of Trust in lieu of a lost, stolen or destroyed Certificate shall be deemed to evidence the same obligation as the lost, stolen or destroyed Certificate.

“Principal Portion” means the portion of each Lease Payment made by the School Facilities Board under the Lease and denominated as and comprising principal pursuant to the Lease.

“Project” means the Facilities to be provided to a particular School District and designated by the School Facilities Board as a separate project, and the related Site.

“Project Costs” means the aggregate of those costs relating to the School Facilities Board’s providing of the Projects pursuant to the Act, including land acquisition, related infrastructure, fixtures, furnishings, equipment and costs relating to the sale, execution and delivery of Certificates.

“Rebate Fund” means the Rebate Fund established pursuant to the Declaration of Trust.

“Registrar” means the Trustee, until a successor Registrar shall have become such pursuant to applicable provisions of the Declaration of Trust.

“Regular Record Date” means, with respect to any Certificate, the fifteenth day of the calendar month next preceding an Interest Payment Date, unless otherwise provided in a Declaration Series Supplement with respect to a Series of Certificates.

“Revenues” means, with respect to the Lease, (a) Lease Payments, except Additional Rent paid by the School Facilities Board to indemnify the Trustee pursuant to the Lease, (b) all other monies received or to be received by the Trustee pursuant to the Lease, including without limitation, all monies and investments in the Certificate Fund, and all other rentals, revenues and other income, charges and monies realized from the lease, sale or other disposition of the Project, except for any money in, or required to be deposited in, the Rebate Fund, (c) any monies and investments in the Acquisition Fund, to the extent provided in the Declaration of Trust, and (d) all income and profit from the investment of the foregoing monies, except for any investment income that is required to be rebated to the United States of America in order to continue the exclusion from gross income for federal income tax purposes of the Interest Portion.

“School District” means a school district for which the School Facilities Board is authorized by the Act to provide Facilities through a lease-to-own transaction.

“School Facilities Board” means the Arizona School Facilities Board.

“Series of Certificates” “Series” or “Certificates of a Series” means a series of Certificates issued pursuant to a Declaration of Trust and designated as a “Series” and authorized by a separate Declaration Series Supplement.

“Site” means the real property on which a Project is to be constructed and in which a leasehold interest is granted to the Trustee pursuant to a Ground Lease.

“Special Record Date” means the date established by the Trustee in connection with the payment of overdue interest with respect to a Certificate pursuant to a Declaration of Trust.

“State” means the State of Arizona.

“Subject to Appropriations” means conditioned upon the Legislature making an Appropriation for the amounts payable by the School Facilities Board under the Lease when due.

“Sublease” means a sublease from the School Facilities Board to a School District of a Project.

“Trust Estate” means, with respect to each Declaration of Trust, all right, title and interest of the Trustee in and to (i) the Revenues, including without limitation all Lease Payments and other amounts receivable by or on behalf of the Trustee (as lessor) under the Lease, except Additional Rent paid by the School Facilities Board to indemnify the Trustee pursuant to the Lease; (ii) the Ground Lease, (iii) the Lease, and (iv) the Projects.

“Trustee” means the Trustee at the time under the Declaration of Trust, initially The Bank of New York Mellon Trust Company, N.A.

## **THE LEASE**

### **General**

The Lease will be entered into between the School Facilities Board, as lessee, and the Trustee, as lessor. The Lease contains the terms and conditions under which the Projects will be leased to the Board for the Lease Term. The parties contemplate that at or prior to the execution and delivery of a Series of Certificates, they will enter into a Lease Series Supplement identifying the Certificates to be issued and any Projects to be financed or refinanced by the proceeds of those Certificates, making any special provisions for lease terms applying to particular Projects or categories of Projects and providing for the amounts and times for payment of rentals.

Each Lease Series Supplement will constitute a part of the Lease with the same force and effect as if incorporated in the Lease. Notwithstanding any provision of the Lease, a Lease Series Supplement will terminate and cease to be part of the Lease when all of the Certificates, including refunding Certificates, identified in or contemplated by that Lease Series Supplement to finance or refinance Projects to which it relates are no longer outstanding in accordance with the Declaration of Trust.

### **Projects**

The Projects expected to be provided for by each Lease Series Supplement are identified in Exhibit A to the Lease Series Supplement. The parties agree that the Projects may be changed from time to time and any Projects may be changed in scope or kind, provided that the Facilities of each Project shall at all times during the Lease Term with respect to those Projects qualify as Facilities within the meaning of the Lease. The Projects, as they may from time to time be changed, are included under the Lease Series Supplement and therefore under the Lease without necessity for amendment of the Lease Series Supplement. One or more Projects may be added so long as there is delivered to the Trustee a Ground Lease and a Sublease with respect to each Project. Generally, one or more Projects may be deleted so long as the total costs of the Projects remain equal or exceed the original principal amount of the Certificates issued pursuant to the related Declaration Series Supplement. If any Project is deleted, the School Facilities Board and the Trustee will execute and deliver, and will cause to be recorded as appropriate, any documents necessary to evidence the deletion and the termination of the Ground Lease, the Lease and the Sublease with respect to that Project. Any additions or deletions will be reflected in a revised Exhibit A to the affected Lease Series Supplement approved by an Authorized Officer of the School Facilities Board and filed with the Trustee. No change in or substitution for the Projects will result in any change in the provisions of the Lease Series Supplement for the payment of Lease Payments.

### **Lease Term**

The Lease Term with respect to each Project shall be as follows, unless otherwise provided in a Lease Series Supplement:

- (1) For each Project that is specifically identified in a Lease Series Supplement, the Lease Term shall commence as of the date of that Lease Series Supplement, and expire as of the date on which all

Certificates (including refunding Certificates) contemplated by a Lease Series Supplement in which that Project is identified no longer are outstanding pursuant to the Declaration of Trust.

(2) For each Project that is not specifically identified in a Lease Series Supplement, the Lease Term shall commence as of the first date when the School Facilities Board authorizes monies from the Acquisition Fund to be expended for Project Costs of that Project, and expire as of the date on which all Certificates (including refunding Certificates), any of the proceeds of which are expended for those Project Costs (or proceeds of which are expended to refund, directly or through a series of refundings, such Certificates), are no longer outstanding pursuant to the Declaration of Trust.

The Board shall have the right to cancel and terminate this Lease only at the end of its Fiscal Period as a result of an Event of Non-appropriation of Funds.

### **Lease Payments**

On each Lease Payment Date, the School Facilities Board will pay to the Trustee when due, in lawful money of the United States of America, the Lease Payments for such Lease Payment Date as set forth in the Lease; provided that credit will be given for amounts on deposit in the Certificate Fund.

Except as described in the following sentence, the obligation of the School Facilities Board to pay Base Rent, Additional Rent and all other amounts required to be paid by the School Facilities Board under the Lease and to perform its obligations under the Lease will be absolute and unconditional and will not be subject to abatement, set-off, defense, recoupment or counterclaim. The cost and expense of the performance by the School Facilities Board of its obligations under the Lease and the incurrence of any liabilities of the School Facilities Board under the Lease, including, without limitation, the payment of all Base Rent, Additional Rent and amounts payable under the Lease with respect to the Projects, will be subject to and dependent upon Appropriations being made from time to time by the Legislature for such purposes, and are not a general obligation indebtedness of the State or the School Facilities Board.

### **Additional Rent**

The School Facilities Board will pay to the Trustee, if and whenever applicable, the following amounts as Additional Rent:

- (a) Promptly upon a receipt from the Trustee of a statement therefor, an amount equal to those charges, assessments and taxes imposed on the Trustee during the Lease Term, if any, resulting from the Trustee's ownership, leasing, rental, sale, purchase, possession or use of the Projects or any portion thereof, exclusive of taxes on or measured by the Trustee's income;
- (b) As and when the same become due, all reasonable costs and expenses incurred or to be paid by the Trustee, in performance of its obligations, under the Lease or the Declaration of Trust;
- (c) All amounts owed to the Trustee pursuant to the indemnification provisions of the Lease;
- (d) Within five days of notice from the Trustee, any amount required to be deposited into the Rebate Fund as determined by the calculations required to be made pursuant to the Declaration of Trust, which calculations the School Facilities Board has agreed to make and to provide to the Trustee;
- (e) All costs incident to the payments with respect to the Certificates (including redemption and costs relating to Credit Support Instruments);
- (f) All expenses incurred in the enforcement of any rights under the Lease or the Declaration of Trust; and

(g) All other payments of whatever nature that the School Facilities Board has agreed to pay or assume under the Lease.

The School Facilities Board's obligation to pay Additional Rent in each Fiscal Period is Subject to Appropriations and the School Facilities Board's allocation of funds. If Appropriations are not made for payment of all or any part of the Additional Rent or the School Facilities Board does not allocate funds for that purpose, the Trustee may, but is not obligated to, pay or advance the amount of such Additional Rent. If the Trustee so pays or advances any portion of such Additional Rent, the School Facilities Board will, Subject to Appropriations, pay the Trustee such sums, including costs incurred by the Trustee, no later than the first Lease Payment Date in the next succeeding Fiscal Period during which a Lease Term is in effect. If the Trustee pays or advances such Additional Rent and is repaid as provided in the Lease, the Lease will not be deemed terminated as a result of such nonpayment of Additional Rent.

### **Interests in Site and Facilities**

The School Districts will grant leasehold interests in the Sites to the Trustee pursuant to Ground Leases. During the Lease Term applicable to each Project, the Trustee will retain title to the Facilities and will retain its leasehold interest in the Sites. The Trustee's interests in those Projects will become the property of the School Facilities Board and then of the School Districts pursuant to their Subleases, and the Trustee's interests in those Projects will pass to the School Facilities Board and then to the School Districts pursuant to their Subleases, and the Trustee's interests in the Sites pursuant to the Ground Leases shall end, upon the School Facilities Board's exercise of the applicable purchase option with respect to each Project granted in the Lease or upon payment in full of all Base Rent and Additional Rent required by the applicable Lease Series Supplements.

### **Personal Property**

Any personal property included in the Facilities is and will remain personal property under all circumstances. Each School District will have the privilege of substituting furnishings, equipment and related personal property for any Facilities constituting part of a Project. Any such substitute property shall become part of the Project for purposes of the Lease, and the replaced Facilities shall become the property of the School District. The School District shall also have the privilege of removing without substitution any Facilities not financed from monies in the Acquisition Fund. In addition to the Facilities the costs which are included in Project Costs, the School District may in its sole discretion and at its own expense install additional movable personal property in or on a Project, which shall be and remain the sole property of that School District in which neither the Trustee nor the School Facilities Board will have any interest and which may at any time be modified or removed by that School District in its sole discretion.

### **Maintenance, Protection, Repairs and Utilities**

Neither the Trustee nor the School Facilities Board will have any obligation whatever for or in any way be charged with:

(i) The maintenance, renovation or repair of or provision of utilities services to, or any operating expense of any kind with respect to, any Project, it being understood that the School District will be responsible for those items.

(ii) The provision of insurance of any kind for, or with respect to activities connected in or with, any Project. If the School District provides any such insurance, neither the Trustee nor the School Facilities Board will have any right or interest in or to any proceeds from that insurance except as provided in the applicable Sublease.

### **Alterations and Additions**

Each School District will have the right at any time, without liability to the Trustee or the School Facilities Board, to make, cause to be made or approve the making of such changes, alterations and additions (all of which

shall be and become a part of the Project), structural or otherwise, to the Project as the School District may consider necessary or desirable in connection with its use of the Project. The School District will promptly pay and discharge the costs of any such change, alteration or addition or otherwise take all appropriate steps for that payment as necessary so that the Project will at all times be free and clear of liens.

### **Other Rights and Responsibilities of School District**

Subject to the applicable provisions of the Lease and the Subleases, each School District will have all rights with respect to a Project as it may have in accordance with law with respect to any other property devoted to the use or benefit of the School District; however, the School District may not, without the prior written consent of the Trustee and the School Facilities Board and an opinion of nationally recognized bond counsel that such will not adversely affect the inclusion of the Interest Portion from the gross income of the recipient for federal income tax purposes, assign, transfer, pledge, hypothecate or grant any security interest in or otherwise dispose of the Project without replacement or substitution.

### **Lease, Easements and Other Uses**

Each School District will have the right and privilege to grant, cause to be granted or approve the granting of such leases, easements and other rights with respect to a Project as it may under law grant or cause to be granted with respect to other similar property under its control, and may permit uses by others of a Project as it may permit under law with respect to other similar property. The exercise of this right and privilege is subject to the Lease and related Sublease, including any applicable provisions relating to exclusion of the Interest Portion from federal income tax under the Code.

### **Purchase Option**

If there is not then existing an Event of Default, or a default which with notice or lapse of time or both could become an Event of Default, which would not be cured or remedied by the payments provided for in the Lease, the School Facilities Board will have the right to purchase the Projects relating to a Series of Certificates at any time by paying to the Trustee the amount which will cause the defeasance of the Lease with respect to those Projects by providing for all Lease Payments required by the applicable Lease Series Supplement. Notwithstanding the foregoing, the School Facilities Board will be deemed to have exercised the purchase options, as set forth in the previous sentence, without any necessity of written notice or further action on its part, upon the payment in full of all Lease Payments required by the applicable Lease Series Supplement as they have come due.

A School District will have the right to purchase its Project or Projects at any time by paying to the Trustee the amount which will cause the defeasance of the Lease with respect to those Projects by providing for all Lease Payments with respect to those Projects by providing for payment of the principal and interest represented by an allocable portion of the Certificates in the manner described under "THE DECLARATION OF TRUST – Defeasance" of this Appendix. The allocable portion of the Certificates with respect to a Project or Projects of a School District will be those Certificates of the applicable Series and the portion of the Lease Payments with respect to those Certificates determined as nearly as practicable by multiplying the aggregate outstanding principal amount of Certificates of that Series by a fraction, the numerator of which is the amount disbursed for that Project or those Projects from the Acquisition Fund, and the denominator of which is the aggregate amount deposited to the Acquisition Fund from the proceeds of the applicable Series of Certificates. The maturity dates of the Certificates to be provided for will be determined by the School Facilities Board.

### **Assignments**

The School Facilities Board may not without the written consent of the Trustee and any applicable Credit Support Provider (i) assign, transfer, pledge, hypothecate or grant a security interest in the Lease, or any Project (without replacement or substitution in accordance with the terms of the Lease) or (ii) sublease any Project to anyone other than to a School District pursuant to a Sublease.



## **Defaults and Remedies**

The following are Events of Default under the Lease:

- (a) failure by the School Facilities Board to pay in full any Lease Payment as it becomes due in the manner specified therein; or
- (b) failure by the School Facilities Board to observe or perform any covenant, condition, or agreement on its part to be observed or performed, and the failure is not cured or steps satisfactory to the Trustee taken to cure the failure within 30 days after written notice of the failure, to the School Facilities Board by the Trustee.

Notwithstanding the foregoing, if, by reason of Force Majeure, the School Facilities Board is unable to perform or observe any agreement, term or condition of the Lease, other than any obligation to make payments required under the Lease, the School Facilities Board will not be deemed in default during the continuance of such inability. However, the School Facilities Board is required to promptly give notice to the Trustee of the existence of any event of Force Majeure and will use its best efforts to remove the effects thereof.

Upon the occurrence and continuance of an Event of Default, the Trustee will be entitled, pursuant to the Lease, to exercise any one or more of the following remedies: (1) by written notice to the School Facilities Board, terminate the Lease and direct the School Facilities Board to (and the School Facilities Board agrees that it will), at the School Facilities Board's expense, promptly return possession of the related Projects to Trustee; (2) sell or lease the School Facilities Board's interest in the Projects or sublease the Projects for the account of the School Facilities Board pursuant to the terms of the Lease, holding the School Facilities Board liable for all applicable Lease Payments and other payments due during the then-current Fiscal Period to the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and the amounts payable during the then-current Fiscal Period by the School Facilities Board under the Lease; and (3) exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of the Lease or to rescind the Lease. The Lease Payments cannot be accelerated under the Lease.

## **Amendments to Lease**

The Lease may not be modified, amended, altered or changed except (i) without the consent of the Owners of the Certificates but with the written consent of the School Facilities Board and the Trustee to make any change relating to the title of the Projects, which change does not adversely affect the Owners of the Certificates, and (ii) in all other cases only with the written consent of the School Facilities Board, the Trustee and in some cases the Owners, as established in the Declaration of Trust.

## **THE DECLARATION OF TRUST**

### **General; Certificates**

The Declaration of Trust is executed by the Trustee for the benefit of the Owners of the Certificates. Declaration Supplements may also be executed by the Trustee, which would authorize the execution and delivery of Series of Certificates in accordance with the Declaration of Trust.

The Declaration of Trust directs the Trustee to prepare, execute and deliver Series of Certificates. The Series of Certificates will be delivered in fully registered form. One certificate for each maturity will be delivered in the aggregate principal amount evidenced by such maturity. The Series of Certificates will be registered on the registration books for the Series of Certificates to Cede & Co., the nominee for the Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Certificates, except in the event the Trustee issues replacement Series of Certificates as provided in the Declaration of Trust. It is anticipated that, during the term of the Series of Certificates, the Depository will make book entry transfers among its Participants

and receive and transmit payments of principal and interest evidenced by such Series of Certificates until and unless the Trustee executes and delivers replacement Certificates to the Beneficial Owners.

### **Acquisition Fund**

The Acquisition Fund is to be used for the purpose of payment or reimbursement of all costs and expenses relating to the Delivery Costs or Project Costs, including but not limited to charges and expenses and all other such fees, charges and expenses incurred in connection with the authorization, sale, execution and delivery of the Certificates including, without limitation, the fees and expenses of the Trustee.

The Trustee is directed to make payments from the Acquisition Fund in the amounts, at the times, in the manner, and on the other terms and conditions set forth in the Declaration of Trust. No such payment will be made until the Trustee will have received a written order signed by an authorized officer of the School Facilities Board stating with respect to each payment to be made that each obligation, item of cost or expense mentioned therein has been properly incurred, is a necessary Delivery Cost or Project Cost, is a proper charge against the Acquisition Fund, has not been the basis of any previous withdrawal and as to such other conditions set forth in the Declaration of Trust.

### **Certificate Fund**

All Base Rent, Additional Rent (except indemnity payments) and all other monies received by the Trustee with respect to the Lease are to be deposited in the Certificate Fund by the Trustee immediately upon their receipt. Monies in the Certificate Fund are to be applied to Certificate Payments when due at stated maturity or by redemption and payment of Trustee's fees; provided, that no part thereof may be used to redeem any Certificates prior to maturity, except as may be provided otherwise in the Declaration of Trust.

Certificate Payments, except to the extent paid from the proceeds of the Certificates, are payable, as they become due: (i) in the first instance from the Lease Payments to be made directly by the School Facilities Board to the Trustee pursuant to the terms of the Lease and to be deposited in the Certificate Fund; (ii) if those Lease Payments are not made or if monies then on deposit in the Certificate Fund and available for that purpose are not sufficient to pay the Certificate Payments, from other Revenues to the extent then available, and (iii) from any other source lawfully available to the Trustee, including without limitation, proceeds from the sale or liquidation of any collateral then pledged to the Trustee.

### **Rebate Fund**

A Rebate Fund is created for the purpose of complying with the rebate requirements of the Code with respect to a Series of Certificates. Amounts credited to the Rebate Fund are free and clear of any pledge under the Declaration of Trust. Monies and investments in the Rebate Fund are not Revenues as defined in the Declaration of Trust; however, such monies are to be invested pursuant to the procedures and in the manner provided for investment of monies in the Acquisition Fund and the Certificate Fund.

### **Investment of Funds**

Monies held in the Acquisition Fund, the Certificate Fund and the Rebate Fund are to be invested and reinvested by the Trustee to the fullest extent practicable in Eligible Investments which mature not later than such times as will be necessary to provide monies when needed for payments to be made from such funds.

Interest or income received by the Trustee on investment of monies in each fund established under the Declaration of Trust constitute part of that respective fund, and each respective fund will be credited with all proceeds of sale and income from investments of monies credited thereto.

## **Action on Event of Default**

The following are Events of Default under the Declaration of Trust:

- (a) Payment of principal or interest evidenced by any Certificate or any premium thereon is not made when and as that payment becomes due and payable, whether at stated maturity or by redemption;
- (b) Any Event of Default under the Lease of which the Trustee has received notice (the Trustee will be deemed to have notice of any payment default under the Lease by virtue of its capacity as lessor); or
- (c) Receipt by the Trustee of a notice of an Event of Non-appropriation of Funds pursuant to the Lease.

In the Trustee's determination of whether an Event of Default described in subsection (a) above has occurred, no effect will be given to payments made pursuant to a Credit Support Instrument.

Upon the occurrence and continuance of any Event of Default under the Declaration of Trust or under the Lease, the Trustee may proceed, and upon written request of the Owners of not less than 25 percent in aggregate principal amount of Certificates then Outstanding under that Declaration of Trust shall proceed, to take whatever action at law or in equity is necessary to collect the Base Rent, Additional Rent or any other payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant under the Lease or the Declaration of Trust; provided, however, that the maturities of the Certificates or any Lease Payment that is not then past due or in default cannot be accelerated under the Lease or the Declaration of Trust.

Prior to exercising remedies under the Declaration of Trust, the Trustee may require that satisfactory indemnification and assurances be provided to it for reimbursement of all reasonable expenses that it may incur in exercising its remedies. Such assurances may include, but are not limited to, environmental audits or other evidence satisfactory to the Trustee that it will not incur liability by reason of any remedial action taken pursuant to the Declaration of Trust.

Notwithstanding the foregoing, if such Event of Default arises as a result of the receipt of a notice of an Event of Non-appropriation of Funds, the Trustee will not execute any remedies in conflict with the Lease prior to the expiration of the 45-day reinstatement period described in the Lease.

## **Waivers of Events of Default**

As provided in the Declaration of Trust, the Trustee may waive any Event of Default under the Declaration of Trust (except payment defaults) and any consequence thereof in its discretion and will do so upon the written request of the Owners of: (a) at least a majority in aggregate principal amount of all Certificates then Outstanding in respect of which an Event of Default in the payment of Certificate Payments exists, or (b) at least 25 percent in aggregate principal amount of all Certificates then Outstanding under the Declaration of Trust, in the case of any other Event of Default. Payment defaults may not be waived unless, at the time of the waiver, all payments have been paid or provided for.

In the case of such waiver, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default will have been discontinued, abandoned or determined adversely to it, the Trustee and the Owners will be restored to their former positions and rights under the Declaration of Trust, respectively. No waiver will extend to any subsequent or other Event of Default or impair any right consequent thereon.

## **Application of Monies**

After payment of any reasonable costs, expenses, liabilities and advances paid or incurred by the Trustee in the collection of monies pursuant to the Declaration of Trust (including reasonable attorneys' fees and expenses) and

any monies necessary to be paid into the Rebate Fund, all monies received by the Trustee, will be applied as follows (except for monies held by the Trustee in trust for particular owners in accordance with the Declaration of Trust):

First -- To the payment to the Owners entitled thereto of all installments of interest then due with respect to the Certificates, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Owners entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Certificates; and

Second -- To the payment to the Owners entitled thereto of the unpaid principal of any of the Certificates which will have become due (other than Certificates previously called for redemption for the payment of which monies are held pursuant to the provisions of the Declaration of Trust), whether at stated maturity or by redemption, in the order of their due dates, beginning with the earliest due date, and if the amount available is not sufficient to pay in full all Certificates due on any date, then to the payment thereof ratably, according to the aggregate amounts of principal due, to the Owners entitled thereto, without any discrimination or privilege.

Whenever monies are to be applied as described above, those monies will be applied at such times, and from time to time, as the Trustee determines, having due regard for the amount of monies available for application and the likelihood of additional monies becoming available for application in the future; provided, however, that nothing in the Declaration of Trust grants the Trustee discretion not to liquidate any Eligible Investments in the Certificate Fund and pay Certificates due on an Interest Payment Date. Whenever the Trustee directs the application of those monies, it will fix and give notice of the date upon which the application is to be made, and upon that date, interest will cease to accrue on the amounts of principal, if any, to be paid on that date, provided the monies are available therefor.

After application of amounts described above, any remaining monies shall be paid to the School Facilities Board.

### **Defeasance**

If the Trustee pays, or causes to be paid and discharged, all of the Outstanding Certificates or if there otherwise is to be paid to the Owners of the Outstanding Certificates, all Certificate Payments due or to become due, and provision is made for the payment of all other sums payable under the Declaration of Trust and under the Lease, then the Declaration of Trust will cease, determine and become null and void, and the covenants, agreements and obligations of the Trustee thereunder will be released, discharged and satisfied.

All or any part of the Certificates will be deemed to have been paid and discharged within the meaning of a Declaration of Trust if (a) the Trustee as paying agent and any paying agents have received, in trust for and irrevocably committed thereto, sufficient monies, or (b) the Trustee has received, in trust for and irrevocably committed thereto, non-callable Defeasance Obligations which are certified by an independent public accounting firm to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any monies to which reference is made in (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as described herein), for the payment of all Certificate Payments for those Certificates, at their maturity or redemption dates, as the case may be, or if a default in payment has occurred on any maturity or redemption date, then for the payment of all Certificate Payments thereon to the date of the tender of payment; provided, that if any of those Certificates are to be redeemed prior to maturity thereof, notice of that redemption has been duly given or irrevocable provision satisfactory to the Trustee has been duly made for the giving of that notice.

In the event of an advance refunding, the School Facilities Board will cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Certificates in full ("Verification"), (ii) the escrow agreement which must provide that no (A) substitution of a Defeasance Obligation is permitted except with another Defeasance Obligation and upon delivery

of a new Verification and (B) reinvestment of a Defeasance Obligation will be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) an opinion of nationally recognized bond counsel to the effect that the Certificates are no longer Outstanding under the Declaration of Trust, each of which must be addressed to the School Facilities Board and the Trustee.

If, in connection with a redemption of all or any part of the Certificates, or in connection with providing for payment of all or any part of the Certificates pursuant to the Declaration of Trust, monies and/or Defeasance Obligations are deposited with the Trustee sufficient to pay Certificate Payments on all or a portion of the Certificates to any date after the first date on which the Certificates may be redeemed, the School Facilities Board may expressly reserve and retain the right to subsequently change the date on which any Certificates for which such an escrow has been established are to be redeemed. The School Facilities Board may further reserve and retain the right to restructure the monies and/or Defeasance Obligations in the escrow and to apply any of the proceeds available following such restructuring for any lawful purpose. If the School Facilities Board desires to reserve and retain any such rights, it shall so advise the Trustee at the time of the deposit and the Trustee shall include a statement of such reserved and retained rights in the notice given to Owners pursuant to the Declaration of Trust.

### **Nonpresentment of Certificates**

In the event that any Certificate is not presented for payment when the principal represented thereby becomes due in whole or in part, either at stated maturity or by redemption, or any check or draft for interest is uncashed, if monies sufficient to pay the principal represented by that Certificate then due or of such check or draft is made available to the Trustee for the benefit of the Registered Owner, any liability of the Trustee to that Registered Owner for such payment thereupon will cease and be discharged completely, except as described in the following sentence. It will be the duty of the Trustee to hold such monies, without liability for interest thereon, in a separate account in the Certificate Fund for the exclusive benefit of the Registered Owner, who will be restricted thereafter exclusively to those monies for any claim of whatever nature on its part under the Declaration of Trust or on, or with respect to, the principal evidenced by that Certificate then due or of such check or draft.

Any monies which are so held by the Trustee, and which remain unclaimed by the Registered Owner of a Certificate not presented for payment, or check or draft not cashed for a period of five years after the due date thereof, will be disposed of according to the Uniform Unclaimed Property Act, A.R.S. §44-301 et seq.

### **Amendments to Declaration of Trust**

Without the consent of, or notice to, the Owners of Certificates, the Trustee may execute Declaration Supplements not inconsistent with the terms and provisions of the Declaration of Trust, for any one or more of the following purposes: (i) to cure any ambiguity, inconsistency or formal defect or omission in the Declaration of Trust; (ii) to confer upon the Trustee additional rights, remedies, powers or authority for the benefit of the Owners of the Certificates; (iii) to assign additional revenues under the Declaration of Trust and to accept additional security and instruments and documents of further assurance with respect to the Project; (iv) to add to the covenants of the Trustee to be observed for the protection of the Owners or to limit any right of the Trustee; (v) to evidence any succession to the Trustee and the assumption by such successor of the covenants and agreements of the Trustee under the Declaration of Trust, the Lease, the Ground Leases and the Certificates; (vi) to make necessary or advisable amendments or additions in connection with the execution and delivery of Certificates in accordance with the Declaration of Trust; (vii) to permit the exchange of Certificates, at the option of the Owners, for coupon Certificates of the same series payable to bearer, in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount represented by the Predecessor Certificates, bearing interest at the same rates and maturing on the same dates, with coupons attached representing all unpaid interest represented thereby due or to become due if, in the opinion of Bond Counsel, that exchange would not result in the Interest Portion outstanding becoming included in gross income for federal income tax purposes; (viii) to permit the transfer of Certificates from one Depository to another, the succession of Depositories, and the withdrawal of Certificates issued to a Depository for use in a book-entry system and the execution and delivery of replacement Certificates in fully registered form to others than a Depository; (ix) to permit the Trustee to comply with any obligations imposed by law; (x) to specify further the duties and responsibilities of, and to define further the relationship among the Trustee, the registrar, and any authenticating agent or paying agents; (xi) to achieve compliance with any applicable federal securities or tax law, and (xii) to permit any other amendment not prejudicial to the Trustee or the Owners of the Certificates.

In addition, with the prior written consent of the Owners of not less than a majority in aggregate principal amount of all Certificates then Outstanding under a Declaration of Trust, the Trustee may execute other supplements to that Declaration of Trust for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions of the Declaration of Trust or any supplement thereof or restricting in any manner the rights of the Owners. However, nothing in the Declaration of Trust permits:

(a) Without the consent of the Registered Owner of each Certificate so affected, an extension of the maturity of the principal or the interest evidenced by any Certificate, a reduction in the principal amount of any Certificate or the rate of interest or premium represented thereby, or any change in the redemption provisions, or

(b) Without the consent of the Owners of all Certificates then Outstanding, the creation of a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, or a reduction in the aggregate principal amount of the Certificates required for consent to a Declaration Supplement.

Where the consent of the respective Owners is required, procedures are established in the Declaration of Trust to evidence the consent of the Owners and for the determination of the effectiveness of such consents. Any consent is binding upon the Owners of the Certificates giving such consent and upon any subsequent Owners of the Certificates unless such consent is revoked in writing prior to the execution by the Trustee of the Declaration Supplement.

FORM OF BOND COUNSEL OPINION

[Closing Date]

To: Arizona School Facilities Board  
Phoenix, Arizona

Ladies and Gentlemen:

We have served as bond counsel to our client the Arizona School Facilities Board (the "Board") and not as counsel to any other person in connection with the execution and delivery by The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), of \$\_\_\_\_\_ \* Refunding Certificates of Participation, Series 2015A (the "2015A Certificates"), dated the date of this letter.

The 2015A Certificates are executed and delivered pursuant to a Declaration of Irrevocable Trust, dated as of November 1, 2008, as supplemented to date and as further supplemented by a Declaration Supplement Series 2015A, dated as of \_\_\_\_\_ 1, 2015 (collectively, the "Declaration of Trust"), executed by the Trustee and relating to a Lease-to-Own Agreement, dated as of November 1, 2008, as supplemented to date, including as supplemented by a Lease Supplement Series 2015A, dated as of \_\_\_\_\_ 1, 2015 (collectively, the "Lease"), between the Trustee, as lessor, and the Board, as lessee.

The 2015A Certificates represent undivided and proportionate interests in the obligations of the Board under the Lease. The Board has agreed to lease certain real and personal property from the Trustee under the Lease.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the execution and delivery of the 2015A Certificates, a copy of the signed and authenticated 2015A Certificate of the first maturity of the 2015A Certificates, the Declaration of Trust, the Lease and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The 2015A Certificates, the Declaration of Trust and the Lease are valid, binding and enforceable in accordance with their respective terms.

2. The 2015A Certificates and the payment of principal on and interest represented thereby are payable from and secured solely by the Lease Payments (as defined in the Lease). The Lease Payments are payable exclusively from moneys appropriated by the legislature, are not secured by an obligation or pledge of any money raised by taxation and the 2015A Certificates do not represent or constitute a general obligation or a pledge of the faith and credit of the Board, any school district, the State of Arizona or any of its political subdivisions. If the legislature fails to appropriate moneys or the Board fails to allocate such moneys for Lease Payments, the Lease terminate at the end of the current term and the Board is relieved of any subsequent obligation under the Lease.

3. The portion of the Lease Payments made by the Board under the Lease and denominated as and comprising interest pursuant to the Lease and received by the owners of the 2015A Certificates (the "Interest Portion") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the Interest Portion earned by certain corporations may be subject to a corporate alternative minimum tax. The Interest Portion is exempt from Arizona state income tax. We express no opinion as to any other tax consequences regarding the 2015A Certificates. We

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\* Preliminary, subject to change.

also express no opinion as to the treatment for federal income tax purposes or Arizona state income tax purposes of amounts paid to the owners of the 2015A Certificates in the event of termination of the Lease as the result of moneys not being appropriated or allocated for Lease Payments.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Board.

In rendering those opinions with respect to the treatment of the interest on the 2015A Certificates under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Board. Failure to comply with certain of those covenants subsequent to the execution and delivery of the 2015A Certificates may cause the Interest Portion to be included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the 2015A Certificates.

The rights of the owners of the 2015A Certificates and the enforceability of the 2015A Certificates, the Declaration of Trust and the Lease are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the 2015A Certificates has concluded on this date.

Respectfully submitted,



**BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2015A Certificates. The 2015A Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2015A Certificate will be issued for each maturity of the 2015A Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with the Direct Participants, the “Participants”). DTC has Standard & Poor’s rating of: “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the 2015A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015A Certificates on DTC’s records. The ownership interest of each actual purchaser of each 2015A Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2015A Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2015A Certificates, except in the event that use of the book-entry system for the 2015A Certificates is discontinued.

To facilitate subsequent transfers, all 2015A Certificates deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2015A Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2015A Certificates; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2015A Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2015A Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2015A Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Lease and Declaration of Trust. For example, Beneficial Owners of the 2015A

Certificates may wish to ascertain that the nominee holding the 2015A Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2015A Certificates within a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2015A Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2015A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the 2015A Certificates and the redemption price of any 2015A Certificate will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the 2015A Certificates and the redemption price of any 2015A Certificates will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2015A Certificates at any time by giving reasonable notice to the Board or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE UNDERTAKING

\$ \_\_\_\_\_ \*

**ARIZONA SCHOOL FACILITIES BOARD  
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2015A**

**CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered by the Arizona School Facilities Board (the “Board”), in connection with the execution and sale of the \$ \_\_\_\_\_ \* aggregate principal amount of Refunding Certificates of Participation, Series 2015A (the “Certificates”).

In connection with the Certificates, the Board covenants and agrees as follows:

1. Purpose of this Undertaking. This Undertaking is executed and delivered by the Board as of the date set forth below, for the benefit of the beneficial owners of the Certificates and in order to assist the Underwriters in complying with the requirements of the Rule (as defined below).

2. Definitions. The terms set forth below have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“Annual Information” means the financial information and operating data set forth in Exhibit I.

“Annual Information Disclosure” means the dissemination of disclosure concerning the Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“Audited Financial Statements” means the general purpose audited financial statements of the State for each fiscal year, commencing with the fiscal year ending June 30, 2014, prepared pursuant to the standards and as described in Exhibit I.

“Commission” means the Securities and Exchange Commission.

“Dissemination Agent” means any agent designated as such in writing by the Board and which has filed with the Board a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Lease” means the Lease described in the Official Statement (defined below).

“Listed Event” means the occurrence of any of the events with respect to the Certificates set forth in Exhibit II.

“MSRB” means the Municipal Securities Rulemaking Board.

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\* Preliminary, subject to change.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Arizona.

“Undertaking” means the obligations of the Board pursuant to Sections 4, 5, and 6 hereof.

“Underwriters” means all of the brokers, dealers or municipal securities dealers acting as an underwriter in the primary offering of the Certificates.

3. CUSIP Number/Official Statement. The CUSIP Number of the final maturity of the Certificates is 04057P\_\_\_\_. The Official Statement relating to the Certificates is dated \_\_\_\_\_, 2015 (the “Official Statement”).

4. Annual Information Disclosure. Subject to Section 8 of this Undertaking, the Board shall disseminate the Annual Information and the Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I), to the MSRB through EMMA, in a format prescribed by the MSRB. The Board is required to deliver such information in such manner and by such time so that such entities receive the information on or before the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 8 of this Undertaking, the Board hereby covenants that it will disseminate notice of occurrence of a Listed Event to the MSRB through EMMA not later than ten business days after the occurrence of the Listed Event, in a format prescribed by the MSRB, except that for the events 2, 6 (as applicable), 7, 8 (as applicable), 10, 13 and 14 listed in Exhibit II, the Board will provide such notice if it determines that such event would be material under applicable federal securities laws.

6. Consequences of Failure of the Board to Provide Information. The Board shall give notice in a timely manner to the MSRB of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the Board to comply with any provision of this Undertaking, the beneficial owner of any of the Certificates may seek mandamus or specific performance by court order to cause the Board to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an Event of Default on the Certificates. The sole remedy under this Undertaking in the event of any failure of the Board to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. The Board reserves the right to amend this Undertaking, and noncompliance with any provision of this Undertaking may be waived, as may be necessary or appropriate to: (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the Board or type of business conducted by the Board. Any such amendment or waiver shall not be effective unless this Undertaking (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Certificates, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the Board shall have received either (i) a written opinion of bond counsel or other qualified independent bond counsel selected by the Board that the amendment or waiver would not materially impair the interests of the beneficial owners of the Certificates or (ii) the written consent to the amendment or waiver of the holders of at least a majority of the principal amount of the Certificates then

outstanding. An annual filing containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided. If the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (A) the Board shall provide notice of such change in the same manner as for a Listed Event under Section 5 and (B) the annual filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements or information as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

8. Non-Appropriation. The performance by the Board of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the Board to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the Board covenants to provide prompt notice of such fact to the MSRB.

9. Termination of Undertaking. The Undertaking of the Board will terminate pursuant hereto at such time as the Board no longer has liability for any obligation relating to repayment of the Certificates or the Rule no longer applies to the Certificates. The Board shall give notice in a timely manner if this Section is applicable to the MSRB.

10. Dissemination Agent. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Board from disseminating any other information using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the Board chooses to include any information from any document or notice of occurrence of Listed Event in addition to that which is specifically required by this Undertaking, the Board shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Listed Event.

12. Beneficiaries. This Undertaking has been executed in order to assist the Underwriters in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the Board, the Dissemination Agent, if any, and the beneficial owners of the Certificates, and shall create no rights in any other person or entity.

13. Recordkeeping. The Board shall maintain records of all Annual Information Disclosure and notices of occurrence of Listed Events including the content of such disclosure or notices, the names of the entities with whom such disclosure or notices were filed and the date of filing such disclosure or notices.

14. Assignment. The Board shall not transfer its obligations under the Lease unless the transferee agrees to assume all obligation of the Board under this Undertaking or to execute an Undertaking under the Rule.

15. Governing Law. This Undertaking shall be governed by the laws of the State.

ARIZONA SCHOOL FACILITIES BOARD

By: \_\_\_\_\_  
Philip Williams, Interim Executive Director

Date: [Closing Date]

## **EXHIBIT I**

### **ANNUAL FINANCIAL INFORMATION AND AUDITED FINANCIAL STATEMENTS**

“Annual Financial Information” means the information and operating data of the type contained in the Official Statement in APPENDIX A - “STATE OF ARIZONA – SUMMARY OF STATE REVENUES AND EXPENDITURES – in the table entitled State General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Fiscal Years 2009-10 through 2014-15 – Modified Accrual Basis.”

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB, in a format prescribed by the MSRB. If the information included by reference is contained in an Official Statement, the Official Statement must be available from the MSRB. The Board shall clearly identify each such item of information included by reference.

The Annual Financial Information exclusive of the Audited Financial Statements will be provided to the MSRB no later than February 1 in each year commencing February 1, 2015. The Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If the Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by the Audited Financial Statements when available.

The Audited Financial Statements will be prepared according to generally accepted accounting principles (“GAAP”), as applied to governmental units as modified by State law. The Audited Financial Statements will be provided to the MSRB within 30 days after availability to the Board.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Undertaking, the Board will disseminate a notice of such change as required by Section 4, including changes in fiscal year or GAAP.

## **EXHIBIT II**

### **EVENTS FOR WHICH NOTICE OF OCCURRENCE OF LISTED EVENTS IS REQUIRED**

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Board;

Note: for the purposes of the event identified in paragraph 12, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

13. The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

<p style="text-align: center;"><b>STATE OF ARIZONA SCHOOL FACILITIES BOARD</b></p>
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**Meeting Date: June 24, 2015**

**Agenda Item III.b.**

**Subject: III. Director's Report (action of the Board may be requested)  
b. FY 2015 Demography Report**

As required by A.R.S §15-2002.A.13, the School Facilities Board presents the FY 2015 Demography Report which includes demographic assumptions, a proposed construction schedule and new school construction cost estimates approved in the current fiscal year and expected approvals for the upcoming fiscal year.

**Board Action Requested: [ X ] information [ ] action / described below**

**Attachments:    Yes [ X ]        No [ ]**





**STATE OF ARIZONA  
SCHOOL FACILITIES BOARD**

**Governor of Arizona  
Douglas A. Ducey**

**Interim Executive Director  
Philip G. Williams**

June 15, 2015

Senator Don Shooter  
Joint Committee on Capital Review  
1716 West Adams  
Phoenix, Arizona 85007

Dear Senator Shooter:

A.R.S. § 15-2002, subsection A, paragraph 13, requires the School Facilities Board (SFB) to submit by June 15 demographic assumptions, a proposed construction schedule and new school construction cost estimates for individual projects approved in the current fiscal year and expected project approvals for the upcoming fiscal year to the Joint Committee on Capital Review.

Per 2013 Ariz. Sess. Laws, 1<sup>st</sup> Spec. Sess., Ch. 3, § 44 (House Engrossed HB 2003), a school district must exceed capacity in the current year before the SFB can award new space (A.R.S. § 15-2041 (D)(3)). One school was awarded in FY 2015 and three are projected to be awarded in FY 2016. With the completion this year of a project in Thatcher USD (additional K-6 classrooms), there are currently no SFB-funded schools under construction.

Included in this report are:

- **Demographic Context**

This section includes a summary of the statewide new construction climate

- **Board Approved Projects**
- **Projects Scheduled to be Awarded in FY 2016**

- **Backup Information used in FY 2015 Capital Plan Cycle**

This section contains the ADM projections established for the districts that applied to the SFB for new construction in their FY 2015 Capital Plans, and information that was used in the analyses. The backup is divided into the following geographic regions:

Maricopa County (Part 1)

Maricopa County (Part 2), Pima County, Pinal County and Yavapai County

Cochise County, Graham County, Mohave County and Yuma County

- **Appendix – ADM Projections Submitted by Districts not Requesting New Construction**

Even districts that do not seek new school construction funds from the SFB are asked to submit student population projections in their capital plans. This section contains the projections submitted by the districts that complied.

This report will also be posted on the SFB website. Please feel free to contact me with any questions or comments.

Sincerely,

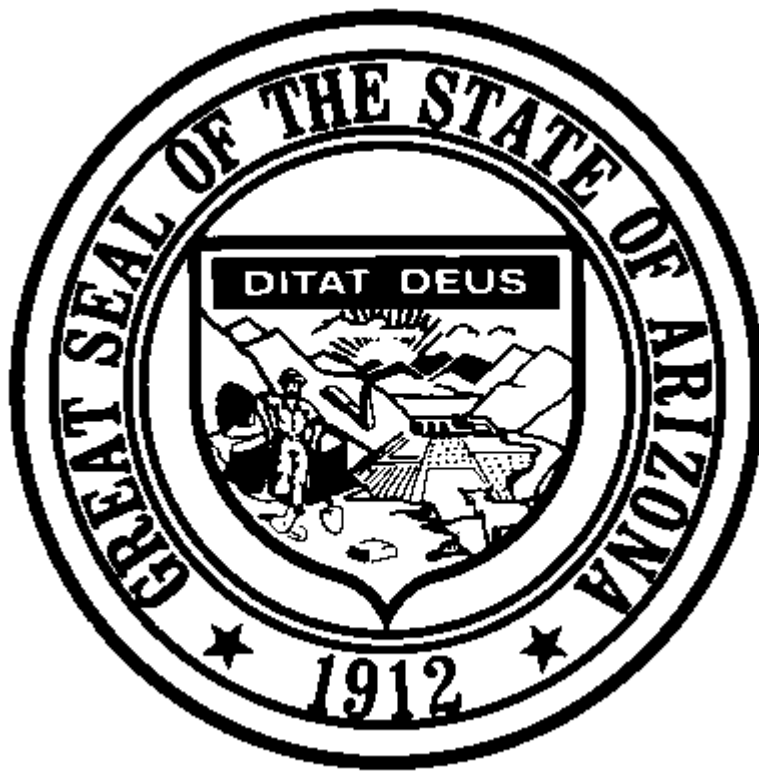


Philip G. Williams

cc: Douglas A. Ducey, Governor  
Representative Justin Olson, JLBC  
Lorenzo Romero, OSPB Director  
Josh Hope, JLBC Staff  
Michael Williams, OSBP Staff  
Members of the School Facilities Board

# School Facilities Board

## New Construction Report



Submitted to  
Joint Committee on Capital Review  
June 15, 2015

## **Table of Contents**

- I. Demographic Context
- II. Board Approved Projects
- III. Projects Scheduled to be Awarded in FY 2016
- IV. Backup Information used in FY 2015 Capital Plan Cycle
  - a. Maricopa County (Part 1)
  - b. Maricopa County (Part 2), Pima County, Pinal County and Yavapai County
  - c. Cochise County, Graham County, Mohave County and Yuma County

Appendix – ADM Projections Submitted by Districts not Requesting New Construction

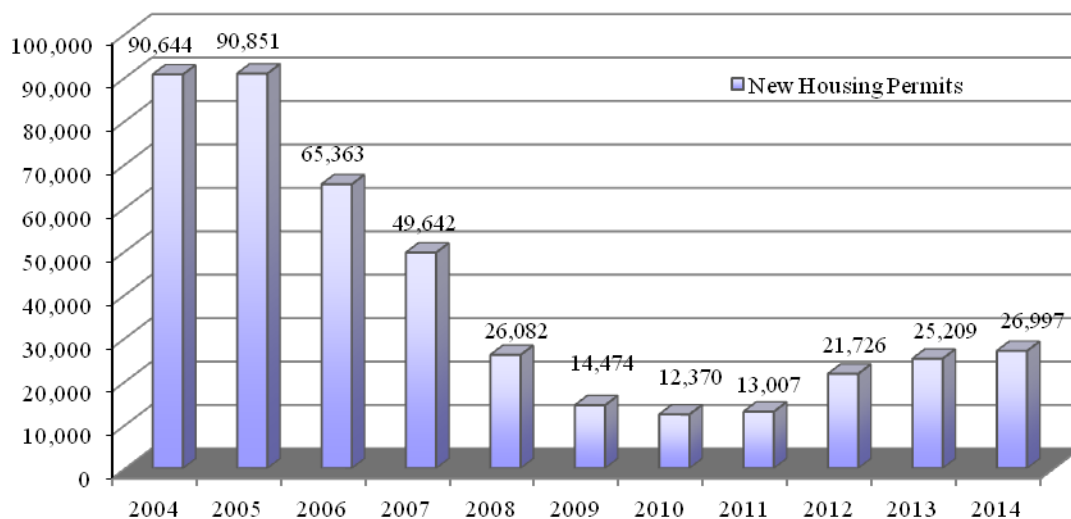
Demographic Context

## Economic and Demographic Context for New School Construction Updated June 15, 2015

### *Overview of Arizona's Housing Market*

During the last decade, Arizona experienced significant changes in its demographic and economic makeup. According to the 2010 decennial census, Arizona was the second fastest growing state in the nation, outpaced only by Nevada. Its rank also moved from the 20<sup>th</sup> most populous state to the 16<sup>th</sup> (*U.S. Census Bureau 2010*). Between July 1, 2004 and July 1, 2014, the State's population grew by an estimated 16.4% from 5.73 million to 6.67 million (*Arizona State Demographer's Office*). Maricopa County, listed among the top 10 most populous counties in the nation in the 2010 Census (*U.S. Census Bureau 2010*), added more than 542,000 people in the decade, reaching a population of 4.01 million in 2014 (*Arizona State Demographer's Office*). Pinal County, ranked as the second fastest growing county in the nation in the 2010 Census, soared to over 396,200 in 2014 from less than 219,100 a decade ago (*Arizona State Demographer's Office*).

**Chart 1: New Residential Housing Units Authorized in Arizona 2004–2014**



Source: *U.S. Census, Building Permits*, <http://www.census.gov/construction/bps/>

Chart 1 presents an overview of the new residential housing permits issued annually in Arizona during 2004–2014 as published by the *U.S. Census Building Permit* unit. As shown in the chart, the annual permit number shot up to over 90,000 in both 2004 and 2005. However, it started plummeting in 2006 and continued to sink to the lowest point at 12,370 in 2010. The total permits issued during the six years from 2006 to 2011 numbered less than the two-year total of 2004 and 2005. In 2012, it jumped to over 21,700, a 67.0% increase compared to the previous year. The last two years saw an uptick growth pattern and the permit number reached nearly 27,000 in 2014, less than one-third of the level a decade ago.

Much has been said about what caused the downturn in the housing market. It has been widely acknowledged that Arizona overbuilt during the housing boom, especially in the two major metro areas in 2004 and 2005, as a result of investor purchases. With a third of its economy heavily dependent upon construction and its related services, Arizona boasted a Gross Domestic Product (GDP) growth rate of 8.7% in 2005 and was the fastest growing economy in the nation, followed by Nevada (8.2%) and Florida (7.8%) (*U.S. Bureau of Economic Analysis* June 2006 release). Yet, “When the bubble burst and the speculators were no longer buying houses, it became obvious that the market was flooded. Some analysts estimate the surplus was as high as 80,000 homes at its peak” (*Arizona Capitol Times*, May 29, 2009, Vol. 110 Issue 22, p. 24). The situation was confounded by the national credit crisis that surfaced in 2007 and developed into a full-blown crisis in the fall of 2008. Despite the declining housing prices, the difficulty of obtaining credit drove many would-be buyers to the sidelines, prolonging the process of absorbing the housing overstock. By early 2011, the online real estate database, *Zillow*, placed metro Phoenix at the very top among the 132 metro areas tracked in the nation with 68.4% of its homeowners holding negative equity (*First Quarter Real Estate Market Report 2011*, *Zillow*). Foreclosures went up to account for 40% of all the single-family resales in Maricopa County (*Resale Market Reports January – April 2011*, Arizona State University).

By early 2012, Phoenix and Miami were the first two metro areas that had hit the bottom of the housing market (*First Quarter Real Estate Market Report 2012*, *Zillow*, April 24, 2012). The housing market absorbed a large amount of inventory at a much faster pace than builders and developers in the region had anticipated. Since then, home values have gained much upward momentum. After an impressive 5.9% year-over-year appreciation in home values in March 2012, the metro Phoenix area again led the way by scoring another 22.3% annual gain in March 2013. The S&P/Case-Shiller Home Price Indices of March 2015, which tracked 20 metro areas nationally, reported annual home value appreciation slowed down to 10.9% in March 2014 and 3.1% in March 2015. In the fourth quarter of 2014, the percent of owner-occupied homes with negative equity dropped to 21% in metro Phoenix (*Zillow Real Estate Research*, March 19, 2015). Similarly, the mortgage delinquency rate has continued to drop significantly. Following the highest annual decline (-37.9%) in the nation in the mortgage delinquency rate in the first quarter of 2013, Arizona again scored the largest year-over-year decline (-37.8%) in the first quarter of 2014, dropping from 4.5% to 2.8% (*TransUnion* press release, Financial Services/Trend Data, May 7, 2014). In the first quarter of 2015, the mortgage delinquency rate in Phoenix was 2.07%, one of the three lowest among cities in the nation (*TransUnion* press release, May 18, 2015). According to *RealtyTrac*, the leading online database on foreclosure activities, Arizona’s foreclosure rate was 1 out of 1,756 in April 2015 as compared to 1 out of 1,049 at the national level. The distressed supply in metro Phoenix was down 48% from a year earlier. The sales for single family homes in the sectors of investor flips, short-sale/pre-foreclosure and bank-owned homes were down 6%, 17% and 18%, respectively compared to April 2014 (*April 2015 Report – Greater Phoenix Housing Market*, Arizona State University, June 8, 2015). Normal re-sale of single family homes was up 14%; of particular note, new home sales were up 11% from April last year. In addition, the price of single family homes in metro Phoenix has

increased dramatically since its lowest point in 2011. During the last three years, the median sales price for single family homes surged from \$140,000 in April 2012 to \$215,000 in April 2015, a 53.6% increase (*April 2015 Report – Greater Phoenix Housing Market*, Arizona State University, June 8, 2015).

However, the State's housing market still has some issues. According to the Multi-Indicator Market Index compiled by Freddie Mac which measures the affordability and stability of the housing market, the national housing market on average was weak in March 2015, and that of Arizona and metro Phoenix was even weaker (May 27, 2015 FreddieMac.com). While demand significantly improved in recent months, supply remained on a declining trend after seasonal adjustment. The number of active listings in the local Multiple Listing Service was 13.3% lower in April 2015 than a year earlier, the largest year-over-year drop since December 2012. Besides, 17.6% of the active listings already had a signed contract. (*April 2015 Report–Greater Phoenix Housing Market*, Arizona State University, June 8, 2015).

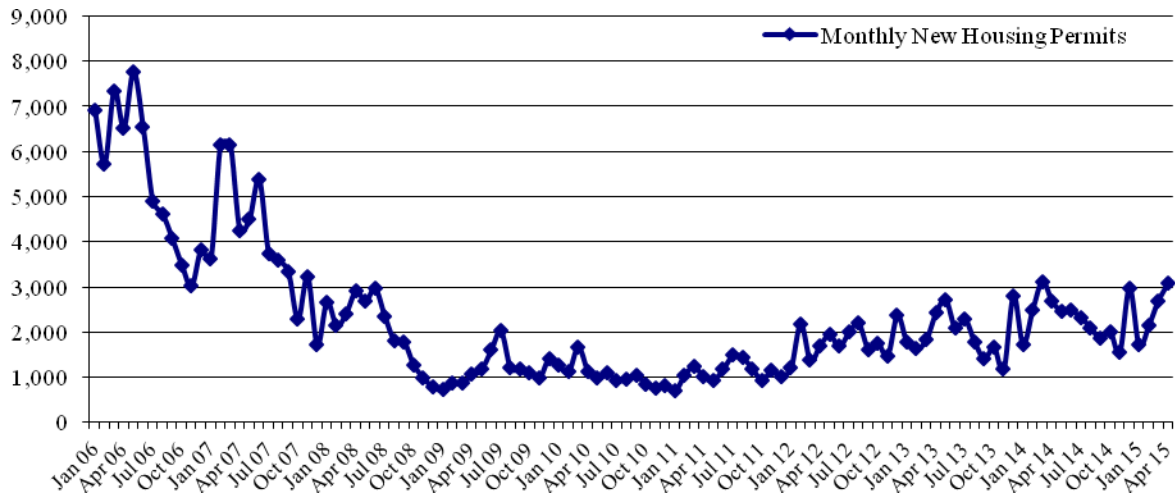
In the following, we take a closer look at Arizona's dramatic housing market since 2006.

#### AZ New Housing Market

Chart 2 depicts the monthly number of residential housing permits issued in Arizona between January 2006 and April 2015. The number of permits reached its peak at nearly 8,750 in June 2005 and started to decline in the fall of that year (not shown in the chart). The market went sideways (trended neither up nor down) for about half a year before the bubble finally burst in the summer of 2006. Permitting activities picked up speed in the spring of 2007, giving the false indication of a rebound. The upturn was followed by an even deeper decline that led to a low of less than 1,000 permits in December 2008. The number of monthly permits mostly hovered around 1,000 for two years from the summer of 2009, which is about one-ninth of the peak level in the summer of 2005. However, since early 2012, there has been significant growth in permitting activities. An average of nearly 1,900 permits were issued monthly throughout 2012 and 2013. The monthly average has increased to nearly 2,350 since January 2014, indicating that the housing market is gradually improving.



**Chart 2: New Residential Housing Units Authorized in Arizona  
January 2006 to April 2015**

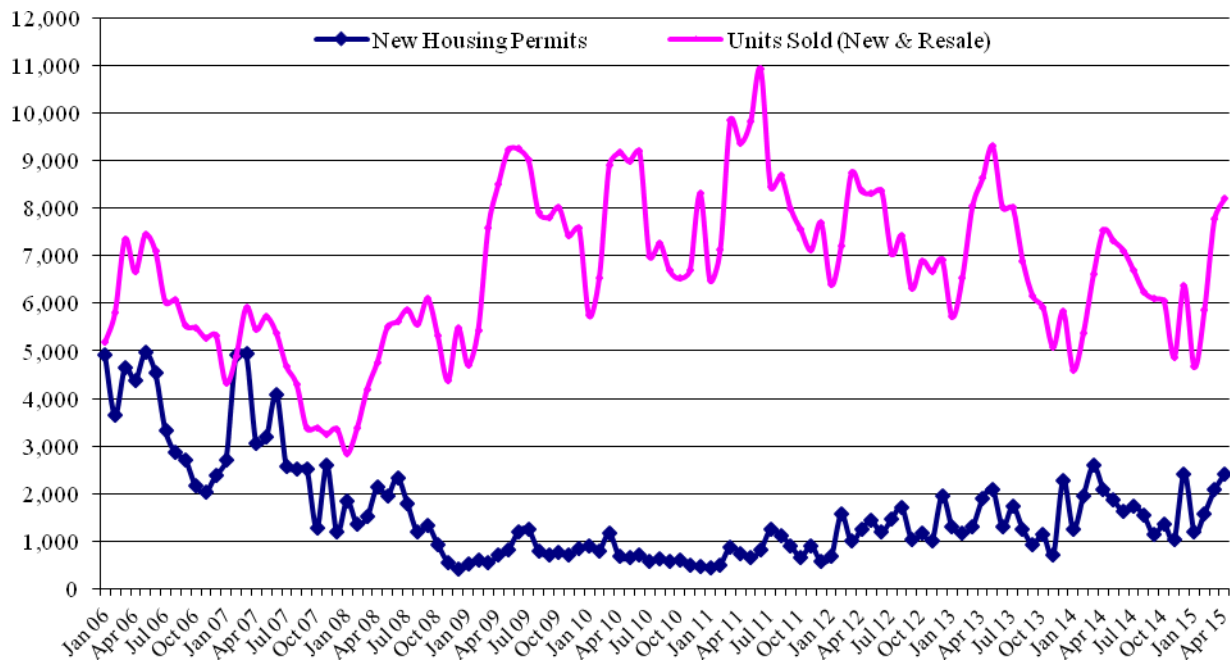


Source: U.S. Census, Building Permits, <http://www.census.gov/construction/bps/>

#### Phoenix and Tucson Metro Housing Markets

Chart 3a presents information on permits and housing sales (both new and existing) for the Phoenix metro area (Maricopa and Pinal Counties). The number of permits generally follows the same pattern as the State. There were substantial rebounds in housing sales (most of which were resales) between March and December 2009 and between March and June 2010, most likely due to the tax rebates offered to first-time homebuyers. Historically low housing prices, resulting from a flurry of foreclosures, led to increased sales volume which reached a new level between March and September 2011. This set a monthly sales record of 10,930 in June 2011, surpassing that of June 2005, the peak level during the housing boom years. Multiple offers for resale listings and substantially higher sales of luxury homes contributed to a new surge during April and May 2013. During recent months, housing sales have experienced another surge as demand keeps improving.

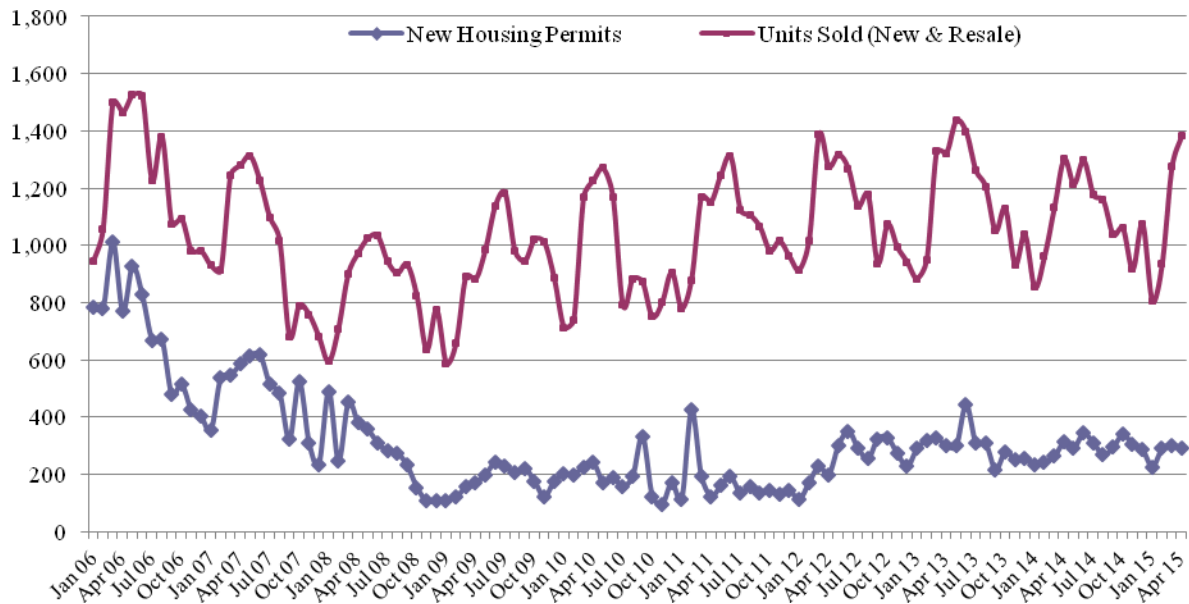
**Chart 3a: New Housing Units Authorized and Units Sold (New & Resale)  
Phoenix Metro Area January 2006–April 2015**



Sources: New housing permits -U.S. Census, *Building Permits*, <http://www.census.gov/construction/bps/>;  
Units sold – Arizona Regional Multiple Listing Service, Inc (ARMLS),  
<http://www.armls.com/statistics/market-reports>.

The monthly housing permit issuance in the Tucson metro area (Pima County) mirrors the pattern of metro Phoenix. The sales activity, however, exhibits a pattern with less fluctuation (Chart 3b). Home prices have significantly dropped from the boom years (albeit steadily increasing since 2011) but not with the same trajectory of the Phoenix metro area (*Arizona Home Prices and Home Values*, *Zillow.com*).

**Chart 3b: New Housing Units Authorized and Units Sold (New & Resale)  
Tucson Metro Area January 2006–April 2015**



Sources: New housing permits -U.S. Census, *Building Permits*, <http://www.census.gov/construction/bps/>  
Units sold – Tucson Association of Realtors Multiple Listing Service (TAR/MLS),  
<http://www.tucsonrealtors.org/statistics.html>.

#### Predictability of the Housing Market

The W.P. Carey School of Business at Arizona State University regularly polls a panel of nearly 20 economists and institutions, and publishes their economic forecasts for Arizona in *Western Blue Chip Economic Forecast*. Table 1 summarizes their consensus forecasts of single-family permits as an annual percentage change for 2006 through 2015. The numbers cited were published in the December issue just prior to the year in question.

**Table 1: Forecasted and actual Arizona single-family permits  
percentage change over previous year**

<b>Year</b>	<b>Consensus Forecast</b>	<b>Actual</b>
2006	-5.2%	-28.1%
2007	-6.8%	-24.1%
2008	-4.8%	-47.5%
2009	-0.1%	-44.5%
2010	18.5%	-14.5%
2011	26.0%	5.1%
2012	17.5%	67.0%
2013	33.8%	16.0%
2014	30.1%	7.1%
2015	35.3%	13.7% (June 2015 forecast)

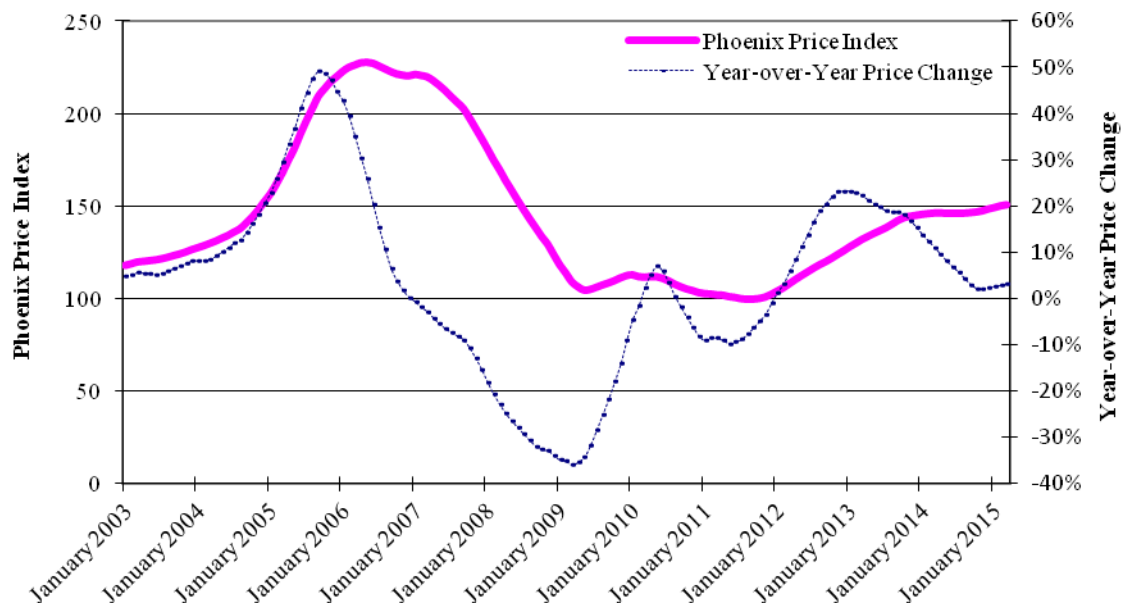
Sources: Data on Consensus Forecast for single-family permits is from the December issue of the year prior, *Western Blue Chip Economic Forecast*, compiled by JP Morgan Chase Outlook Center, Arizona State University. Data on actual single-family permits is from U.S. Census, *Building Permits*.

Comparing the forecasts and actual numbers, it is obvious that the consensus forecasts were widely off the mark for nine consecutive years (2006–2014). Most economists on the panel vastly underestimated the housing downturn and wavered about the subsequent rise. The panelists predicted that the year 2010 would finally see a rebound with an increase of 18.5%, only to find that the treacherous housing market declined further by 14.5%. The year 2011 finally saw a moderate increase of 5.1%, yet more than 20.0% lower than what the panelists had forecasted. The panelists gave a 17.5% growth forecast for 2012, and found this time the trend reversed with the actual housing permit number outperforming the forecast by a wide margin of nearly 50.0%. The panelists then expected significant increases of 33.8% for 2013 and 30.1% for 2014, only to find that the actual permit number grew by 16.0% and 7.1%, respectively. Forecasts for a particular year are updated monthly until the year draws to a close. Usually, the June forecasts are more accurate than forecasts made in the previous December since several months of actual data are available by that time. This year's forecast released in June has been lowered to 13.7% from the December forecast of 35.3%, indicating that the new housing market is improving at a slower pace than forecasted.

#### S&P/Case-Shiller Home Price Index

The S&P/Case-Shiller Home Price Indices track 20 Metropolitan Statistical Areas (MSAs), including Phoenix. Chart 4 shows the year-over-year change for the Phoenix metropolitan area. The solid line measures the Phoenix price index (left vertical axis); the dashed line measures the year-over-year change of the Phoenix price index (right vertical axis). Just as prices soared between 2004 and the summer of 2006, they came crashing down starting in July 2006. Between then and May 2009, home prices in Phoenix dropped 53.9%. Starting in June 2009, the index trended up for eight months and slightly declined for the next six months, resulting in the positive year-over-year price change from March 2010 to August 2010, and giving much hope that the housing market was stabilizing and recovering. However, the price index began slumping again in August 2010, reaching its lowest point in August 2011 since November 1999, and the year-over-year change went back to the negative territory during September 2010–December 2011. From September 2011, the price index started to climb up and continued the upward trend for 32 consecutive months until April 2014; it then hovered at that level until October 2014 before it started to increase again. As a result, the year-over-year change emerged positive from January 2012 and stayed above 20.0% during September 2012–May 2013, followed by an overall declining curve from 19.7% in June 2013 to 6.9% in June 2014, and to 3.1% in March 2015.

**Chart 4: S&P/Case-Shiller Home Price Index for Phoenix Metro Area**

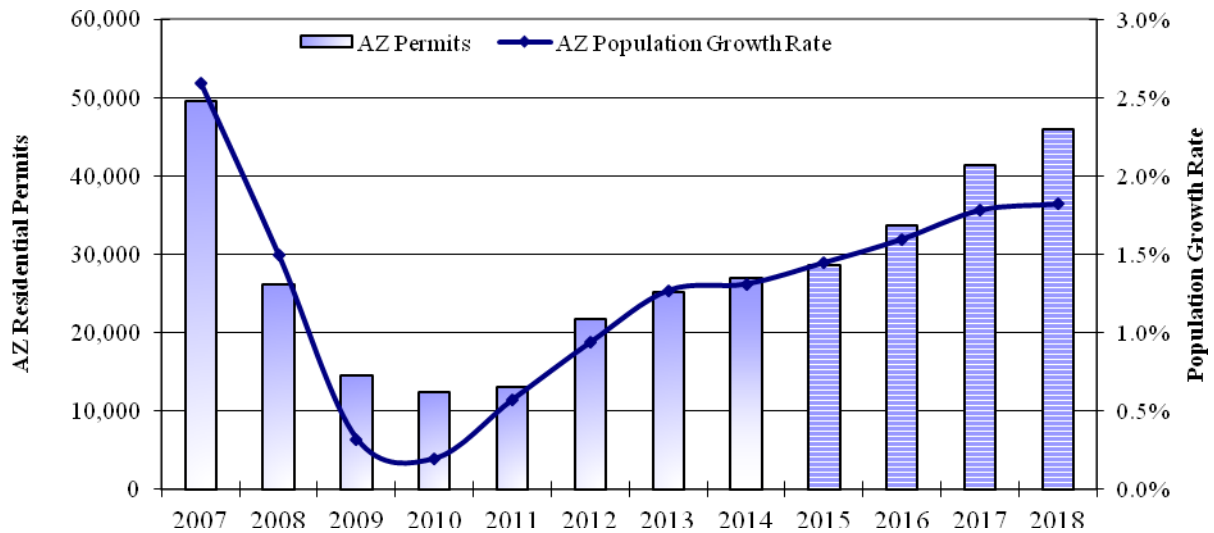


Source: S&P/Case-Shiller Home Price Index Levels, March 2015, seasonally adjusted.

#### Projected Residential Permit and State Population Growth

Housing construction has a close, if not perfect, relationship with the State's population growth (Chart 5). The intercensal population estimates for Arizona produced by the Arizona State Demographer's Office show that the population growth rate was on a declining curve as the housing downturn progressively unfolded. It sank to the lowest point in 2010, followed by steady climbs during 2011-2014, probably due to the rapid absorption of housing inventories and the subsequent improvement of the housing market. The projection of the State's population for 2015–2018 by *Arizona's Economy* indicates that as the housing market rebounds and new construction resumes, the population growth will pick up speed.

**Chart 5: Actual and Projected New Residential Permits  
Compared with Estimated and Projected Population Growth Rates**



Sources:

Residential Permits - Actual numbers from *U.S. Census, Building Permits, Permits by State-Annual* are used for 2007–2014, and projected numbers from *Arizona's Economy*, University of Arizona, April 2015 issue for 2015–2018.

Population – Estimates from Arizona State Demographer's Office (<http://azstats.gov/population-estimates.aspx>) are used for 2007–2014, and projected numbers from *Arizona's Economy*, University of Arizona, April 2015 issue for 2015–2018.

### *Arizona School District ADM*

Between 2005 and 2009, the school district ADM growth rate was positive, but on a decelerating path (Table 2) due to the dramatic downturn in the housing market, the slowdown in population growth and the ADM increase in the charter sector. In FY 2009, the school district ADM growth rate turned negative and the decline accelerated during the following two years, reaching -1.7% in FY 2011, resulting in the closure of some district schools. After further declining during FY 2012 and FY 2013, the statewide school district ADM experienced a sizable loss of more than 32,650 in FY 2014, a decline of 3.7% from a year earlier. This year's ADM is approximately the same as last year according to the preliminary ADM counts released by the Arizona Department of Education (ADE) as of June 1, 2015.

Table 2: ADM growth in school districts and charter schools

Fiscal Year	School Districts		Charter Schools		Total	
	100-day ADM*	Growth rate	100-day ADM *	Growth rate	100-day ADM*	Growth rate
FY 2005	870,295		83,540		953,835	
FY 2006	896,747	3.0%	85,707	2.6%	982,454	3.0%
FY 2007	917,173	2.3%	90,330	5.4%	1,007,503	2.5%
FY 2008	928,754	1.3%	94,688	4.8%	1,023,442	1.6%
FY 2009	923,172	-0.6%	103,374	9.2%	1,026,546	0.3%
FY 2010	914,730	-0.9%	111,944	8.3%	1,026,674	0.0%
FY 2011	899,500	-1.7%	121,322	8.4%	1,020,822	-0.6%
FY 2012	893,245	-0.7%	133,815	10.3%	1,027,060	0.6%
FY 2013	890,530	-0.3%	144,372	7.9%	1,034,902	0.8%
FY 2014	857,870	-3.7%	188,990	30.9%	1,046,860	1.2%
FY 2015	858,074	0.0%	199,659	5.6%	1,057,733	1.0%

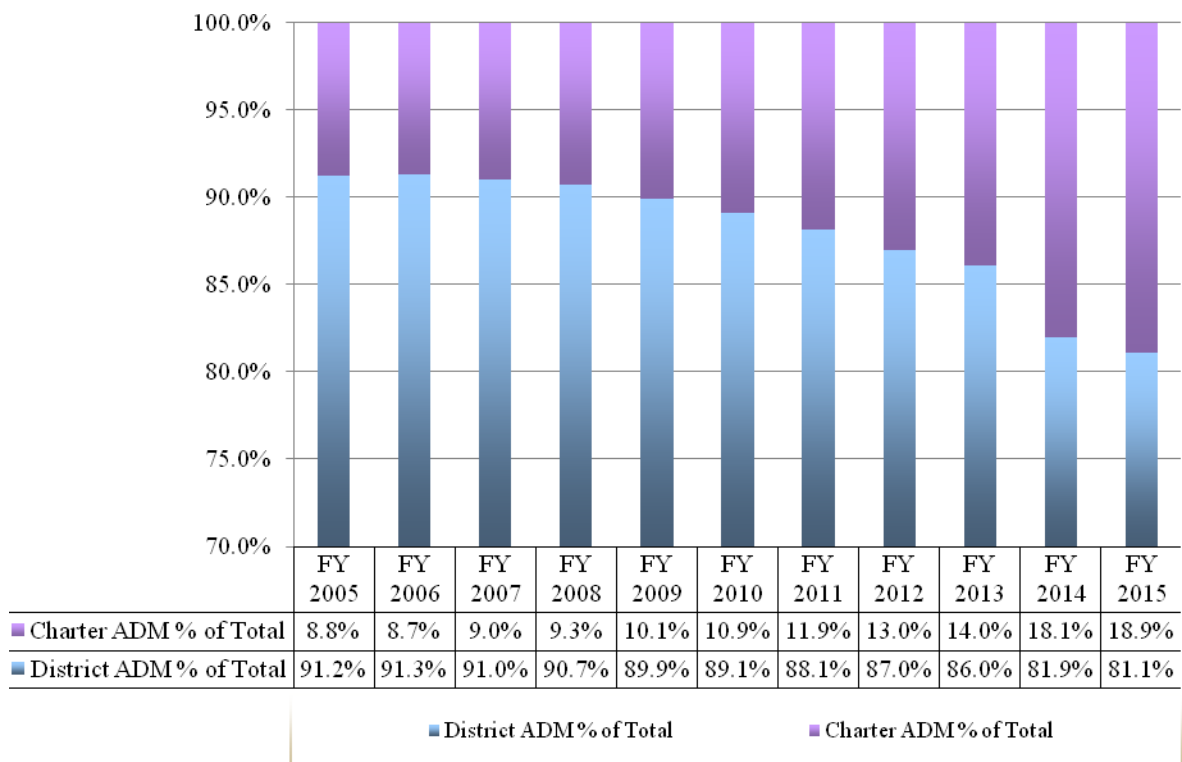
\* Source: ADE's LEA information request website 6/1/2015:

<http://www.ade.az.gov/schoolfinance/forms/LEAQuery/InformationRequest.aspx> (counting pre-school students with disabilities and kindergarten students as one-half). The ADM counts for accommodation school districts and online schools are included.

The significant district ADM loss in FY 2014 resulted largely from the conversion of district schools to charter schools. Charter students are not included in district ADM for SFB purposes. During the year, sixty schools from twenty school districts were converted or designated as charters. Paradise Valley Unified School District alone converted eleven of its district schools to charter schools, and Liberty Elementary School District lost nearly two-thirds of its district ADM after converting three of its five schools to charter schools. However, per Laws 2014, Second Regular Session, Ch. 16, Section 1 (HB 2711), district sponsored charter schools that started after June 30, 2013 and before July 1, 2014 will be reverted to district schools by the end of June 30, 2015. Most of the students attending these schools are therefore expected to become district students in FY 2016. District sponsored charter schools that started prior to July 1, 2013 are intended to be phased out by fiscal year 2016-2017 per Laws 2015, 1<sup>st</sup> Regular Session, Chapter 15, Section 17 (SB1476).

In contrast, charter school enrollment has grown significantly. In Table 2, it is evident that even with the historic housing downturn, the combined ADM of district and charter schools has been consistently growing, albeit slightly, except for FY 2011 when the total ADM decreased by 0.6%. While the district ADM has experienced a considerable loss of nearly 65,100 since FY 2009, charter schools have gained more than 96,250 during the same time period. In FY 2015, charter school ADM reached 199,659, resulting in an annualized ten-year ADM growth rate of 9.1% (see Exhibit I for a breakdown of online and non-online ADM). Chart 6 presents the percentage of district school students compared to charter school students for K-12 public education during the past decade. In FY 2005, the charter school ADM accounted for 8.8% of the public education system; by FY 2015 that number had increased to 18.9%.

**Chart 6: ADM Percentage of District Schools and Charter Schools**



Source: From ADE's LEA information request website 6/1/2015:  
<http://www.ade.az.gov/schoolfinance/forms/LEAQuery/InformationRequest.aspx>. ADM counts for online district and charter schools are included in the computation.

### Ratio of Growing Districts to Declining Districts

Excluding nine accommodation school districts, there are 207 public school districts that enrolled students in FY 2015 according to ADE's ADM counts as of June 1, 2015. Among these districts, 100 experienced ADM growth and 107 had declining ADM compared to FY 2014 (Table 3). For every 10 districts whose ADM is declining, there are currently 9.3 that are growing, a significant improvement over the last few years. However, there were 17.5 growing districts for every 10 declining districts in FY 2006. Table 4 lists Arizona's top ten growing and declining districts, in terms of ADM, between FY 2014 and FY 2015.

**Table 3: Number of districts that gained or lost ADM during FY 2006–FY 2015**

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
# Growing Districts	138	126	117	91	79	74	84	84	86	100
# Declining Districts	79	92	103	127	139	141	132	131	121	107
Gain/Loss Ratio	1.75	1.37	1.14	0.72	0.57	0.52	0.64	0.64	0.71	0.93

Sources: Data for FY 06–10 is calculated from ADM tables prepared for the SFB by ADE; data for FY 11–15 is calculated from data on ADE's LEA information request website on 5/30, 5/31 or 6/1 each year



(<http://www.ade.az.gov/schoolfinance/forms/LEAQuery/InformationRequest.aspx>). ADM counts for online schools are excluded from the computation. Starting from FY 14, accommodation school districts are excluded according to amended A.R.S § 15-2041.

Table 4: Top 10 districts that lost ADM and top 10 districts that gained ADM between FY 2014 and FY 2015

District	FY 15 100-day ADM	ADM Change FY 14 to FY 15
Top 10 Districts in ADM Decline		
Scottsdale Unified District	22,973	-911
Tucson Unified District	45,923	-895
Gilbert Unified District	35,312	-701
Prescott Unified District	4,272	-433
Sunnyside Unified District	16,294	-364
Amphitheater Unified District	13,362	-332
Roosevelt Elementary District	8,858	-166
Alhambra Elementary District	13,011	-158
Coolidge Unified District	3,353	-151
Blue Ridge Unified District	1,996	-143
Top 10 Districts in ADM Growth		
Chandler Unified District	4,0661	1,023
Vail Unified District	7,921	471
Tolleson Union High School District	10,837	334
Dysart Unified District	21,768	307
Agua Fria Union High School District	7,405	295
Florence Unified School District	8,055	280
Laveen Elementary District	6,015	259
Phoenix Union High School District	26,386	257
Deer Valley Unified District	32,229	240
Litchfield Elementary District	7,354	240

Source: from ADE's LEA information request website 6/1/2015:

<http://www.ade.az.gov/schoolfinance/forms/LEAQuery/InformationRequest.aspx>. ADM counts for online schools are excluded.

### New Construction Awards

Per 2013 Arizona Session Laws, 1<sup>st</sup> Special Session, Chapter 3, Subsection 44 (House Engrossed HB 2003), a school district must now exceed capacity in the current year before the SFB can award new space (A.R.S. § 15-2041 (D)(3)). There was one new construction award in the FY 2015 capital plan cycle (for Benson USD) and three awards are projected for FY 2016 (for Agua Fria UHSD, Chandler USD and Pima USD). Information on these projects is available in Sections II and III of this report.

### *Conclusion*

As Arizona's residential housing market continues to recover, population growth as well as student enrollment growth has been gradually picking up. However, the continued growth of charter schools has posed challenges for school districts to keep their enrollment steady. In FY 2014, the conversion of sixty district schools to charter schools significantly impacted the school district enrollment. As district sponsored charter schools are anticipated to be phased out over the next couple of years, and as the housing market continues to improve, the need for new school construction is expected to grow in some districts. Going forward, the SFB will continue to closely monitor the condition of the housing market, trends of population growth and changes in ADM to best plan for new school construction.

# Exhibit I

## ADM growth in school districts and charter schools (non-online)

	School Districts		Charters Schools		Total (non-online)	
Fiscal Year	100-day ADM *	Growth rate	100-day ADM *	Growth rate	100- day ADM*	Growth rate
FY 2005	869,880		80,590		950,470	
FY 2006	896,306	3.0%	81,654	1.3%	977,960	2.9%
FY 2007	916,547	2.3%	83,398	2.1%	999,945	2.2%
FY 2008	927,969	1.2%	85,886	3.0%	1,013,855	1.4%
FY 2009	922,289	-0.6%	92,662	7.9%	1,014,951	0.1%
FY 2010	913,935	-0.9%	100,622	8.6%	1,014,557	0.0%
FY 2011	898,780	-1.7%	108,254	7.6%	1,007,034	-0.7%
FY 2012	892,400	-0.7%	119,403	10.3%	1,011,803	0.5%
FY 2013	889,659	-0.3%	130,115	9.0%	1,019,775	0.8%
FY 2014	856,903	-3.7%	179,329	37.8%	1,036,231	1.6%
FY 2015	856,277	-0.1%	183,860	2.5%	1,040,137	0.4%

## ADM growth in school districts and charter schools (online)

	School Districts		Charter Schools		Total (online)	
Fiscal Year	100-day ADM *	Growth rate	100-day ADM *	Fiscal Year	100-day ADM *	Growth rate
FY 2005	415		2,950		3,365	
FY 2006	441	6.3%	4,053	37.4%	4,495	33.6%
FY 2007	626	41.9%	6,932	71.0%	7,558	68.2%
FY 2008	785	25.5%	8,802	27.0%	9,587	26.8%
FY 2009	883	12.4%	10,712	21.7%	11,595	20.9%
FY 2010	795	-10.0%	11,322	5.7%	12,116	4.5%
FY 2011	720	-9.4%	13,069	15.4%	13,789	13.8%
FY 2012	845	17.4%	14,412	10.3%	15,257	10.6%
FY 2013	870	3.0%	14,257	-1.1%	15,127	-0.9%
FY 2014	968	11.2%	9,661	-32.2%	10,629	-29.7%
FY 2015	1,797	85.7%	15,799	63.5%	17,596	65.6%

\* Source: ADE's LEA information request website 6/1/2015:

<http://www.ade.az.gov/schoolfinance/forms/LEAQuery/InformationRequest.aspx> (using the same criteria counting pre-school and kindergarten enrollment as one-half for district schools). Online schools that were dissolved before FY 12 are not included in online ADM counts.

## Board Approved Projects

**Projects that are Board Approved  
as of June 15, 2015**

As of June 15, 2015, there is only one Board approved project (Benson USD) that is not completed.

District	Benson Unified
Project Number	020209000-9999-001N
Project Type	New School
Grade Level	K-4
Square Feet	17,190
Student Capacity	215
Estimated Construction Timeframe	1 Year
New Construction Funding	\$3,424,185 (1)

(1) Broken down as follows:

	<b>Board Approval Date</b>	<b>New Construction Funding</b>
New construction formula	12/10/14	\$ 2,349,185
Estimated land costs	1/7/15	\$ 825,000
Estimated site conditions	1/7/15	\$ 250,000
		<b>\$ 3,424,185</b>

Projects Scheduled to be Awarded in FY 2016

**Projects Scheduled to be Awarded in FY 16**

<b>District</b>	<b>Project Number</b>	<b>Project Type</b>	<b>Grade Level</b>	<b>Square Feet</b>	<b>Student Capacity</b>	<b>County</b>	<b>New Construction Funding (1)</b>	<b>Estimated Construction Timeframe</b>
Agua Fria UHSD	070516000-9999-008N	New School	9-12	200,000	2,128	Maricopa	\$ 33,410,000	2 Years
Chandler USD	070280000-9999-025N	New School	K-12	15,420	182	Maricopa	\$ 2,276,146	< 1 Year
Pima USD	050206000-9999-002N	New School	K-6	7,110	89	Graham	\$ 1,020,214	< 1 Year
							<b>\$ 36,706,360</b>	

(1) Assumes funding per square foot in effect as of 6/15/15. Does not include funding for land or site conditions.

<p style="text-align: center;">STATE OF ARIZONA SCHOOL FACILITIES BOARD</p>
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Meeting Date: June 24, 2015

Agenda Item III.c.

Subject: III. Director's Report (action of the Board may be requested)  
c. Paperless Board Packets

Phil Williams will provide an overview of the paperless board packets.

Board Action Requested: ☒ information ☐ action / described below

Attachments:    Yes ☒        No ☐



**STATE OF ARIZONA  
SCHOOL FACILITIES BOARD**

**Meeting Date: June 24, 2015**

**Agenda Item III.d.**

**Subject: III. Director's Report (action of the Board may be requested)**

**d. Business Model Presentation – Shingle Roofs .vs Metal Roofs**

Phil Williams will provide the various sides of the model and open the floor to discussion.

**Board Action Requested: [ X ] information [ ] action / described below**

**Attachments:    Yes [ X ]        No [ ]**

**STATE OF ARIZONA  
SCHOOL FACILITIES BOARD**

**Meeting date: June 24, 2015**

**Agenda Item IV.a.**

**Subject: IV. Building Renewal Grant Requests**

- a. Consideration and possible vote to ratify the Executive Director's awards of Building Renewal Grant funds as authorized by the Building Renewal Grant Policy IX.C. (up to \$50,000 for project award)**

Lake Havasu Unified (2 requests)  
Paloma Elementary  
Tuba City Unified  
Yuma Elementary

**Background – Lake Havasu Unified (Lake Havasu HS – repair fire alarm) Request 1 of 2**

Lake Havasu Unified has submitted a Building Renewal Grant request to replace two fire alarm boards in Building 1007 at Lake Havasu High School.

Lake Havasu Unified, located 185 miles northwest of Phoenix, has nine schools. Lake Havasu High School is comprised of ten buildings constructed between 1969 and 2003, totaling 272,074 square feet. Building 1007 was built in 1998, totaling 45,320 square feet.

The district received a proposal in the amount of \$4,276 to make the necessary repairs.

**Criteria for Eligibility:**

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

**Staff Recommendation - Lake Havasu Unified (Lake Havasu HS – repair fire alarm)**

Staff recommends that Lake Havasu Unified be awarded \$5,000 in Building Renewal Grant funding to replace two fire alarm boards in Building 1007 at Lake Havasu High School. This includes \$724 in contingency that will only be used with SFB staff approval.

**Background – Lake Havasu Unified (Smoketree ES – replace HVAC condenser pump) Request 2 of 2**

Lake Havasu Unified has submitted a Building Renewal Grant request to replace an HVAC condenser pump serving the administration, cafeteria and classroom Building 1001 at Smoketree Elementary School.

Lake Havasu Unified, located 185 miles northwest of Phoenix, has nine schools. Smoketree Elementary School is comprised of two buildings constructed in 1969 and 1998, totaling 57,991 square feet. Building 1001 was built in 1998, totaling 50,714 square feet.

The district received a proposal in the amount of \$11,118 to make the necessary repairs.

Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

Staff Recommendation - Lake Havasu Unified (Smoketree ES – replace HVAC condenser pump)  
Staff recommends that Lake Havasu Unified be awarded \$12,118 in Building Renewal Grant funding to replace the HVAC condenser pump serving the administration, cafeteria and classroom Building 1001 at Smoketree Elementary School. This includes \$1,000 in contingency that will only be used with SFB staff approval.

**Background – Paloma Elementary (Kiser ES – repair underground water leak and replace water heater)**

Paloma Elementary submitted a Building Renewal Grant application to repair an underground water leak and replace a water heater at Kiser Elementary School.

Paloma Elementary, located 70 miles southwest of Phoenix, has one school. Kiser Elementary School is comprised of four building constructed between 1950 and 1988, totaling 15,280 square feet. Building 1001 was built in 1988, totaling 3,260 square feet.

SFB staff provided an estimate of \$10,000 to cover the cost to repair the sewer line and replace the water heater.

Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

**Staff Recommendation - Paloma Elementary (Kiser ES – repair underground water leak and replace water heater)**

Staff recommends that Paloma Elementary be awarded \$10,000 in Building Renewal Grant funding to repair the sewer line and replace the water heater at Kiser Elementary School.

**Background – Tuba City Unified (Dzil Libeill ES – replace VFD)**

Tuba City Unified has submitted a Building Renewal Grant request for replacement of a variable frequency drive (VFD) on Building 1001 at Dzil Libeill Elementary School.

Tuba City Unified, located 220 miles north of Phoenix, has seven schools. Dzil Libeill Elementary School is comprised of three buildings constructed between 1997 and 1998, totaling 36,304 square feet. Building 1001 was built in 1997, totaling 31,984 square feet.

SFB staff visited the site and found the VFD unit had failed. The district requested proposals; the lowest was \$3,223.

Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

Staff Recommendation - Tuba City Unified (Dzil Libeil ES – replace VFD)

Staff recommends that Tuba City Unified be awarded \$5,700 in Building Renewal Grant funding to replace the variable frequency drive (VFD) on Building 1001 at Dzil Libeil Elementary School. This includes \$2,500 in contingency that will only be used with SFB staff approval.

Background – Yuma Elementary (Pecan Grove ES – replace HVAC compressor)

Yuma Elementary has submitted a Building Renewal Grant request to replace the HVAC compressor at the administrative Building 1001 at Pecan Grove Elementary School.

Yuma Elementary, located 185 miles southwest of Phoenix, has 19 schools. Pecan Grove Elementary School is comprised of fifteen buildings constructed between 1952 and 2004, totaling 57,018 square feet. Building 1001 was built in 1952, totaling 2,646 square feet.

The district submitted a proposal to replace the unit for \$782.

Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

Staff Recommendation – Yuma Elementary (Pecan Grove ES – replace HVAC compressor)

Staff recommends that Yuma Elementary be awarded \$800 in Building Renewal Grant funding to replace the HVAC compressor at the administrative Building 1001 at Pecan Grove Elementary School.

**Board Action Requested: [ ] information [ X ] action / described below**

1. Board ratification that **Lake Havasu Unified** be awarded \$5,000 in Building Renewal Grant funding to replace two fire alarm boards in Building 1007 at Lake Havasu High School. This includes \$724 in contingency that will only be used with SFB staff approval.
2. Board ratification that **Lake Havasu Unified** be awarded \$12,118 in Building Renewal Grant funding to replace the HVAC condenser pump serving the administration, cafeteria and classroom Building 1001 at Smoketree Elementary School. This includes \$1,000 in contingency that will only be used with SFB staff approval.
3. Board ratification that **Paloma Elementary** be awarded \$10,000 in Building Renewal Grant funding to repair the sewer line and replace the water heater at Kiser Elementary School.
4. Board ratification that **Tuba City Unified** be awarded \$5,700 in Building Renewal Grant funding to replace the variable frequency drive (VFD) on Building 1001 at Dzil Libeil Elementary School. This includes \$2,500 in contingency that will only be used with SFB staff approval.
5. Board ratification that **Yuma Elementary** be awarded \$800 in Building Renewal Grant funding to replace the HVAC compressor at the administrative Building 1001 at Pecan Grove Elementary School.

**Attachments: Yes [ X ]      No [ ]**

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund**District:** Lake Havasu Unified**Project Number:** 080201207-1007-020BRG

Mohave County

**Project Description:** Repair fire alarm**Architect of Record:** n/a**Contractor:** Siemens**Executive Authority:** 6/10/2015**Board Approval:** 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost</b>		<b>\$ 4,276</b>
Contingency ①		<b>\$ 724</b>
Architecture / Engineering (A&E)		\$ -
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection (structural and geo-tech)		\$ -
<b>Total Additional Cost:</b>		<b>\$ -</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 5,000</b>
District Share (Local Funds):		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 5,000</b>
<b>Total Project Cost:</b>		<b>\$ 5,000</b>

① Contingency may only be used with SFB staff approval.

**Building Renewal Grant Application**

**Initial Submission Date:** 6/9/2015 1:39:00 PM

**Application ID:** 2045

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Lake Havasu Unified District  
**Superintendent:** Gail Malay  
**Contact Person:** John Simpson  
**Contact Phone Number:** 928-208-6457  
**Contact Email:** jsimpson@havasus.k12.az.us  
**School Site:** Lake Havasu High School  
**Buildings:** 1007 J

**Application Title:** Siemens Fire Alarm System

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

Last 2 Obsolete Boards in J. Hall Have Failed. Can not clear "Trouble" Signal Fire System Not 100%

**Project Category:** Special Systems

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project \$0.00

Please outline any associated insurance coverage.

District does not have any insurance to cover this project.

**Liaison:** Breuer

gbreuer@azsfb.gov

602-542-6139

Gail Malay  
Superintendent Printed Name

Gail Malay  
Superintendent Signature

6/10/15  
Date

## Infrastructure & Cities

**Attn:** Tony Monda  
Lake Havasu Unified Schools  
\*Lake Havasu High School

Date: 5/12/15

**Subject:** Replace two (2) PAD3 power supplies in "J" Hall. Includes enclosures, locating and changing the end of line resistors.

Please Note: The 5 hours of OT are only if this work is performed separately from the quotes for the Jamaica and Smoke Tree locations. The truck charge will only be charged if work is performed separately from the quotes for the Jamaica and Smoke Tree locations.

Labor and Material	Quantity	Price	Total
Specialist Labor	12	\$114.00	\$1,368.00
Specialist Labor OT (travel time)	5	\$171.00	\$855.00
Perdium (1 day, 1 night)	1	\$110.00	\$110.00
PAD3 Enclosure w/ Main Board	2	\$781.00	\$1,562.00
Misc Elect supplies for install	1	\$75.00	\$75.00
Truck Charge	1	\$45.00	\$45.00
		Total	\$4,015.00
Other	Quantity	Price	Total
			\$0.00
			\$0.00
		Other Total	\$0.00
		Labor and Material	\$4,015.00
		Other Total	\$0.00
		Tax	\$ 261.00

Total: \$ 4,276.00

**\*\*\*\*Exclusions: Replacement of any other field devices. This excludes any additional existing wire replacements. New permits and inspections not already open and scheduled with AHJ. Any additional work, drawings & engineering cost incurred will be proposed before execution. All after hours testing of field devices is also excluded.**

**Approval- This estimate is satisfactory and hereby accepted.**

Authorized Signature: \_\_\_\_\_ Date \_\_\_\_\_

Printed Name: \_\_\_\_\_ PO# \_\_\_\_\_

**Note: Please attach purchase order if available.**

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Lake Havasu Unified**  
Project Number: **080201101-1001-021BRG**  
Project Description: **Replace HVAC condensing pump**  
Architect of Record: **n/a**  
Contractor: **Pueblo Mechanical**

Mohave County

Executive Authority: 6/11/2015  
Board Approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost</b>		<b>\$ 11,118</b>
Contingency ①		<b>\$ 1,000</b>
Architecture / Engineering (A&E)		\$ -
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection (structural and geo-tech)		\$ -
<b>Total Additional Cost:</b>		<b>\$ -</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 12,118</b>
District Share (Local Funds):		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 12,118</b>
<b>Total Project Cost:</b>		<b>\$ 12,118</b>

① Contingency may only be used with SFB staff approval.



**Building Renewal Grant Application**

**Initial Submission Date:** 6/11/2015 7:36:05 AM

**Application ID:** 2048

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Lake Havasu Unified District  
**Superintendent:** Gail Malay  
**Contact Person:** John Simpson  
**Contact Phone Number:** 928-208-6457  
**Contact Email:** jsimpson@havasut.k12.az.us  
**School Site:** Smoketree Elementary School  
**Buildings:** 1001 1

**Application Title:** Condenser Water pump replacement

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

Replace condenser water pump. Pump has failed 18 Yrs. old

**Project Category:** HVAC

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project \$0.00

Please outline any associated insurance coverage.

District does not have insurance to cover this repair

**Liaison:** Breuer

gbreuer@azsfb.gov

602-542-6139

*Gail Malay*  
Superintendent Printed Name

*Gail Malay*  
Superintendent Signature

*6/11/15*  
Date

# Pueblo

Mechanical &  
Controls, Inc.

(800) 840-9170

## **PROPOSAL - Smoketree Elementary School CW Pump Replacement**

Mohave JOC  
#14G-PMAC2-0903

PMC Proposal #:15-06-001

From: Pueblo Mechanical and Controls, Inc.

Date: 06/09/2015

Attn: Shane Bolinger  
Lake Havasu Unified School District #1  
2200 Havasupai Blvd.  
Lake Havasu City, AZ 86403-3798

Dear Shane,

Pueblo Mechanical and Controls appreciates the opportunity to look at this project and is pleased to provide the following scope for Smoketree Elementary School CW Pump Replacement.

### **Scope of Work:**

- Disconnect existing electrical supply to (1) condenser water pump and make safe for removal.
- Remove and dispose (1) existing condenser water pump.
- Provide and install (1) new Bell & Gossett condenser water pumps on existing housekeeping pad.
  - Base mount end suction
  - 1050 GPM @ 85 FT HD
  - 460V/3PH, 30HP, 1800RPM
  - Premium efficient motor
- Demo existing condenser pump housekeeping pads and replace with new.
- Anchor (1) new condenser water pumps to new housekeeping pads. Grout base of each pump.
- Reconnect existing condenser water supply and return piping to (1) new condenser water pumps. Provide new gaskets and bolt kits as necessary for new connections to pumps.
- Remove and replace existing electrical feeders from existing disconnects to (1) new condenser water pumps. Make final terminations to new pumps. Existing electrical disconnects to be reused.
- Startup and test operation.
- Provide operation and maintenance manuals.
- Provide 2 year warranty on parts and labor.

### **We Exclude The Following:**

- Repair or replacement of any existing device found to be inoperable.
- Engineering, permits and fees.
- Asbestos abatement, testing, reporting.
- Any work not included in scope of work listed above.

### **ALL PRICES QUOTED ABOVE ARE VALID FOR 120 DAYS**

6771 E. Outlook Drive, Tucson, AZ 85756 • 11052 N. 24<sup>th</sup> Avenue, Phoenix, AZ 85029

Office - (800) 840.9170 • Fax - (888) 473-4374

[www.pueblo-mechanical.com](http://www.pueblo-mechanical.com)

AZ LIC: CR-39 # ROC176640 • AZ LIC: B-01 # ROC173953 • AZ LIC: CR-74 # ROC260462

# Pueblo

Mechanical &  
Controls, Inc.

(800) 840-9170

Material, service, & labor subtotal [Includes AZDOR TPT compliance]:

Bonding:

	\$	10,459.03
[N/A]	\$	0.00

Total Cost:

	\$	10,459.03
tax	\$	658

All projects over \$100,000 must be individually bonded, projects under this amount are at the discretion of the customer; if the project is under \$100,000; by accepting this proposal you agree to waive bonding for this project. If you require bonding, please contact Pueblo Mechanical immediately and we will provide a quote for the bonding amount. \$11,118

We look forward to providing this important service please call if you have any questions.

Best Regards,

Dan Moon  
Pre Construction Manager  
Cellular: (520) 668-5144  
dan@pueblo-mechanical.com

**Acceptance of Proposal:** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.

Name

Signature

Date

Due to the high cost of equipment and/or extended nature of this project progress billing may be required; if a purchase order is created for this project the owner agrees to accept progress billing for demonstrated and verifiable completed work and/or arrival of equipment items pending installation.

**ALL PRICES QUOTED ABOVE ARE VALID FOR 120 DAYS**

6771 E. Outlook Drive, Tucson, AZ 85756 • 11052 N. 24<sup>th</sup> Avenue, Phoenix, AZ 85029

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AZ LIC: CR-39 # ROC176640 • AZ LIC: B-01 # ROC173953 • AZ LIC: CR-74 # ROC260462

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Paloma Elementary**  
BRG Project Number: 070394001-1001-009BRG Maricopa County  
Project Description: Repair underground water leak and replace water heater  
Consultant: n/a  
Contractor: Aguirre and Kin Inc.  
Executive Authority: 6/1/2015  
Board ratification: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 10,000</b>
Contingency ①		\$ -
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ -
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ -</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 10,000</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 10,000</b>
<b>Total Project Cost:</b>		<b>\$ 10,000</b>

① Contingency shall only be used with SFB staff approval.

**Building Renewal Grant Application**

**Initial Submission Date:** 6/1/2015 11:47:16 AM

**Application ID:** 2034

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Paloma Elementary District  
**Superintendent:** Kristin Turner  
**Contact Person:** Kristin Turner  
**Contact Phone Number:** 928-683-2588  
**Contact Email:** kturner@palomaesd.org  
**School Site:** Kiser Elementary School  
**Buildings:** 1001 Admin/Library

**Application Title:** Broken Hot Water Heater and Plumbing Line Under Building

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

We have a hot water heater that is no longer functioning. Additionally, we discovered a leak after investigating water loss from the well to the school. As of now, the leak is coming from under the administration building. I do not know how far the leak extends under the concrete.

**Project Category:** Plumbing

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project	\$0.00
--	--------

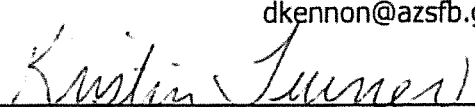
Please outline any associated insurance coverage.

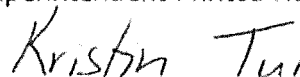
The leak is not caused by an event, but due to old pipes.

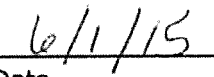
**Liaison:** Kennon

dkennon@azsfb.gov

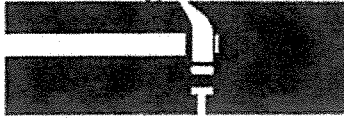
602-364-0538

  
Superintendent Printed Name

  
Superintendent Signature

  
Date

Building Services



**AGUIRRE & KIN, INC.**

P.O. BOX 975, GILA BEND, AZ 85337

LIC. #: ROC180328

Phone #: 623-694-4821

Invoice #: 2015.06.10.01

Date: June 10, 2015

To: Kristin Turner ~ Kiser Elementary School

From: Leo Aguirre ~ Aguirre & Kin, Inc.

Subject: Repair of Water Line & Water Heater Replacement

Repairs to Kiser Elementary School of the above mentioned have been completed. The areas that once were saturated have dried. We have monitored these areas along with the maintenance supervisor and we both believe that we have corrected the problem.

The water heater replacement has been completed as instructed. Please make check payable to:

Aguirre & Kin Inc.  
PO Box 975  
Gila Bend, AZ 85337

**Total due \$3,987.40**

Thanks again for your business.

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant FundDistrict: **Tuba City Unified**BRG Project Number: **030215111-1001-005BRG**

Coconino County

Project Description: **Replace VFD**Architect of Record: **n/a**Contractor: **HACI**Executive Authority: **6/16/2015**Board Approval Date: **6/24/2015**

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 3,200</b>
Contingency ①		<b>\$ 2,500</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ -
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ -</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 5,700</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 5,700</b>
<b>Total Project Cost:</b>		<b>\$ 5,700</b>

① Contingency shall only be used with SFB staff approval.

**Building Renewal Grant Application**

**Initial Submission Date:** 6/10/2015 12:08:50 PM

**Application ID:** 2046

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Tuba City Unified District  
**Superintendent:** Dr. Harold Bgay  
**Contact Person:** Paul Huber  
**Contact Phone Number:** 9283806138  
**Contact Email:** phuber@tcusd.org  
**School Site:** Dzil Libei Elementary School  
**Buildings:** 9999 School Wide

**Application Title:** VFD RELACEMENT

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

Replace VFD for air handler #2

**Project Category:** HVAC

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project \$0.00

Please outline any associated insurance coverage.

Not under warranty

**Liaison:** Cruse

pcruse@azsfb.gov

602-364-1193

Dr. Harold Bgay  
Superintendent Printed Name

Dr. Harold Bgay  
Superintendent Signature

6-10-15  
Date





**Date:** June 11, 2015  
**Customer:** Tuba City Unified School District  
**Contact:** Paul Huber  
**Location:** Dzil Libei Elementary School  
**Address:** Old U.S. 89  
**City, State:** Cameron, AZ 86020

**Re:** 7.5 H.P. VFD Replacement

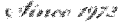
**Scope of Work Description:**

- HACI will remove the existing (1) 7.5 H.P. ABB drive that are defective.
- We will install a Brand New ABB ACH550-UH-012A-4 460 Volt VFD.
- We will mega Ohm the motor to make sure it is not defective.
- We will program the NEW VFD.
- We will start up the NEW VFD and test it for proper operation.
- We will warranty parts and labor for a period of two years.

**Exclusions:** Secondary Three Phase Power Protection (The ABB VFD includes Three Phase Power Monitoring), Engineering, permits & fees, existing wiring, existing issues with motors, premium time labor.

**Lead Time:** 3 to 5 week lead time for this VFD

***All employees of HACI Service have completed the DPS background investigation and have been given their DPS cards allowing them access to work on school grounds during school hours if needed.***



**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Yuma Elementary**  
BRG Project Number: 140401108-1001-027BRG Yuma County  
Project Description: Replace HVAC compressor  
Consultant: n/a  
Contractor: American Refrigeration Supplies (928-783-7819)

Executive Authority: 6/4/2015  
Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		\$ 800
Contingency ①		\$ -
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ -
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		\$ -
<b>Total SFB Funded Project Cost:</b>		\$ 800
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		\$ 800
<b>Total Project Cost:</b>		\$ 800

① Contingency shall only be used with SFB staff approval.

**Building Renewal Grant Application**

**Initial Submission Date:**

**Application ID: 2023**

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Yuma Elementary District  
**Superintendent:** DARWIN STIFFLER  
**Contact Person:** ESPERANZA RODRIGUEZ  
**Contact Phone Number:** (928) 502-4302  
**Contact Email:** erodriguez@yuma.org  
**School Site:** Pecan Grove Elementary School  
**Buildings:** 1001 Admin. Office

**Application Title:** COMPRESSOR REPLACEMENT

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

HVAC Tech has diagnosed the unit at the office and he has come to the conclusion that the unit needs a new compressor. He requested to purchase a compressor and the total amount is \$781.78  
Unit: Trane, Model # WCP048F400AB, SERIAL # 3266XP22H

**Project Category:** HVAC

Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school? N

**Available Funding**

Amount of Local funds planned for this project \$0.00


Please outline any associated insurance coverage.

N/A

**Liaison:** Cruse

pcruse@azsfb.gov

602-364-1193

  
Superintendent Printed Name

  
Superintendent Signature

5.20.2015  
Date

Remit To: AMERICAN REFRIGERATION SUPPLIES, INC. ARS  
 P.O. Box 21127 Store(928)783-7819  
 Phoenix, AZ 85036 Corp(602)243-2792

ORDER ACKNOWLEDGEMENT  
 Order#: 3065252-00  
 Date: 05/13/15  
 Terms: Net 10thProx  
 YEP

Bill To: YUMA SCHOOL DISTRICT #1  
 450 SIXTH ST  
 YUMA, AZ 85364

PO:  
 Inst:  
 FOB: ARS #3 - Yuma L083  
 Via: Date: 05/15/15

Ship To: YUMA SCHOOL DISTRICT #1  
 450 SIXTH ST  
 YUMA, AZ 85364

Cust#: 4103

Ln#	Part Number/Description	UM	Qty Ord	Qty Ship	Qty B.O.	Price	Total
COUNTER: ALL TOOL PURCHASES MUST BE APPROVED BY JOSE JIMENEZ 928-580-5764							
1	COM08538 COMP 4.0 HP 460 3PH MO S R22 AC GP483-JJ4G	each	1	1		653.38 *	653.38
2	HPC-163-S-HH DRIER BI FLOW HP FILTER 3/8 FS	each	1	1		45.89 *	45.89
4	61445 CONTACTOR 40 AMP 3 POLE 24V 42CF35AJ	each	1	1		21.85 *	21.85
3	Lines Total		Qty Shipped Total	3		Total	721.12
						Taxes *	60.66
						Invoice Total	781.78

**STATE OF ARIZONA  
SCHOOL FACILITIES BOARD**

**Meeting Date: June 24, 2015**

**Agenda Item IV.b.**

**Subject: IV. Building Renewal Grant Requests**

**b. Consideration and possible vote to accept, reject or modify  
Building Renewal Grant Requests (supplemental awards)**

**Douglas Unified (2 requests)  
Mammoth-San Manuel Unified  
Mohave Valley Elementary  
Pomerene Elementary  
Round Valley Unified  
Show Low Unified (2 requests)  
Tolleson Union  
Valley Union  
Yuma Union**

**Background – Douglas Unified (Ray Borane MS – repair masonry wall cracks) Request 1 of 2**

On April 1, 2015, the Board awarded Douglas Unified \$6,526 in Building Renewal Grant funding for the investigation and assessment of several cracks in the masonry walls at Ray Borane Middle School (project number 020227108-9999-004BRG).

As the investigation has proceeded, it is possible that site drainage issues may be affecting the cracking of the wall; therefore, a survey of the site is needed to confirm the site grading. The district received a proposal of \$4,500 for the survey.

Initial award 4/1/2015

Investigation	\$6,526
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Supplemental funding requested:

<u>Site survey</u>	<u>\$4,500</u>
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Total project cost to date:	\$11,026
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**Criteria for Eligibility**

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

**Staff Recommendation – Douglas Unified (Ray Borane MS – repair masonry wall cracks)**

Staff recommends that Douglas Unified be awarded an additional \$4,500 in Building Renewal Grant funding for a site survey of Ray Borane Middle School (project number 020227108-9999-004BRG). This brings the total project cost to date to \$11,026.

**Background – Douglas Unified (Douglas HS – roof replacement) Request 2 of 2**

On April 1, 2015, the Board awarded Douglas Unified \$11,368 in Building Renewal Grant funding for the design to replace the roof on Building 1011 at Douglas High School (project number 020227210-1011-006BRG).

The design is complete and the architect has estimated the roof replacement at \$90,000.

Initial award 4/1/2015

Professional design	\$11,368
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Supplemental funding request:

Estimated construction cost	\$90,000
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Asbestos survey (estimate)	\$5,000
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<u>Contingency</u>	<u>\$9,500</u>
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Total supplemental funding requested: \$104,500

Total project cost:	\$115,868
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**Criteria for Eligibility**

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

**Staff Recommendation – Douglas Unified (Douglas HS – roof replacement)**

Staff recommends that Douglas Unified be awarded an additional \$104,500 in Building Renewal Grant funding to replace the roof on Building 1011 at Douglas High School. This includes \$9,500 in contingency that will only be used with SFB staff approval and brings the total project cost to \$115,868.

**Background – Mammoth-San Manuel Unified (San Manuel HS – replace roof)**

On May 6, 2015, the Board awarded \$13,100 in Building Renewal Grant funding to Mammoth-San Manuel Unified for the replacement of the roof on Building 1002 at San Manuel High School (project number 110208281-1002-005BRG).

The design is complete and the architect has provided an estimate for the construction at \$49,725.

Initial award 5/6/2015

Professional design	\$8,100
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<u>Asbestos survey</u>	<u>\$5,000</u>
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Total:	\$13,100
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Supplemental funding requested:

Estimated construction cost	\$49,725
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Construction administration	\$1,500
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<u>Contingency</u>	<u>\$5,175</u>
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Total supplemental funding requested: \$56,400

Total project cost:	\$69,500
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#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation – Mammoth-San Manuel Unified (San Manuel HS – replace roof)

Staff recommends that Mammoth-San Manuel Unified be awarded an additional \$56,400 in Building Renewal Grant funding for the replacement of the roof on Building 1002 at San Manuel High School (project number 110208281-1002-005BRG). This includes \$5,175 in contingency that will only be used with SFB staff approval and brings the total project cost to \$69,500.

#### **Background – Mohave Valley Elementary (Mohave Valley ES – roof repairs)**

On May 6, 2015, the Board awarded Mohave Valley Elementary \$7,000 for professional services to assess the roof at Mohave Valley Elementary School Cafeteria Building 1002 at Mohave Valley Elementary School (project number 080416101-1002-024BRG).

The assessment is complete and the consultant has estimated the construction cost at \$122,125.

Initial Award 5/6/2015

Consultant assessment	\$2,000
Asbestos survey	\$5,000
Total:	\$7,000

Supplemental funding requested:

Consultant/engineer/construction administration	\$21,550
Construction and repair Cost	\$122,125
Contingency	\$20,000
Total supplemental funding requested:	\$163,675

Total project cost: \$170,675

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation– Mohave Valley Elementary (Mohave Valley ES – roof repairs)

Staff recommends that Mohave Valley Elementary be awarded an additional \$163,675 in Building Renewal Grant funding for the roof repairs on Building 1002 at Mohave Valley Elementary School (project number 080416101-1002-024BRG). This includes \$20,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$170,675.

#### **Background – Pomerene Elementary (Pomerene ES – repair crack in brick wall)**

On October 1, 2014, November 12, 2014, and May 6, 2015, the Board awarded Pomerene Elementary a total of \$11,435 in Building Renewal Grant funding for the investigation of a crack in the brick wall of Building 1003 at Pomerene Elementary School (project number 020464101-1003-003BRG).



The investigation is now complete and the district received a proposal for the design of the corrections needed to repair the crack and alleviate the movement in the concrete slab for \$9,800.

Initial award for investigation 10/1/2014	\$1,350
Supplemental award 11/12/2014	\$5,185
Supplemental award 5/6/2015	\$4,900
Total:	\$11,435

Supplemental funding requested:	
Professional design services	\$9,800

Total project cost: \$21,235

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation – Pomerene Elementary (Pomerene ES – repair crack in brick wall)

Staff recommends that Pomerene Elementary be awarded an additional \$9,800 in Building Renewal Grant funding for the professional design services to repair the crack and alleviate the movement in the concrete slab in Building 1003 at Pomerene Elementary School (project number 020464101-1003-003BRG). This brings the total project cost to date to \$21,235.

#### Background – Round Valley Unified (Round Valley ES (Formerly Intermediate School) – replace emergency exit lighting)

On August 2, 2014 and June 3, 2015, the Board awarded Round Valley Unified a total of \$18,346 in Building Renewal Grant funding to replace the emergency exit lighting and signage at Round Valley Primary School.

Staff has determined that the project is for Building 1001 at Round Valley Elementary School (formerly Round Valley Intermediate School), not at Round Valley Primary School. The ADM reported for the Primary School is preschool students that do not have disability, which does not qualify for Building Renewal Grant funding per A.R.S §15-2011.C.1. As a result, the Primary School project number 010210101-9999-002BRG needs to be cancelled and the awarded funding transferred to a new project number for the Elementary School, 010210102-1001-002BRG.

The new project requires a supplemental award due to the change in scope from the Primary School to the Elementary School. The construction estimate for the Elementary School is estimated at \$27,615, rather than the initial award of \$12,046.

Initial award design(8/1/2014)	\$2,750
Construction administration (6/3/2015)	\$1,550
Construction estimate (6/3/2015)	\$12,046
Contingency (6/3/2015)	\$2,000
Total:	\$18,346

Supplemental funding requested:	
Construction (estimate)	\$27,615
Previously awarded	-\$12,046

Shortfall	\$15,569
Contingency	\$1,000
Total supplemental funding requested:	\$16,569

Total project cost: \$34,915

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation – Round Valley Unified (Round Valley ES (formally Intermediate School) – replace emergency exit lighting)

Staff recommends that the Round Valley Unified Primary School project number 010210101-9999-002BRG be cancelled and the funding be awarded to a new project number for the Elementary School, 010210102-1001-002BRG and that Round Valley Unified be awarded an additional \$16,569 to replace the emergency lighting and signage at Round Valley Elementary School (project number 010210102-1001-002BRG. This includes \$1,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$34,915.

#### A.R.S §15-2011.C.1.

*C. The standards that shall be used by the school facilities board to determine whether a school building meets the minimum adequate gross square footage requirements are as follows:*

- 1. For a school district that provides instruction to pupils in programs for preschool children with disabilities, kindergarten programs and grades one through six, eighty square feet per pupil in programs for preschool children with disabilities, kindergarten programs and grades one through six.*

#### **Background – Show Low Unified (Show Low JHS - roof repairs) Request 1 of 2**

On January 7, 2015, the Board awarded Show Low Unified \$4,158 in Building Renewal Grant funding for the design and asbestos survey to restore the roof on Building 1001 at Linden Elementary School (project number 090210225-1001-004BRG).

Staff has reviewed the design for the restoration which will have a 10 year systems warranty.

Initial Award 1/7/2015

Design	\$3,350
Asbestos Survey	\$808
	\$4,158

Supplemental funding requested:

Construction administration	No Charge
Estimated construction cost	\$12,000
Abatement Oversight Cost	n/a
Abatement	n/a
Contingency	\$5,000
Total:	\$17,000

Total project cost: \$21,158

Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

Staff Recommendation – Show Low Unified (Show Low JHS – roof repairs)

Staff recommends that Show Low Unified be awarded an additional \$17,000 in Building Renewal Grant funding to restore the roofing on Building 1001 at Show Low Junior High School (project number 090210225-1001-004BRG). This includes \$5,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$21,158. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

**Background – Show Low Unified (Linden ES - roof replacement) Request 2 of 2**

On January 7, 2015, the Board awarded Show Low Unified \$4,158 for the design and asbestos survey to replace the roof on Building 1004 at Linden Elementary School (project number 090210116-1004-005BRG).

Staff has reviewed the design for the replacement which will have a 30-year architectural style shingle and a 20-year systems warranty.

Initial Award 1/7/2015

Design	\$3,350
Asbestos Survey	\$808
	<u>\$4,158</u>

Supplemental funding requested:

Construction administration	\$11,666
Estimated construction cost	\$150,000
Abatement Oversight Cost	n/a
Abatement (Not To Exceed)	n/a
Contingency	\$15,000
Total	<u>\$176,666</u>

Total project cost: \$180,824

Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

Staff Recommendation – Show Low Unified (Linden ES – roof replacement)

Staff recommends that Show Low Unified be awarded an additional \$176,666 in Building Renewal Grant funding to replace the roofing on Building 1004 at Linden Elementary School (project number 090210116-1004-005BRG). This includes \$15,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$180,824.

**Background – Tolleson Union (Tolleson Union HS – repair sewer piping)**

On January 7, 2015, the Board awarded Tolleson Union \$2,950 for engineering services to investigate the cause of the floor heaving and wall separation in Building 1027 at Tolleson Union High School (project number 070514201-1027-007BRG).

The investigation has been done and an estimate of the cost to cut out the damaged floor area, replace the concrete and remove and replace the walls affected by floor heaving. Additional ground testing will be conducted after the concrete removal.

Initial Award 1/7/2015	
Engineering services	\$2,950

Supplemental funding requested:	
Estimated construction cost	\$39,603
District contribution	-\$5,000
Additional engineering and design	\$7,250
<u>Contingency</u>	<u>\$10,000</u>
Total supplemental funding requested:	\$51,853

Total SFB funding:	\$54,803
<u>District contribution:</u>	<u>\$5,000</u>
Total project cost:	\$59,803

**Criteria for Eligibility**

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

**Staff Recommendation - Tolleson Union (Tolleson Union HS – repair sewer piping)**

Staff recommends that Tolleson Union be awarded an additional \$51,853 in Building Renewal Grant funding to repair the flooring in Building 1027 at Tolleson Union High School. (project number 070514201-1027-007BRG). This includes \$10,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$59,803.

**Background – Valley Union (Valley Union HS – roof replacement)**

On April 1, 2015, the Board awarded Valley Union \$10,840 in Building Renewal Grant funding for the design and replacement of the roof on the administration Building 1005 roof at Valley Union High School (project number 020522201-1005-006BRG).

The design is complete and the architect has estimated the replacement of the roof at \$57,000.

Initial award 4/1/2015	
Professional design	\$10,840

Supplemental funding requested:	
Estimated construction cost	\$57,000
Asbestos testing	\$5,000
<u>Contingency</u>	<u>\$6,200</u>
Total supplemental funding requested:	\$68,200

Total project cost: \$79,040

Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

Staff Recommendation – Valley Union (Valley Union HS – roof replacement)

Staff recommends that Valley Union be awarded an additional \$68,200 in Building Renewal Grant funding for the replacement of the roof on the administration Building 1005 at Valley Union High School (project number 020522201-1005-006BRG). This includes \$6,200 in contingency that will only be used with SFB staff approval and brings the total project cost to \$79,040.

**Background – Yuma Union (Cibola HS – roof repairs)**

On June 11, 2014, the Board awarded Yuma Union \$3,300 for professional services for roof repairs on all buildings at Cibola High School (project number 140570203-9999-006BRG).

The district has performed preventive maintenance and made numerous repairs on the roofs, but they have reached the point of needing fully restored or replaced. The roofs to be restored will have a 10 year systems warranty and Building 1007, which requires full replacement, will have a 20 year systems warranty. Staff visited the school site and agrees with the scope of work as recommended. Below is a list of the buildings.

Building No.	Year Built	Square Footage	Scope
1001	1988	101,404	Restore
1002	1998	4,900	Restore
1003	1988	16,594	Restore
1004	1988	54,559	Restore
1005	1988	10,423	Restore
1006	1988	30,612	Restore
1007	1988	16,445	Full Replacement
1008	1988	2,414	Restore
	Total:	237,351	

Initial Award 6/11/2014

Design/Structural analysis \$3,300

Supplemental funding requested:

Construction administration \$1,225

Asbestos survey (estimate) \$1,500

Asbestos consultant (estimate) \$4,000

Asbestos abatement \$10,000

Estimated construction cost \$174,000

Estimated joint caulking and re-pack \$25,000

Contingency \$20,000

Total supplemental funding requested: \$235,725

Total project cost: \$239,025

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation – Yuma Union (Cibola HS - roof repairs)

Staff recommends that Yuma Union be awarded an additional \$235,725 in Building Renewal Grant funding to restore/replace the roofs at Cibola High School (project number 140570203-9999-006BRG). This includes \$20,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$239,025.

#### **Board Action Requested: [ ] information [ X ] action / described below**

1. Board approval of the staff recommendation that **Douglas Unified** be awarded an additional \$4,500 in Building Renewal Grant funding for a site survey of Ray Borane Middle School (project number 020227108-9999-004BRG). This brings the total project cost to date to \$11,026.
2. Board approval of the staff recommendation that **Douglas Unified** be awarded an additional \$104,500 in Building Renewal Grant funding to replace the roof on Building 1011 at Douglas High School (project number 020227210-1011-006BRG). This includes \$9,500 in contingency that will only be used with SFB staff approval and brings the total project cost to \$115,868.
3. Board approval of the staff recommendation that **Mammoth-San Manuel Unified** be awarded an additional \$56,400 in Building Renewal Grant funding for the replacement of the roof on Building 1002 at San Manuel High School (project number 110208281-1002-005BRG). This includes \$5,175 in contingency that will only be used with SFB staff approval and brings the total project cost to \$69,500.
4. Board approval of the staff recommendation that **Mohave Valley Elementary** be awarded an additional \$163,675 in Building Renewal Grant funding for the roof repairs on Building 1002 at Mohave Valley Elementary School (project number 080416101-1002-024BRG). This includes \$20,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$170,675.
5. Board approval of the staff recommendation that **Pomerene Elementary** be awarded an additional \$9,800 in Building Renewal Grant funding for the professional design services to repair the crack and alleviate the movement in the concrete slab in Building 1003 at Pomerene Elementary School (project number 020464101-1003-003BRG). This brings the total project cost to date to \$21,235.
6. Board approval of the staff recommendation that the **Round Valley Unified** Primary School project number 010210101-9999-002BRG be cancelled and the funding be awarded to a new project number for the Elementary School, 010210102-1001-002BRG and that Round Valley Unified be awarded an additional \$16,569 to replace the emergency lighting and signage at Round Valley Elementary School (project number 010210102-1001-002BRG). This includes \$1,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$34,915.

7. Board approval of the staff recommendation that **Show Low Unified** be awarded an additional \$17,000 in Building Renewal Grant funding to restore the roofing on Building 1001 at Show Low Junior High School (project number 090210225-1001-004BRG). This includes \$5,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$21,158. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.
8. Board approval of the staff recommendation that **Show Low Unified** be awarded an additional \$176,666 in Building Renewal Grant funding to replace the roofing on Building 1004 at Linden Elementary School (project number 090210116-1004-005BRG). This includes \$15,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$180,824.
9. Board approval of the staff recommendation that **Tolleson Union** be awarded an additional \$51,853 in Building Renewal Grant funding to repair the flooring in Building 1027 at Tolleson Union High School. (project number 070514201-1027-007BRG). This includes \$10,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$59,803.
10. Board approval of the staff recommendation that **Valley Union** be awarded an additional \$68,200 in Building Renewal Grant funding for the replacement of the roof on the administration Building 1005 at Valley Union High School (project number 020522201-1005-006BRG). This includes \$6,200 in contingency that will only be used with SFB staff approval and brings the total project cost to \$79,040.
11. Board approval of the staff recommendation that **Yuma Union** be awarded an additional \$235,725 in Building Renewal Grant funding to restore/replace the roofs at Cibola High School (project number 140570203-9999-006BRG). This includes \$20,000 in contingency that will only be used with SFB staff approval and brings the total project cost to \$239,025.

**Attachments: Yes [ X ]      No [   ]**

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Douglas Unified**  
BRG Project Number: **020227108-9999-004BRG**  
Project Description: **Repair masonry wall cracks**  
Architect of Record: **Robert Polcar Architects, Inc. (480-675-9760)**  
Contractor: **TBD**

Cochise County

Board approval: 4/1/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost</b>		\$ -
Contingency ①		\$ -
Architecture / Engineering (A&E)		\$ 6,526
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 4,500
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 11,026</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 11,026</b>
District Share (Local Funds):		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 11,026</b>
<b>Total Project Cost:</b>		<b>\$ 11,026</b>

① Contingency shall only be used with SFB staff approval



June 16, 2015

To: Cesar Soto  
Douglas Unified School District  
P.O. Box 1237  
1132 12<sup>th</sup> Street  
Douglas, AZ 85607

Re: Civil Survey  
Ray Borane Middle School

Cesar,

Thank you for giving us the opportunity to submit a proposal for evaluation services for this project. Our understanding of the scope of work is as follows:

### **Scope of Project**

- During our investigation into the wall cracks and drainage problems it has become apparent that part of the problem is foundation settlement. This settlement appears to be due to water from roof gutters being allowed to pond at the base of the buildings causing saturation of the bearing soils.
- No information exists for the site conditions on this property. There are no survey or utility records available.
- We are recommending a site topo survey be done. This survey is needed to identify areas of ponding water and will be used in the design phase as a basis for modifications to the site grading and drainage system in order to channel water away from the buildings and into retention areas.

### **Scope of Services**

- A simple topological survey will be done of the entire block, between 12<sup>th</sup> and 13<sup>th</sup> Streets, between C and D Avenues. Survey will include elevations of buildings and site features, sidewalks, curbs, etc. It will not be a sealed ALTA survey which would be required if we needed to verify property lines, easements and so forth.

### **Fee**

The fee for a civil survey, with the results presented as a CADD file, as described above would be \$4,500. The fee includes travel expenses.

Not included are: computer plots, printing reproduction and delivery charges, state, city or county permits if required, plan reviews and building permit fees if required.

Additional services such as extra on-site inspections, soils testing, material testing, additional surveying beyond the scope, etc. if requested, would be quoted as needed. If required as part of the additional services mileage would be billed at the current state rate, printing and delivery billed at cost.

We are listed as a vendor in Procure AZ as well as 1GPA. We are in compliance with all current State of Arizona insurance requirements.

If this proposal is acceptable, please notify me and we can begin immediately.

Again, thanks for the opportunity; we look forward to working with you on this project.

Sincerely,



Bob Polcar, RA  
Robert Polcar Architects, Inc.

.cc Dan Demland



**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Douglas Unified**  
BRG Project Number: **020227210-1011-006BRG**  
Project Description: **Roof replacement**  
Architect of Record: **Robert Polcar Architects, Inc. (480-675-9760)**  
Contractor: **TBD**

Cochise County

Board approval: 4/1/2015  
Supplemental award: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost</b>		<b>\$ 90,000</b>
Contingency ①		<b>\$ 9,500</b>
Architecture / Engineering (A&E)		\$ 11,368
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 5,000
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 16,368</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 115,868</b>
District Share (Local Funds):		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 115,868</b>
<b>Total Project Cost:</b>		<b>\$ 115,868</b>

① Contingency shall only be used with SFB staff approval

June 16, 2015

To: Dan Demland  
School Facilities Liaison  
Arizona School Facilities Board  
Phoenix, Arizona

Re: Roof Replacement  
Douglas High School Campus Classroom Building #6  
SFB Project 020227210-1011-006BRG

Dan,

We have made a site visit, had a structural survey completed, and have finished as-built plans and an evaluation of the existing roof.

The existing second story tile roof is deteriorated and leaking. We believe the original material was not secured with proper attachment and that the underlayment was thin, leading to failure of the installation. The estimated quantity of existing roof material to be removed and replaced is approximately 9,000 square feet.

All other classroom buildings on this campus have experienced similar problems and all have been replaced over the years with standing seam metal roofs. Based on the above quantities we would estimate the construction cost to remove existing and replace with a standing seam metal roof to match adjacent buildings at about \$88,000. For budgeting purposes you should include a 3.0% cost for bonds, making the total construction contract about \$90,000.

Please let me know if you have any questions.

Sincerely,



Bob Polcar, RA  
Robert Polcar Architects, Inc.



**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Mammoth-San Manuel Unified**  
Project Number: **110208281-1002-005BRG** Pinal County  
Project Description: **Replace roof**  
Architect of Record: **Swaim Associates, LTD (520-326-3700)**  
Contractor: **TBD**  
Board Approval: **5/6/2015**  
Supplemental award: **6/24/2015**

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost</b> (cost estimate provided by architect or contractor)		\$ <b>49,725</b>
Contingency ①		\$ <b>5,175</b>
Architecture / Engineering (A&E) Fees		\$ 5,600
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 7,500
Testing & Inspection		\$ 1,500
<b>Total Additional Cost:</b>		\$ <b>14,600</b>
<b>Total SFB Funded Project Cost:</b>		\$ <b>69,500</b>
District Share (Local Funds):		\$ -
<b>SFB Board Approved Amount:</b>		\$ <b>69,500</b>
<b>Total Project Cost:</b>		\$ <b>69,500</b>

① Contingency shall only be used with SFB staff approval.

April 13, 2015 (Updated on 6/12/15)

David Hogan  
Mammoth – San Manuel Unified School District  
711 McNab Parkway  
San Manuel, AZ 85631

RE: Fee Proposal for Weight Room / Wrestling Room Roof Replacement

Dear Mr. Hogan,

I respectfully submit the following fee for your consideration. The scope of work includes:

- Perform detailed field review of roofing.
- Develop drawings and specifications for bidding.
- Provide a structural report outlining ability to support new roof system.
- Includes architectural and structural engineering.

**Basic Services Fee**

Swaim Associates (Construction Documents)	\$3800.00	FUNDED IN INITIAL AWARD. 5/6/15
Schneider (Report and Calculations)	1800.00	
Swaim (Field Observation During Construction)	*1500.00	
<b>Total Basic Services</b>	<b>\$ 7100.00</b>	

Please call to discuss this proposal if you have any questions. Thank you for the opportunity to provide these services. We will complete a Contract once you approve the fee.

Sincerely,



Mark Bollard, AIA

June 15, 2015

**Mammoth-San Manuel Unified School District #8  
Mammoth-San Manuel High School  
Building Renewal Grant, Wrestling Room Re-roofing**

**Estimate of Probable Construction Costs**

---

1.	General Conditions (Supervision, Waste, Fencing)	\$3,500.00
2.	Demolition	\$5,000.00
3.	Sheet Metal Flashings	\$2,500.00
4.	New Roofing System	\$22,000.00
5.	Secondary Underlayment	\$4,000.00
6.	Replace Damaged Sheathing	\$1,000.00
7.	Taxes & Insurance	\$4,550.00
8.	Overhead & Profit	\$7,175.00
<hr/> TOTAL		\$49,725.00

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant FundDistrict: **Mohave Valley Elementary**BRG Project Number: **080416101-1002-024BRG**

Mohave County

Project Description: **Roof repairs**Engineer: **WRECORP**Contractor: **TBD**Board approval: **5/6/2015**Supplemental award: **6/24/2015**

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 122,125</b>
Contingency ①		<b>\$ 20,000</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 2,000
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 5,000
Testing & Inspection		\$ 21,550
<b>Total Additional Cost:</b>		<b>\$ 28,550</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 170,675</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 170,675</b>
<b>Total Project Cost:</b>		<b>\$ 170,675</b>

① Contingency shall only be used with SFB staff approval.



# PROPOSAL

## PROJECT IDENTIFICATION

PROJECT NAME	Mohave Valley School District (David Berard)
PROJECT	Mohave Valley Elementary - Cafeteria
SITE ADDRESS	1419 E. Willow
	Mohave Valley, AZ 86440

## PROPOSAL

This proposal, dated this day of June 9, 2015, is between Mohave Valley School District ("Client") and WRECORP (Western Roof Evaluation Corporation) ("Consultant") to set forth and further define the Scope of Services for the project generally referred to as Roof Inspection. If accepted this document shall form an agreement between the client and the consultant.

Client and Consultant, after negotiation, have defined the Scope of Services as follows:

### Phase I - Design

- Assess existing roof conditions on building at site address listed above.
- Create a footprint CAD of existing roofs, determining square footage.
- Create a scope of work and specification
- Provide construction details for roof system application.

Fees: \$3,500.00 + \$2,400.00 (*Structural Engineer's Report*) **Total \$5,900.00**

### Phase II – Bidding and Construction Administration

- Conduct pre-bid meeting with chosen contractors and manufacturers.
- Review submittals and schedule from chosen contractor.
- Conduct pre-roofing meeting with contractor, manufacturer and client.
- Provide quality assurance monitoring once a week. Photo documented reports for each day's monitoring.
- Conduct a punch list inspection after completion of work.
- Conduct a close out inspection.

**Fees: \$15,650.00**

**Total Fees: \$21,550.00**

Compensation for services and terms of payment shall be as follows: Due upon receipt of invoice.

### **Limitations on Consultant's Responsibility, Indemnity & Insurance**

Client acknowledges that Consultant is performing professional service on behalf of Client and in the event claims, losses, damages or expenses are caused by the negligence of Contractor or Client or both, Client agrees to indemnify and hold harmless Consultant, and Consultant's officers, employees, agents and representatives, from and against liability for all Professional Liability claims, losses, damages and expenses whether or not insured, including reasonable attorney's fees.

# PROPOSAL

**If acceptable please sign, date and return to WRECOP (Signed proposal represents a signed contract)**

**WRECOP (Western Roof Evaluation Corporation)**

*Consultant*

By: Jerry L. Brown 6/9/2015  
*Signature in ink* *Date*

Name: Jerry L. Brown  
Title: President

*Owner*

By: \_\_\_\_\_  
*Signature in ink* *Date*

Name: \_\_\_\_\_  
Title: \_\_\_\_\_



David Kennon  
Gerry Breuer  
AZSFB

Project: Mohave Valley Unified School District

**Mohave Cafeteria**

Identification	Activity	Items	Price per square foot	Total
Roof	Replacement	10,950 sf.	\$7.50	\$82,125.00
Mechanical Eq.	Modification	10	\$2,500.00	\$25,000.00
Metal Roof Fascia	Modification	500 lnft.	\$25.00	\$12,500.00
Wood Nailers	Modification	500 lnft.	\$5.00	\$2,500.00
Consultant/Engineer	Design & Admin.			\$21,550.00
<b>Total</b>				<b>\$143,675.00</b>

→ A/E Cost.

1. Roof will be scraped and cleaned of incompatible materials.
2. Mechanical equipment will be removed and curbs built and extended to allow for industry height.
3. New fascia metal will be installed.
4. Wood nailers installed around perimeter.
5. Insulation will be installed between flutes and over entire surface.
6. New 60 mil TPO roof system installed.
7. Roof top equipment reinstalled.

Jerry L. Brown, RRO  
Roof Consultant

June 9, 2015



David Kennon  
AZSFB

Project: Mohave Elementary School Cafeteria

Inspection Date: May 27, 2015

Inspector: Jerry L. Brown, RRO

WRECORP was retained to inspect the roof system at above listed address. This report contains WRECORP's preliminary opinions on the existing conditions found at the time of inspection.

All opinions, conclusions and/or recommendations within this report are subject to change in the event that any additional information is discovered or brought to the attention of WRECORP.

Industry standards use: NRCA (National Roofing Contractors Association), SPFA (Spray Polyurethane Foam Alliance).

The metal roof system is in varying stages of decay and repair. There is no simple remedy for this project. Different types of materials have been used in repairing deficiencies. Some of these materials are not compatible with each other.

No matter what system is chosen the eave and rake details will have to be corrected along with the roof top equipment. The below listed budgets do not include this work.

In my opinion there are 3 options.

1. Tear off the existing metal roof down to the structure. Install new roof structure and install new roof system of choice. **Budget unknown**
2. Remove the roof top penetrations and equipment. Install insulation board (fillers) in between the ribs up to equal height of the ribs. Install a cover board over the top of the ribs covering the entire roof. Spray 2" foam with single lock granule system. (The only problem with this system in this area is that the wind blows quite often and would hamper foam application. Reinstall roof top equipment. **Budget \$9.50 per square foot.**
3. Remove the roof top penetrations and equipment. Install insulation board (fillers) in between the ribs up to equal height of the ribs. Install a cover board over the top of the ribs covering the entire roof. Install a 60 mil TPO system. (In my opinion this would be the most cost effective and productive system for this roof and can be installed in almost any weather condition. Reinstall roof top equipment. **Budget \$7.50 per square foot.**



Photo # 1

Description: Overall view of roof.



Photo # 2

Description: Typical roof and equipment.



Photo # 3

Description: Curb too large for AC unit.



Photo # 4

Description: Canopy over equipment about to fall down.



Photo # 5

Description: Typical edge detail, note cut outs in bottom edge of metal.



Photo # 6

Description: Typical edge detail, note cut outs in bottom edge of metal.



Photo # 7

Description: Typical edge detail, note cut outs in bottom edge of metal.



Photo # 8

Description: Typical edge detail, note cut outs in bottom edge of metal.





Photo # 9

Description: Typical edge detail, note cut outs in bottom edge of metal.

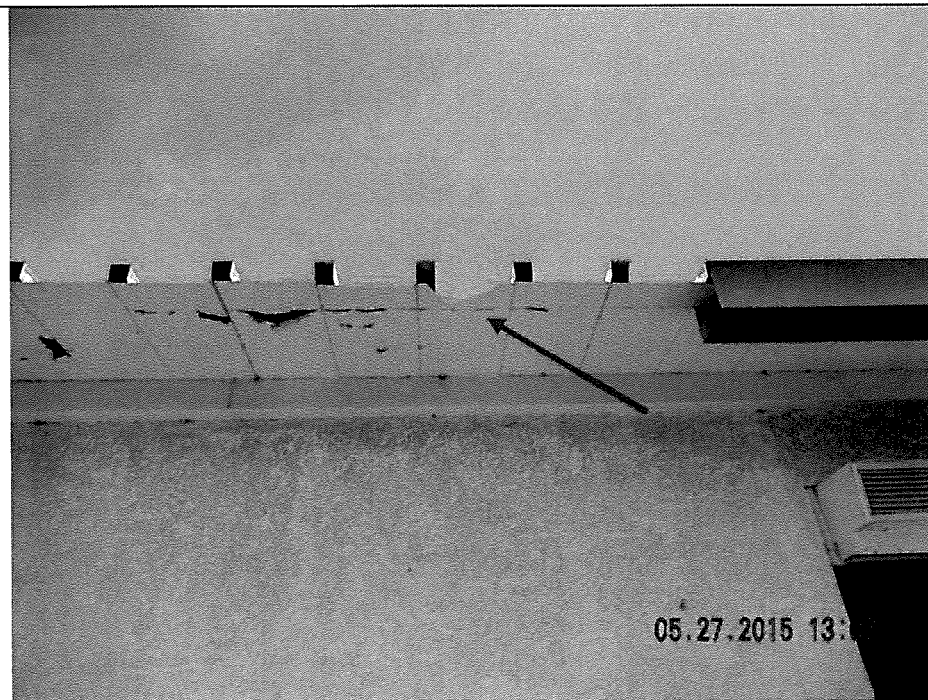


Photo # 10

Description: Typical edge detail, note cut outs in bottom edge of metal.



Photo # 11

Description: Short gutter detail.



Photo # 12

Description: Plastic gutter at edge.

**Limitations on Consultant's Responsibility, Indemnity & Insurance**

*Client acknowledges that Consultant is performing professional service on behalf of Client and in the event claims, losses, damages or expenses are caused by the negligence of Contractor or Client or both, Client agrees to indemnify and hold harmless Consultant, and Consultant's officers, employees, agents and representatives, from and against liability for all Professional Liability claims, losses, damages and expenses whether or not insured, including reasonable attorney's fees.*

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Pomerene Elementary**  
BRG Project Number: **020464101-1003-003BRG** Cochise County  
Project Description: **Repair crack in brick wall**  
Architect of Record: **Robert Polcar Architects, Inc. (Bob Polcar, RA 480-675-9760)**  
Contractor: **TBD**  
Board Approval: **10/1/2014**  
Supplemental award: **11/12/2014**  
Supplemental award: **5/6/2015**  
Supplemental award: **6/24/2015**

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost</b>		\$ -
Contingency ①		\$ -
Architecture / Engineering (A&E) Fees		\$ 6,535
Surveys and permitting		\$ 4,900
Testing & Inspection		\$ 9,800
<b>Total Additional Cost:</b>		<b>\$ 21,235</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 21,235</b>
District Share (Local Funds):		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 21,235</b>
<b>Total Project Cost:</b>		<b>\$ 21,235</b>

① Contingency will only be used with SFB staff approval.

June 16, 2015

To: Shad Housley, Superintendent  
Pomerene Elementary School District #64  
Pomerene, Arizona

Re: Structural corrections of Gym foundation  
Pomerene Elementary School

Shad,

Thank you for giving us the opportunity to submit a proposal for architectural and engineering services for this project. Our understanding of the scope of work is as follows:

### Scope of Project

- A crack in the west wall of the Gymnasium has been noted and appears to be growing. There appears to be a ground settlement problem at the Gym's northwest corner as well.
- A structural engineer has inspected the Gym and a soils test has been completed. The structural report identifies soil settlement as a significant problem and makes recommendations to stabilize the foundation.

### Scope of Services

- This phase will include the structural engineering analysis of the foundation and the construction details needed for restoration. It will include two visits for further analysis of the conditions.
- Bid documents and specifications.
- Assistance during the bidding process to select a contractor as well as review and approvals of contractor progress payments, a pre-construction meeting, two periodic inspections of the work, as well as a final inspection.

### Fee

The fee for architectural and engineering services, as described above, including structural engineer would be as outlined below. The fee includes travel expenses.

Initial Inspection	\$800
Structural Design and Site Services	\$5,000
Bidding and Documents	\$1,600
Construction Admin	\$2,400
Total	\$9,800



Additional services such as extra on-site inspections, revisions to the approved plans, additional engineering beyond the scope, etc. if requested, would be \$100/hr. for an architect, \$140/hr. for structural project manager and \$100/hr. for structural associate engineer. If required as part of the additional services mileage would be billed at the current state rate, printing and delivery billed at cost.

We are listed as a vendor in Procure AZ as well as 1GPA (#13-103). We are in compliance with all current State of Arizona insurance requirements.

Sincerely,



Bob Polcar, RA  
Robert Polcar Architects, Inc.

.cc Dan Demland

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund**District:** **Round Valley Unified****BRG Project Number:** 010210102-1001-002BRG

Apache County

**Project Description:** **Replace emergency exit lighting****Consultant:** Red Tree Consulting Group (Michael Crow 602-989-2433)**Contractor:** TBD

Board Approval: 8/6/2014

Supplemental award: 6/3/2015

Supplemental award: 6/24/2015

010210101-9999-002BRG cancelled and funding transferred to 010210102-1001-002BRG

<b>School Facilities Board Action Approved as recommended by Staff</b>		<b>Staff Rec. or Approved</b>
<b>Base Cost:</b>		<b>\$ 27,615</b>
Contingency ①		<b>\$ 3,000</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 2,750
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 1,550
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 4,300</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 34,915</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 34,915</b>
<b>Total Project Cost:</b>		<b>\$ 34,915</b>

① Contingency shall only be used with SFB staff approval.

5/5/15



**Round Valley Schools**

To: Mr. Pat Cruse  
School Facilities Liaison  
State of Arizona School Facilities Board  
1700 West Washington, Suite # 104  
Phoenix, Arizona 85007

RE: Preliminary Budget  
Round Valley Schools  
Emergency Egress

**Michael Crow**

Principal , Managing Partner

2942 N 24<sup>th</sup> Street  
Suite 114-436  
Phoenix, AZ 85016

Ph 602.424.3468 x1  
mcrow@redtreeco.com

Mr. Cruse,

Based on our performance specification, dated May 4, 2015, the preliminary construction budget to complete the emergency egress signage and lighting upgrades is as follows:

Primary School:	\$ 12,045.60
Elementary School:	\$ 27,615.00 ✱
Middle School:	\$ 77,284.20
High School Main:	\$ 55,288.80
High School Auditorium:	\$ 40,842.20
High School Shop:	<u>\$ 4,459.00</u>
	\$ 217,534.80

If you have any questions or concerns, please contact me at your convenience. Thank you for allowing RCTG the opportunity to provide you with our consulting services.

Thank you,

A handwritten signature in black ink, likely belonging to Michael Crow.

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Show Low Unified**  
BRG Project Number: **090210225-1001-004BRG**  
Project Description: **Roof repairs**  
Consultant: **WRECOP**  
Contractor: **TBD**

Navajo County

Board Approval: 1/7/2015  
Board Approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b> (cost estimate provided by architect or contractor)		<b>\$ 12,000</b>
Contingency ①		<b>\$ 5,000</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 4,158
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 4,158</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 21,158</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 21,158</b>
<b>Total Project Cost:</b>		<b>\$ 21,158</b>

① Contingency shall only be used with SFB staff approval.



# PROPOSAL

## PROJECT IDENTIFICATION

PROJECT NAME	Show Low Junior High School
PROJECT	Roof Replacement on Flat BUR Roof
SITE ADDRESS	500 W. Old Linden Rd.
	Linden, AZ 85901

## PROPOSAL

This proposal, dated this day of November 5, 2014, is between Show Low Unified School District ("Client") and WRECORP (Western Roof Evaluation Corporation) ("Consultant") to set forth and further define the Scope of Services for the project generally referred to as Roof Inspection. If accepted this document shall form an agreement between the client and the consultant.

Total Fees: \$3,350.00 (This project must be in combination with the Linden Elementary School, which will enable WRECORP to combine visits)

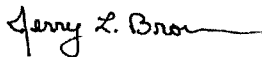
- Investigate the existing roof system and assess.
- Create a scope of work and specification.
- Create CAD of roof foot print.
- Create construction details.
- Provide quality assurance, punch list and closeout visits in coordination with Linden.

Compensation for services and terms of payment shall be as follows: Invoice is due upon receipt.

### WRECORP (Western Roof Evaluation Corporation)

*Consultant*

By:



11/5/2014

*Signature in ink*

*Date*

Name: Jerry L. Brown

Title: President

*Owner*

By:

*Signature in ink*

*Date*

Name:

Title:

## Pat Cruse

---

**From:** Ralph C. Smith [RCSmith@show-low.k12.az.us]  
**Sent:** Tuesday, June 16, 2015 6:16 AM  
**To:** Pat Cruse  
**Subject:** FW: Linden

Pat,  
Here is the email. Please note date.

Ralph Smith  
Facilities Director  
Show low Unified School District #10  
500 West Old Linden RD  
Show Low Az 95901  
Office 928-537-6814  
Cell 928-243-5289  
Email [rcsmith@show-low.k12.az.us](mailto:rcsmith@show-low.k12.az.us)



Please consider the environment before printing this email

---

**From:** Jerry Brown [<mailto:Jerry@wrecorp.com>]  
**Sent:** Wednesday, June 10, 2015 3:55 PM  
**To:** Ralph C. Smith  
**Subject:** Linden

Ralph

The budget for this project is \$150,000.00. If any AC equipment needs to be changed out that would be extra. I would think that 10% contingency would be appropriate.

The low slope flat roof at Show Low will be \$12,000.00

Let me know if you need any further info.

Jerry L. Brown, RRO  
Roof Consultant  
6829 W. Corrine Dr.  
Peoria, AZ 85381

Office: 623-878-7117  
Cell: 602-571-8803

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Show Low Unified**  
BRG Project Number: **090210116-1004-005BRG**  
Project Description: **Roof replacement**  
Consultant: **WRECORP**  
Contractor: **TBD**

Navajo County

Board Approval: 1/7/2015  
Board Approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b> (cost estimate provided by architect or contractor)		<b>\$ 150,000</b>
Contingency ①		<b>\$ 15,000</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 4,158
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 11,666
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 15,824</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 180,824</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 180,824</b>
<b>Total Project Cost:</b>		<b>\$ 180,824</b>

① Contingency shall only be used with SFB staff approval.

# PROPOSAL

## PROJECT IDENTIFICATION

PROJECT NAME	Linden Elementary School
PROJECT	Roof Replacement
SITE ADDRESS	1009 School House Lane
	Linden, AZ 85901

## PROPOSAL

This proposal, dated this day of November 5, 2014, is between Show Low Unified School District ("Client") and WRECORP (Western Roof Evaluation Corporation) ("Consultant") to set forth and further define the Scope of Services for the project generally referred to as Roof Inspection. If accepted this document shall form an agreement between the client and the consultant.

Design Fees: \$3,350.00

- Investigate the existing roof system and assess.
- Create a scope of work and specification.
- Create CAD of roof foot print.
- Create construction details.

Pre-Bid Fees: \$1,866.00

- Conduct pre-bid meeting with chosen contractors and manufacturers.
- Review submittals and schedule from chosen contractor.

Site Visits Fees: \$9,800.00

- Conduct pre-roofing meeting with contractor, manufacturer and client.
- Provide quality assurance monitoring twice. Photo documented reports for each monitoring visit.
- Conduct a punch list inspection after completion of work.
- Conduct a close out inspection.
- Create a close out book in 3 ring binder and electronic disk.

Compensation for services and terms of payment shall be as follows: Invoice is due upon receipt.

### **WRECORP (Western Roof Evaluation Corporation)**

*Consultant*

By: Jerry L. Brown 11/5/2014  
*Signature in ink* *Date*

Name: Jerry L. Brown  
Title: President

\_\_\_\_\_  
*Owner*

By: \_\_\_\_\_  
*Signature in ink* *Date*

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Pat Cruse

---

**From:** Greg Schubert [GregS@show-low.k12.az.us]  
**Sent:** Monday, June 15, 2015 6:47 PM  
**To:** Pat Cruse  
**Subject:** Fwd: Linden

Here arw the estimates that we have.

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

**From:** "Ralph C. Smith"  
**Date:** 06/10/2015 4:14 PM (GMT-07:00)  
**To:** Greg Schubert  
**Subject:** FW: Linden

Greg,  
Here is Jerrys budget number

Ralph Smith  
Facilities Director  
Show low Unified School District #10  
500 West Old Linden RD  
Show Low Az 95901  
Office 928-537-6814  
Cell 928-243-5289  
Email [rcsmith@show-low.k12.az.us](mailto:rcsmith@show-low.k12.az.us)



Please consider the environment before printing this email

**From:** Jerry Brown [<mailto:Jerry@wrecorp.com>]  
**Sent:** Wednesday, June 10, 2015 3:55 PM  
**To:** Ralph C. Smith  
**Subject:** Linden

Ralph

The budget for this project is \$150,000.00. If any AC equipment needs to be changed out that would be extra. I would think that 10% contingency would be appropriate.

The low slope flat roof at Show Low will be \$12,000.00

Let me know if you need any further info.

Jerry L. Brown, RRO  
Roof Consultant  
6829 W. Corrine Dr.  
Peoria, AZ 85381

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Tolleson Union**  
BRG Project Number: **070514201-1027-007BRG**  
Project Description: **Repair sewer piping**  
Architect of Record: **Red Tree Consulting Group (602-989-2433)**  
Contractor: **TBD**  
  
Board Approval Date: **1/7/2015**  
Supplemental award: **6/24/2015**

Maricopa County

<b>School Facilities Board Action Approved as recommended by Staff</b>		<b>Staff Rec. or Approved</b>
<b>Base Cost:</b> (cost estimate provided by architect or contractor)		<b>\$ 34,603</b>
Contingency ①		<b>\$ 10,000</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 2,950
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 7,250
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 10,200</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 54,803</b>
District or Local Funds:		\$ 5,000
<b>SFB Board Approved Amount:</b>		<b>\$ 54,803</b>
<b>Total Project Cost:</b>		<b>\$ 59,803</b>

① Contingency shall only be used with SFB staff approval.

6/15/15



**Tolleson Union High School**

To: Mr. Richard Oros  
Tolleson Union High School District  
9801 West Van Buren Street  
Tolleson, Arizona 85353

RE: Preliminary Budget  
Tolleson Union High School  
# 2207

Michael Crow  
Principal  
Managing Partner

2942 N 24<sup>th</sup> Street  
Suite 114-436  
Phoenix, AZ 85016

Ph 602.424.3468 x1  
mcrow@redtreeco.com

Mr. Oros,

Based on our Engineer's recommendations (attached), Sun Valley Builders, LLC provided an estimate (attached) for the work scope summarized below:

- Demo concrete slab 6' x 54' and 1' of dirt
- Demo existing walls, door, windows & ceiling
- Install 6' X 54' Interior 4" Concrete Slab
- Re-Install 1,488 sf of Metal Studs & Drywall painted
- Re-Install 924sf of 12"x12" VCT
- Re-Install 3 doors & 2 interior windows
- Remove and replace Millwork
- Re-Install 2' x 4' Acoustical Ceiling
- Demo existing concrete curb & re-grade
- Install 6 concrete splash pads at South side of building
- Fabricate & install six sheet metal downspout outlet elbows

Cost: **\$ 39,603.00**

Below is RedTree Consulting's additional engineering investigation (once the slab has been removed) and construction administration fees (attached).


- Observe and evaluate the characteristics and moisture content of the soil beneath the slab following its removal. Anticipated laboratory analysis to consist of Sieve Analysis, Moisture, Plasticity and Expansion Index Testing
- Preparation of a report outlining additional findings, conclusions and any additional repair recommendations.
- Construction administration services.
- Leak detection test, if necessary.

Cost: **\$ 7,250.00**

The preliminary budget for the recommended repairs, the additional engineer testing and construction administration services is **\$ 46,853.00**.

If you have any questions or concerns, please contact me at your convenience. Thank you for allowing RTCG the opportunity to provide you with our consulting services.

Thank you,

A handwritten signature in black ink, appearing to be 'M. H.', with a horizontal line extending to the right.





June 15, 2015

Mr. Richard Oros  
Tolleson Union High School District  
9801 West Van Buren Street  
Tolleson, Arizona 85353

RE: ***Tolleson Union High School # 2207***  
9419 West Van Buren Street  
Tolleson, Arizona 85353

Mr. Oros,

Below are the proposed consulting fees for the # 2207 geotechnical investigation once the slab has been removed and construction administration fees.

DESCRIPTION	ESTIMATED FEE
Once the slab has been removed inside classroom # 2207, observe and evaluate the characteristics and moisture content of the soil beneath. Anticipated laboratory testing to consist of Sieve Analysis, Moisture, Plasticity and Expansion Index Testing. Preparation of a report outlining additional findings, conclusions and any additional repair recommendations, if any.	\$ 3,500.00
Leak detection test (if necessary).	\$ 750.00
RTCG to perform construction administration services for the repair recommendations at the interior/exterior of the Building. Architectural/Engineering services include but are not limited to: <ul style="list-style-type: none"><li>• Responding to Contractor's Requests for Information</li><li>• Issuing of any Architect's Supplemental Instructions</li><li>• Processing any shop drawings and submittals</li><li>• Processing any change orders</li><li>• Reviewing and certifying contractor's application for payment</li><li>• Reviewing any material test reports</li><li>• Recording any changes to the contract documents</li><li>• Providing substantial and final completion services</li><li>• Proposal includes an allowance of twelve (12) hours for three (3) project site visits (mileage included). Proposal includes an additional three (4) administrative hours. Any additional time required to complete the construction administration for the referenced project will be billed at \$200 per hour with prior owner approval.</li></ul>	\$ 3,000.00

RedTree



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CONSULTING GROUP

Reimbursable expenses for reprographic work, etc are at cost plus 10%. Mileage is reimbursed at current IRS mileage rate at the time of work. Additional work is at standard hourly rates and will be defined and approved in writing by Owner prior to commencement of work.

Thank you for allowing Red Tree Consulting Group the opportunity to provide these services to you. We look forward to providing you a comprehensive solution. Red Tree will confirm any change to the above scope of work prior to executing any additional services. If you have any questions regarding this estimated fee proposal, please feel free to contact me at your convenience.

Thank you,

A handwritten signature in black ink, appearing to read 'MLC', with a horizontal line extending to the right.

Michael L. Crow  
Managing Partner  
602.989.2433  
[mcrow@redtreeco.com](mailto:mcrow@redtreeco.com)



May 22, 2015  
Project No. 1754

Michael L. Crow  
Red Tree Consulting  
2942 N 24<sup>th</sup> Street, Suite 114-436  
Phoenix, Arizona 85016

Subject: Tolleson Union High School  
Building 2200, Classroom 2207  
9419 W. Van Buren St.  
Tolleson, Arizona 85353

Dear Mr. Crow:

Peterson Geotechnical Group, LLC (PGG) has performed a limited geotechnical engineering evaluation of classroom 2207 of the Tolleson Union High School located at 9419 West Van Buren Street in Tolleson, Arizona. Our evaluation has consisted of a site inspection to observe the condition of the interior of classroom 2207 and exterior of the building, performance of a floor level survey across the interior floor slab of the building, and providing geotechnical recommendations.

#### **EVALUATION AND OBSERVATIONS**

As part of our analysis, PGG visited the school on May 7, 2015 to observe the conditions and to conduct a floor level survey to evaluate the levelness of the interior floor slab. We met Mike Cerda (School Maintenance) at the site. Based on discussions with Mike, the cracking in the classroom began approximately 3 years ago and has progressively worsened, especially within the last year. During our site visit, we observed and documented the general condition of the classroom and made the following observations.

##### **Interior/Exterior Observations**

- A separation up to 3/8-inch in width was observed in the floor covering. The separation was linear in nature and is assumed to be a separation of a control joint in

the concrete slab. The crack runs down the middle of the classroom from east to west and is approximately 50-feet in length.

- The dropped ceiling is showing signs related to soil movement (i.e. warping of the metal ceiling grid, misaligned and falling ceiling panels, out of level ceiling panels).
- Up to ¼-inch drywall cracks were observed near interior door and window corners. The drywall cracking observed was in drywall located on interior partition walls that are founded on the interior floor slab. No cracking was observed on exterior walls.
- Some of the doors are racked and misaligned. One sliding door was misaligned with the door jamb by up to ¾-inch.
- At the exterior of the classroom on the south side of the building, roof drains discharge adjacent to the foundation. No splash blocks were observed where the roof drains discharge. Erosion has occurred creating a situation where surficial runoff will pond adjacent to the foundation after rain events.
- A landscape curb is located approximately 8 to 10 feet away from the south side of the building which will trap some of the runoff from flowing away from the foundation. The curb was constructed with depressed areas at each of the roof drain locations to try to allow the runoff to flow away from the foundation.
- Along the north side of the classroom, concrete flatwork is present adjacent to the building. No areas were noted in this area which would allow moisture to migrate beneath the building.

### **Floor Level Survey**

During our site visit, we performed a floor level survey across the interior floor of room 2207. A Pro-Level® manometer was used to obtain relative elevation readings in a grid pattern across the interior floor slab. The data collected was contoured in order to evaluate the relative elevation differential across the slab. The survey performed by PGG indicated that 1.4-inches of differential was present across the interior floor of the classroom. Figure 1 is a graphic illustration of the floor plan with contours depicting the relative elevation readings obtained. Based on the results of the floor level survey, the floor slab is relatively higher in the middle and lower around the edges.

### **Construction Drawings**

We were not provided the full set of the construction drawings, however we were provided a few details showing that the concrete slab is structurally connected to the stem wall with a #5 rebar as shown in note “3 - C.M.U. WALL AT INTERIOR WALL.” The same slab/stem connection was shown on the plans for the exterior walls.

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on our evaluation, it is our opinion that the cracking to finished surfaces in classroom 2207 is cosmetic and related to expansive soil movement caused by increase in soil moisture content beneath the floor slab. It is our opinion that the middle of the classroom, which is very lightly loaded, has heaved. The perimeter of the slab has not experienced the same movement because it is structurally connected to the heavily loaded stem wall. One contributing component to the increase in soil moisture content that has triggered this soil movement is the inadequate drainage and potential ponding conditions along the south side of the building where the roof drains discharge.

Below slab plumbing leaks are another potential source of moisture that should be verified. We understand that some efforts have been made to find potential below slab leaks; however, all below ground sewer lines near room 2207 should be checked for leaks using a static pressure test. It has been our experience that scoping the lines with a camera may not be sufficient. If there are pressurized water lines below the slab, they should also be checked for leaks.

In our opinion, the best way to improve the future performance of this building is to limit the amount of moisture that may migrate into the soils beneath the foundation. The most practical ways to accomplish this are as follows:

- Verify that there are no under-slab leaks as described above.
- Install concrete splash blocks at each roof drain along the south side of the building. The splash blocks should discharge a minimum of 10 feet away from the foundation. A splash block is not required if there is already concrete hardscape beneath the roof drain.
- Remove the concrete header that is located along the south side of the building.
- Regrade along the south side of the building to ensure that a minimum 5-percent slope exists for a minimum of 10 feet, perpendicular to the foundation.

The crack in the slab has affected the flooring and caused a horizontal and slight vertical separation. Normally, cracks such as this are ground down, epoxied and stitched with stitching material placed perpendicular to the crack. From a cost standpoint, epoxy injecting and stitching is approximately \$100/lineal foot of crack. Based on discussions with school officials, they would prefer removing a portion of the cracked slab, inspecting the soils, and checking for potential leaks. This is an acceptable option and would also give PGG the ability to evaluate the

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subgrade soils beneath the slab and to further evaluate the cause of the distress to the building. If wet or problematic soil conditions are encountered beneath the slab, additional repairs may be warranted; however, at a minimum, we anticipate the new section of slab will need to be reinforced with rebar and doweled into the adjacent slab. Once these repairs are performed, cosmetic repairs (i.e. drywall repairs, realignment of doors, re-setting of ceiling tiles, etc.) can be performed to the interior of the classroom.

As described above, the floor slab is out of level. There are areas of the room where the differential across the floor is noticeable to the naked eye and can be perceived when walking over those portions of the floor. Many of these areas are outside the cracked zone that will be removed and replaced. As such, releveling could be considered if the facilities board deems it necessary. The releveling would primarily be for esthetic purposes, however there would be some functionality purpose to releveling as well.

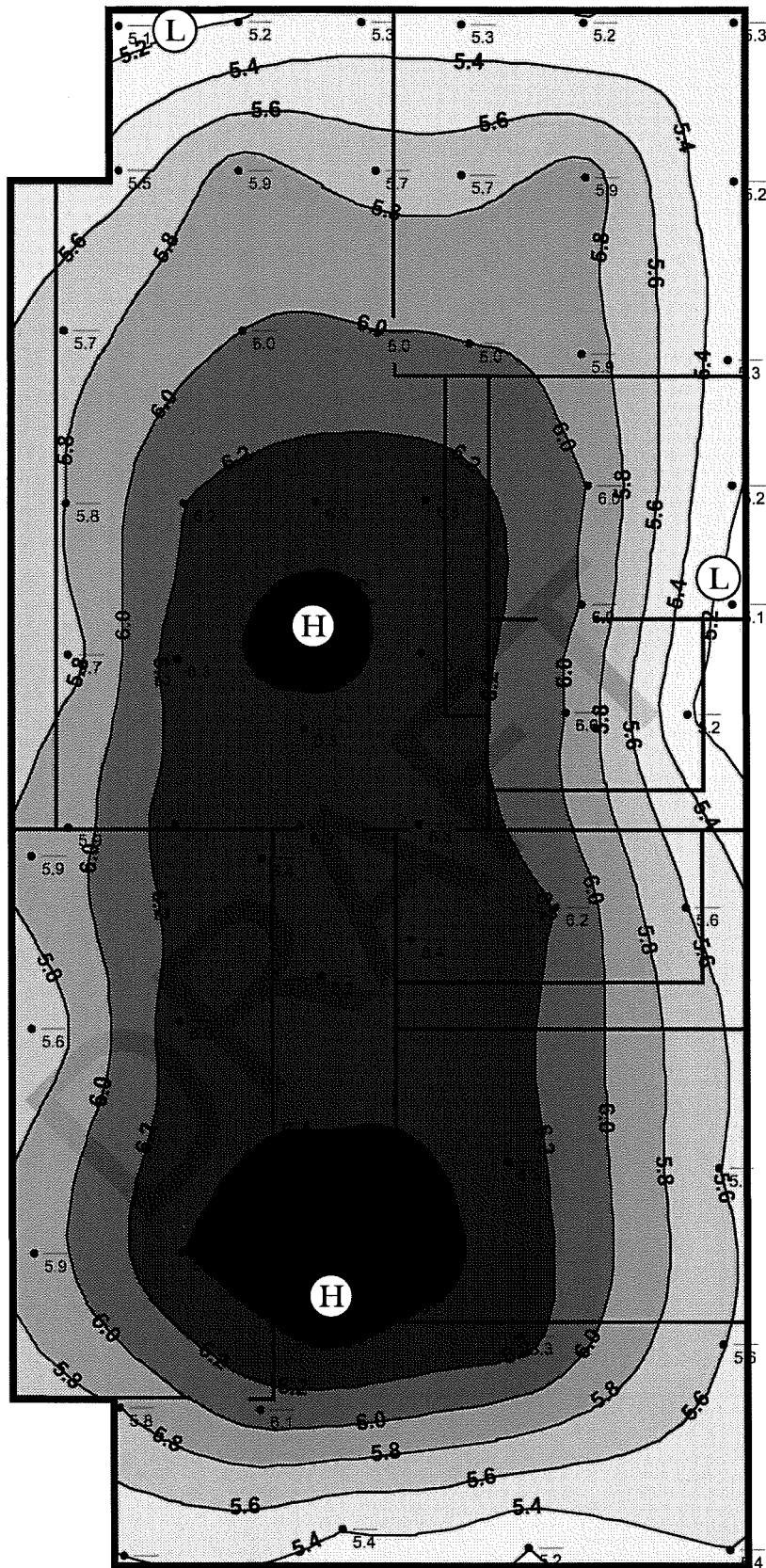
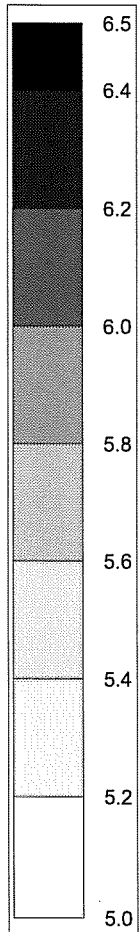
Once the repairs are performed, the classroom should be monitored for additional cracking. As the soil acclimates to the repairs, some minor cracking can be expected but should be within acceptable tolerances. If significant additional cracking occurs, further investigation may be necessary.

## **LIMITATIONS**

The geotechnical services described in this report have been conducted in general accordance with the standard of practice exercised by local geotechnical consultants. No warranty, expressed or implied, is made regarding the conclusions and recommendations presented in this report. Our conclusions and recommendations are based on an analysis of the observed site conditions, and our experience with similar projects. If additional information becomes available, PGG reserves the right to update this report as deemed appropriate.

We appreciate the opportunity to be of service on this project.

Respectfully submitted,  
**Peterson Geotechnical Group, LLC**



Survey Date: 05/07/2015

#### LEGEND

Total Differential = 1.4 inches

(H) High Point of Elevation Readings

(L) Low Point of Elevation Readings

Floor Level  
Survey

Project: Date:

1754 05/2015

Figure 1



Tolleson High School  
Room #2207

Turning Your Visions Into Reality



PROJECT NAME: Tolleson High School Building 2200 & Room 2207  
 PROJECT #: #124  
 ESTIMATE: GMP #1  
 DATE: 6/11/2015  
 LOCATION: Tolleson, AZ  
 ARCHITECT: N/A  
 PROCUREMENT: TUHSD JOC  
 BID TYPE: OPEN BOOK  
 DURATION(WEEKS): 2  
 WARRANTY(yrs): 2

	DESCRIPTION	SUB-CONTRACTOR	BASE PRICE
	<b>GENERAL CONDITIONS</b>		<b>\$8,040</b>
	<b>Room 2207 Interior Concrete Replacement</b>		<b>\$24,906</b>
	Demo concrete slab 6' x 54' and 1' of dirt	Arizona Specialty Demolition	\$2,671
	Demo existing walls, door, windows & ceiling	Arizona Specialty Demolition	\$1,294
	Install 6' X 54' Interior 4" Concrete Slab	ACE	\$3,663
	Re-Install 1,488 sf of Metal Studs & Drywall painted	AROC	\$6,322
	Re-Install 924sf of 12"x12" VCT	Express Flooring	\$1,248
	Re-Install 3 doors & 2 interior windows	SVB	\$1,106
	Remove and replace Millwork	SVB	\$466
	Re-Install 2' x 4' Acoustical Ceiling	Pena	\$2,670
	<b>Building 2200 Site Concrete and Gutter scope</b>		
	Demo existing concrete curb & re-grade	Arizona Specialty Demolition	\$760
	Install 6 concrete splash pads at South side of building	Resolute	\$3,251
	Fabricate & install six sheet metal downspout outlet elbows	Resolute	\$1,455

<b>SUB TOTAL BUDGET</b>		<b>\$32,946</b>
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RATE	INSURANCE, BONDS, WARRANTY, AND BUILDERS RISK	BASED ON	SUB TOTAL
REQUIRED	GENERAL LIABILITY	\$39,603	\$273
REQUIRED	WARRANTY	\$39,603	\$792
REQUIRED	SUBCONTRACTOR INSURANCE	\$39,603	\$594
NOT REQUIRED	PAYMENT AND PERFORMANCE BOND	\$39,603	NOT REQUIRED
REQUIRED	BUILDER'S RISK INSURANCE	\$39,603	\$250

<b>BASE BID, INSURANCE, WARRANTY, AND BUILDERS RISK SUB TOTAL</b>		<b>\$34,855</b>
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RATE	SALES TAX	BASED ON	SUB TOTAL
Tolleson	SALES TAX RATE	\$39,603	\$2,372
65.00%	SALES TAX MULTIPLIER (Included in Sales Tax Rate)		

<b>BASE BID, INSURANCE AND BUILDERS RISK SUB TOTAL WITH SALES TAX INCLUDED</b>		<b>\$37,227</b>
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RATE	CONTRACTOR'S FEE	BASED ON	SUB TOTAL
6.00%	CONSTRUCTION FEE	\$39,603	\$2,376

<b>BASE BID, INSURANCE, BUILDERS RISK WITH SALES TAX AND CONSTRUCTION FEE</b>		<b>\$39,603</b>
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	<b>Estimate Amount</b>
<b>Estimate Total</b>	<b>\$39,603</b>



**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Valley Union**  
BRG Project Number: 020522201-1005-006BRG Cochise County  
Project Description: **Roof replacement**  
Consultant: Robert Polcar Architects, Inc. (480-675-9760)  
Contractor: TBD

Board approval: 4/1/2015  
Supplemental award: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 57,000</b>
Contingency ①		\$ 6,200
<b>Additional Cost:</b>		.
Architecture / Engineering (A&E) Fees		\$ 10,840
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 5,000
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 15,840</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 79,040</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 79,040</b>
<b>Total Project Cost:</b>		<b>\$ 79,040</b>

① Contingency shall only be used with SFB staff approval.

June 16, 2015

To: Dan Demland  
School Facilities Liaison  
Arizona School Facilities Board  
Phoenix, Arizona

Re: Roof Replacement  
Valley Union High School Admin Building  
SFB Project 020522201-1005-006-BRG

Dan,

We have made a site visit, had a structural survey completed, and have finished as-built plans and an evaluation of the existing roof.

The original asphalt shingle roof is deteriorated and leaking in many places, damaging interior surfaces. We believe the original material has reached its life expectancy. The estimated quantity of existing roof material to be removed and replaced is approximately 7,000 square feet.

A portion of the building roof has previously been removed and replaced with a metal standing seam material. Our recommendation for long term performance and value would be to remove and replace the remainder of existing roof material with a new standing seam metal roof. Based on the quantities we would estimate the construction cost to remove existing and replace at about \$55,000. For budgeting purposes you should include a 3.0% cost for bonds, making the total construction contract about \$57,000.

Please let me know if you have any questions.

Sincerely,



Bob Polcar, RA  
Robert Polcar Architects, Inc.



June 16, 2015

To: Dan Demland  
School Facilities Liaison  
Arizona School Facilities Board  
Phoenix, Arizona

Re: Roof Replacement  
Valley Union High School Admin Building  
SFB Project 020522201-1005-006-BRG

Dan,

We have made a site visit, had a structural survey completed, and have finished as-built plans and an evaluation of the existing roof.

The original asphalt shingle roof is deteriorated and leaking. We believe the original material has reached its life expectancy. The estimated quantity of existing roof material to be removed and replaced is approximately 7,000 square feet. Based on these quantities we would estimate the construction cost to remove existing and replace with new underlayment and 30 year asphalt shingle roof at about \$50,000. For budgeting purposes you should include a 3.0% cost for bonds, making the total construction contract about \$52,000.

Please let me know if you have any questions.

Sincerely,



Bob Polcar, RA  
Robert Polcar Architects, Inc.



**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Yuma Union**  
BRG Project Number: 140570203-9999-006BRG Yuma County  
Project Description: **Roof repairs**  
Consultant: Patterson Thompson (Christopher Thompson 928-343-1694)  
Contractor: TBD

Board Approval: 6/11/2014  
Supplemental award: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 209,000</b>
Contingency ①		\$ 20,000
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 3,300
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 5,500
Testing & Inspection		\$ 1,225
<b>Total Additional Cost:</b>		<b>\$ 10,025</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 239,025</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 239,025</b>
<b>Total Project Cost:</b>		<b>\$ 239,025</b>

① Contingency shall only be used with SFB staff approval.

## Pat Cruse

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**From:** Christopher Thompson [chris@thompsonarch.com]  
**Sent:** Friday, May 22, 2015 5:03 PM  
**To:** Pat Cruse; 'Jerry Brown'; 'Dave Spice'; 'David Hylland'  
**Subject:** RE: Drawings for Cibola HS Roof Repairs

The estimates for construction would be as follows:

The blister repair: \$30,000 \*

The re-roof of Building H: \$144,000 (based on 18,000 sqft of roof at \$8/sqft) \*

I would conservatively estimate an additional 10% for contingency as well as the masonry control joint caulking & re-pack work.

I would estimate \$195,000 for construction cost.

Thank you

christopher r. thompson  
principal architect  
thompson design architects  
tel: (928) 343-1694

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**From:** Pat Cruse [mailto:pcruse@azsfb.gov]  
**Sent:** Friday, May 22, 2015 2:30 PM  
**To:** 'Christopher Thompson'; 'Jerry Brown'; 'Dave Spice'; 'David Hylland'  
**Subject:** RE: Drawings for Cibola HS Roof Repairs

Okay, now do we have asbestos survey done? Where is the structural calculations? If the roof is hot, we will need abatement costs and oversight cost.

If you can provide the construction estimate I will take to the board on Wed. but I need the estimate no later than the close of business today.

---

**From:** Christopher Thompson [mailto:chris@thompsonarch.com]  
**Sent:** Friday, May 22, 2015 11:35 AM  
**To:** 'Jerry Brown'; 'Dave Spice'; Pat Cruse; 'David Hylland'  
**Subject:** RE: Drawings for Cibola HS Roof Repairs

All,  
Attached are the revised complete plans reflecting Jerry's comments below.  
I believe these are now ready for final approval to go to bid. Please delete all previous versions and replace with the attached.  
Please let me know if you need anything more at this time.  
Thank you

christopher r. thompson  
principal architect  
thompson design architects  
tel: (928) 343-1694



MAY 19, 2014

**DAVID HYLLAND, FACILITIES DIRECTOR  
YUMA UNION HIGH SCHOOL DISTRICT**

**PROPOSAL FOR ARCHITECTURAL SERVICES: ROOFING REPAIRS**

Thank you for considering our services on this project. We are happy to provide architectural services at your direction. Below is a preliminary description of the project as we understand it with our proposed scope of work and fee.

**SCOPE OF WORK**

Review and recommendations for repair of roof conditions.

Prepare drawings and specifications of conditions and reparations.

This proposal serves as a per-school proposal and is presented in the following phases of work:

**PROPOSED DESIGN PHASE SERVICES THRU CONSTRUCTION DOCUMENTS**

Review and documentation of existing roof conditions

Structural Engineer review of existing condition

Cost estimate review with Owner

Complete Architectural Construction Documents prepared for contractor bidding

**PROPOSED BIDDING PHASE SERVICES**

Coordination of authority reviews and permitting as required.

Bidding and Contractor selection assistance

**PROPOSED CONSTRUCTION ADMIN PHASE**

Construction Administration services

Site Visits to review construction progress (5 visits)

**COMPENSATION**

The proposed services listed above will be performed for a fixed fee for each phase as follows:

Design Phase Services:	\$ 3,300
Bidding Phase Services:	\$ 400 *
Construction Admin Services:	\$ 825 *

Printing of construction documents and any required special inspections or testing are considered reimbursable expenses.

If the above terms are satisfactory please sign and I will prepare a standard AIA Owner/Architect contract for execution.

675 west 16th street  
yuma, arizona 85364  
tel (928) 343 1694  
fax (928) 343 9579

Thank you again for the opportunity to work with you and I look forward to a successful project.

Sincerely,

A handwritten signature in black ink, appearing to read 'CTH', written over the printed name.

Christopher Thompson  
Principal Architect

Agreed: \_\_\_\_\_  
David Hylland, Facilities Dir.  
Yuma Union HS District

<p style="text-align: center;"><b>STATE OF ARIZONA SCHOOL FACILITIES BOARD</b></p>
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**Meeting Date: June 24, 2015**

**Agenda Item IV.c.**

**Subject: IV. Building Renewal Grant Requests**  
**c. Consideration and possible vote to accept, reject or modify**  
**Building Renewal Grant Requests (construction awards)**

**Cave Creek Unified (3 requests)**  
**Concho Elementary**  
**Elfrida Elementary**  
**Florence Unified**  
**Mesa Unified (3 requests)**  
**Valley Union**  
**Wickenburg Unified**

**Background – Cave Creek Unified (Cactus Shadows HS – exterior reseal)**

Cave Creek Unified has submitted a Building Renewal Grant request to repair and reseal the exterior wall system at Cactus Shadows High School.

Cave Creek Unified, located 32 miles north of downtown Phoenix, has nine schools. Cactus Shadows High School is comprised of 22 buildings constructed between 1985 and 2014, totaling 241,239 square feet. The buildings to be painted Buildings 1001-1006, 1008 and 1014-1021 total 185,264 square feet.

The district has performed Porosity (Rilem Tube) tests on all the walls at this school and found them very porous and in need of resealing. The district received an architect's proposal to provide design specification and construction administration for the painting of this campus, for \$9,750. The estimated cost for the construction is \$350,000.

**Criteria for Eligibility**

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

**Staff Recommendation – Cave Creek Unified (Cactus Shadows HS – exterior reseal)**

Staff recommends that Cave Creek Unified be awarded \$374,750 in Building Renewal Grant funding for the reseal of the exterior walls of Buildings 1001-1006, 1008 and 1014-1021 at Cactus Shadows High School. This includes \$5,000 for asbestos testing and \$10,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

**Background – Cave Creek Unified (Fine Arts Center – exterior reseal)**

Cave Creek Unified has submitted a Building Renewal Grant request to repair and reseal the exterior wall system of the Fine Arts Center.



Cave Creek Unified, located 32 miles north of downtown Phoenix, has nine schools. The Fine Arts Center is one building constructed in 1989, totaling 23,694 square feet.

The district has performed Porosity (Rilem Tube) tests on all the walls at this facility and found them very porous and in need of resealing. The district received an architect's proposal to provide design specification and construction administration for the painting, for \$4,535. The estimated cost for the construction is \$50,000.

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation – Cave Creek Unified (Fine Arts Center – exterior reseal)

Staff recommends that Cave Creek Unified be awarded \$64,535 in Building Renewal Grant funding for the exterior reseal at the Fine Arts Center. This includes \$5,000 for asbestos testing and \$5,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

#### Background – Cave Creek Unified (Sonoran Trails MS – exterior reseal)

Cave Creek Unified has submitted a Building Renewal Grant request to repair and reseal the exterior wall system at Sonoran Trails Middle School.

Cave Creek Unified, located 32 miles north of downtown Phoenix, has nine schools. Sonoran Trails Middle School is comprised of six buildings constructed in 2007, totaling 104,407 square feet.

The district has performed Porosity (Rilem Tube) tests on all the walls at this facility and found them very porous and in need of resealing. The district received an architect's proposal to provide design specification and construction administration for the painting, for \$6,890. The estimated cost for the construction is \$135,000.

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation – Cave Creek Unified (Sonoran Trails MS – exterior reseal)

Staff recommends that Cave Creek Unified be awarded \$156,890 in Building Renewal Grant funding for the reseal of the exterior walls at Sonoran Trails Middle School. This includes \$5,000 for asbestos testing and \$10,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

#### Background – Concho Elementary (Concho ES – roof replacement)

Concho Elementary has submitted a Building Renewal Grant request for roof replacement on Buildings 1001, 1002, 1005 and 1006 at Concho Elementary School.

Concho Elementary, located 210 miles northeast of Phoenix, has one school. Concho Elementary School is comprised of eight buildings constructed between 1986 and 2008, totaling 41,015 square feet. Buildings to be re-roofed are shown below.

Building No.	Year Built	Square Footage
1001	1986	23,948
1002	1997	1,877
1005	2002	1,804
1006	2002	1,023
	Total:	28,652

SFB staff visited the site and agrees with the need to replace the roofs. The district has made changes to the mechanical equipment from evaporative cooling to air-conditioning, but the curbs do not meet current building codes and also need to be replaced.

Design/structural	\$4,880
Construction administration	\$12,250
Asbestos survey (estimate)	\$3,000
Asbestos consultant (estimate)	\$8,000
Abatement (estimate)	\$12,000
Construction (estimate)	\$175,000
Contingency	\$19,870
Total:	\$235,000

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation - Concho Elementary (Concho ES – roof replacement)

Staff recommends that Concho Elementary be awarded \$235,000 in Building Renewal Grant funding to replace the roofing on Buildings 1001, 1002, 1005, and 1006 at Concho Elementary School. This includes \$19,870 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

#### Background – Elfrida Elementary (Elfrida ES – roof access installation)

Elfrida Elementary has submitted a Building Renewal Grant request for the installation of a permanent roof access for the cafeteria Building 1013 at Elfrida Elementary School.

Elfrida Elementary, located 230 miles southeast of Phoenix, has one school. Elfrida Elementary School is comprised of eight buildings constructed between 1957 and 2005, totaling 29,737 square feet. Building 1013 was built in 2005, totaling 6,250 square feet.

Section 306.5 of the International Mechanical Code requires a permanent roof access as the roof exceeds 16'-0" in height. One was not installed in the original construction. The district received a proposal for professional design services in the amount of \$7,000 for the design of the roof access and a construction estimate of \$25,000.

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation – Elfrida Elementary (Elfrida ES – roof access installation)

Staff recommends that Elfrida Elementary be awarded \$35,200 in Building Renewal Grant funding for the installation of a permanent roof access at Elfrida Elementary School cafeteria Building 1013. This includes \$3,200 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

#### **Background – Florence Unified (Florence HS – replace intercom system)**

Florence Unified has submitted a Building Renewal Grant request for the replacement of the intercom system at Florence High School.

Florence Unified, located 60 miles southeast of Phoenix, has eleven schools. Florence High School is comprised of 16 buildings constructed between 1935 and 2010, totaling 166,352 square feet.

The intercom system is over 13 years old and does not provide 2-way communication in all classrooms to the office as required by minimum adequacy guidelines. Many parts of the current system are no longer available.

The district has received proposals for replacement with the lowest being in the amount of \$30,083.

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation – Florence Unified (Florence HS – replace intercom system)

Staff recommends that Florence Unified be awarded \$33,083 in Building Renewal Grant funding for the intercom replacement at Florence High School. This includes \$3,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

#### **Background – Mesa Unified (Edison ES – replace wheelchair lift)**

Mesa Unified has submitted a Building Renewal Grant request to replace the wheelchair lift in Building 1006 at Edison Elementary School.

Mesa Unified has 90 schools. Edison Elementary is comprised of 13 buildings constructed between 1957 and 2002, totaling 63,405 square feet. Building 1006 was built in 1957, totaling 9,523 square feet.

The existing wheelchair lift is worn out and requires main shaft guide and roller replacement. The manufacturer no longer exist and a new wheel chair lift is required. The district received a proposal of \$8,950 for the wheelchair lift and construction cost.

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative work.

#### Staff Recommendation – Mesa Unified (Edison ES – replace wheelchair lift)

Staff recommends that Mesa Unified be awarded \$9,500 in Building Renewal Grant funding to replace the wheelchair lift in Building 1006 at Edison Elementary School. This includes \$550 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

#### **Background – Mesa Unified (Keller ES – replace roofs)**

Mesa Unified has submitted a Building Renewal Grant request to replace the shingled roofs on Buildings 1004 and 1006 at Keller Elementary School.

Mesa Unified has 90 schools. Keller Elementary School is comprised of 16 buildings constructed between 1970 and 1996, totaling 67,458 square feet. Building 1004 was built in 1979, totaling 1,920 square feet and Building 1006 was built in 1970, totaling 1,920 square feet, for a total of 3,840 square feet.

Staff visited the school and agrees with the need for replacement. The district has procured the initial assessment, design, structural investigation and asbestos survey at a cost of \$5,850. The report from the structural engineer recommends additional design because of the non-compliant installation of the current HVAC unit. The district is requesting construction administration services, additional structural design and construction services to replace the shingled roofing.

Additional Structural Design	\$3,240
Construction Administration	\$750
Estimate Construction	\$11,165
Estimated Structural Repairs	\$3,500
Asbestos Oversight	N/A
Abatement (Mastic Only)	N/A
<u>Contingency</u>	<u>\$3,000</u>
Total Project Cost	\$21,655

#### Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

#### Staff Recommendation – Mesa Unified (Keller ES – replace roof)

Staff recommends that Mesa Unified be awarded \$21,655 in Building Renewal Grant funding to replace the shingle roofing and structural repairs on Buildings 1004 and 1006 at Keller Elementary School. This includes \$3,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

**Background – Mesa Unified (Robson ES – replace roofs)**

Mesa Unified has submitted a Building Renewal Grant request to replace the shingled roofs on Buildings 1004, 1005 and 1009 at Robson Elementary School.

Mesa Unified has 90 schools. Robson Elementary School is comprised of five buildings constructed between 1983 and 2001, totaling 63,304 square feet. Below is a breakdown of the buildings.

Building No.	Year Built	Square Footage
1004	1984	1,876
1005	1984	1,876
1009	1985	1,988
	Total:	5,740

Staff visited the school and agrees with the need for replacement. The district has procured the initial assessment, design, structural investigation and asbestos survey at a cost of \$5,850. The report from the structural engineer recommends additional design because of the non-compliant installation of the current HVAC unit. The district is requesting construction administration services, additional structural design and construction services to replace the existing roofing with a 30 year shingled roofing.

Additional Structural Design	\$1,920
Construction Administration	\$750
Estimate Construction	\$16,748
Estimated Structural Repairs	\$3,500
Asbestos Oversight	N/A
Abatement (Mastic Only)	N/A
Contingency	\$3,000
Total Project Cost	\$25,918

**Criteria for Eligibility**

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

**Staff Recommendation – Mesa Unified (Robson ES – replace roofs)**

Staff recommends that Mesa Unified be awarded \$25,918 in Building Renewal Grant funding to replace the shingle roofing and structural repairs on Buildings 1004, 1005 and 1009 at Robson Elementary School. This includes \$3,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

**Background – Valley Union (Valley Union HS – replace backflow preventers)**

Valley Union has submitted a Building Renewal Grant request for the replacement of backflow prevention devices at Valley Union High School.

Valley Union, located 118 miles southeast of Tucson, has one school. Valley Union High School is comprised of 11 buildings constructed between 1950 and 2007, totaling 59,812 square feet.

ADEQ is in the process of citing the district for violations concerning the lack of functioning backflow prevention devices and has allowed the district 90 days to correct the deficiency before a citation is issued. It is estimated the work will cost \$7,700, including tax.

Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

Staff Recommendation – Valley Union (Valley Union HS – replace backflow preventers)

Staff recommends that Valley Union be awarded \$8,500 in Building Renewal Grant funding for the replacement of backflow prevention devices at Valley Union High School. This includes \$800 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

Background – Wickenburg Unified (Wickenburg HS – replace roof)

Wickenburg Unified has submitted a Building Renewal Grant request to replace the foam roof on the gym Building 1017 at Wickenburg High School.

Wickenburg Unified, located 54 miles northwest of Phoenix, has six schools. Wickenburg High School is comprised of ten buildings constructed between 2000 and 2007, totaling 149,886 square feet. Building 1017 was built in 2000, totaling 33,362 square feet.

The roof on the gym is a foam roof with a cementation coating. It is beyond repair and needs to be replaced. A roof consultant assessed the roof and proposed professional fees for design and administration of \$18,994 and an estimated construction cost of \$247,260.

Criteria for Eligibility

Pursuant to A.R.S. §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative work.

Staff Recommendation – Wickenburg Unified (Wickenburg HS – replace roof)

Staff recommends that Wickenburg Unified be awarded \$296,254 in Building Renewal Grant funding to replace the roof on Building 1017 at Wickenburg High School. This includes 30,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

**Board Action Requested: [ ] information [ X ] action / described below**

1. Board approval of the staff recommendation that **Cave Creek Unified** be awarded \$374,750 in Building Renewal Grant funding for the reseal of the exterior walls of Buildings 1001-1006, 1008 and 1014-1021 at Cactus Shadows High School. This includes \$5,000 for asbestos testing and \$10,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.
2. Board approval of the staff recommendation that **Cave Creek Unified** be awarded \$64,535 in Building Renewal Grant funding for the exterior reseal at the Fine Arts Center.

This includes \$5,000 for asbestos testing and \$5,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

3. Board approval of the staff recommendation that **Cave Creek Unified** be awarded \$156,890 in Building Renewal Grant funding for the reseal of the exterior walls at Sonoran Trails Middle School. This includes \$5,000 for asbestos testing and \$10,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.
4. Board approval of the staff recommendation that **Concho Elementary** be awarded \$235,000 in Building Renewal Grant funding to replace the roofing on Buildings 1001, 1002, 1005, and 1006 at Concho Elementary School. This includes \$19,870 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.
5. Board approval of the staff recommendation that **Elfrida Elementary** be awarded \$35,200 in Building Renewal Grant funding for the installation of a permanent roof access at Elfrida Elementary School cafeteria Building 1013. This includes \$3,200 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.
6. Board approval of the staff recommendation that **Florence Unified** be awarded \$33,083 in Building Renewal Grant funding for the intercom replacement at Florence High School. This includes \$3,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.
7. Board approval of the staff recommendation that **Mesa Unified** be awarded \$9,500 in Building Renewal Grant funding to replace the wheelchair lift in Building 1006 at Edison Elementary School. This includes \$550 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.
8. Board approval of the staff recommendation that **Mesa Unified** be awarded \$21,655 in Building Renewal Grant funding to replace the shingle roofing and structural repairs on Buildings 1004 and 1006 at Keller Elementary School. This includes \$3,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.
9. Board approval of the staff recommendation that **Mesa Unified** be awarded \$25,918 in Building Renewal Grant funding to replace the shingle roofing and structural repairs on Buildings 1004, 1005 and 1009 at Robson Elementary School. This includes \$3,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.
10. Board approval of the staff recommendation that **Valley Union** be awarded \$8,500 in Building Renewal Grant funding for the replacement of backflow prevention devices at Valley Union High School. This includes \$800 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

11. Board approval of the staff recommendation that **Wickenburg Unified** be awarded \$296,254 in Building Renewal Grant funding to replace the roof on Building 1017 at Wickenburg High School. This includes 30,000 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

**Attachments: Yes [ X ]      No [   ]**



**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Cave Creek Unified**  
BRG Project Number: 070293204-9999-008BRG  
Project Description: **Exterior reseal**  
Consultant: One Architecture  
Contractor: TBD

Maricopa County

Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 350,000</b>
Contingency ①		<b>\$ 10,000</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 9,750
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 5,000
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 14,750</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 374,750</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 374,750</b>
<b>Total Project Cost:</b>		<b>\$ 374,750</b>

① Contingency shall only be used with SFB staff approval.

**Building Renewal Grant Application**

**Initial Submission Date:** 4/8/2015 7:17:24 AM

**Application ID:** 1871

**Resubmittal Date:** 6/17/2015 12:42:40 PM

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Cave Creek Unified District  
**Superintendent:** Dr. Debbi Burdick  
**Contact Person:** John Muir  
**Contact Phone Number:** 480.575.2050  
**Contact Email:** jmuir@ccusd93.org  
**School Site:** Cactus Shadows High School/PSH

**Buildings:**

1001	Building 100
1002	Building 200
1003	Building 300
1004	Building 400
1005	Building 500
1006	Building 600
1008	Building 800
1014	Building 800A
1015	Building 800B
1016	Building 900
1017	Building 1000
1018	Building 1100
1019	Building 1200
1020	Building 1300
1021	Building 100 (addn.)
9999	School Wide

**Application Title:** Cactus Shadows High School Weatherproofing

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

Cactus Shadows High School is in need of weatherproofing in order to maintain and extend the useful life of the building. Water is penetrating the walls, there is exterior cracking, and effervescence is apparent.

**Project Category:** Surfaces

## Building Renewal Grant Application

Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school? N

### Available Funding

Amount of Local funds planned for this project	\$0.00
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Please outline any associated insurance coverage.

none
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**Liaison:** Breuer

gbreuer@azsfb.gov

602-542-6139

\_\_\_\_\_  
Superintendent Printed Name

\_\_\_\_\_  
Superintendent Signature

\_\_\_\_\_  
Date



June 16, 2015

John Muir, Director of Facilities and Construction  
Cave Creek Unified School District  
33606 N. 60<sup>th</sup> Street  
Scottsdale, AZ 85266

Re: Exterior Waterproofing @ Cactus Shadows High School  
AZ-1620.1

Subj: Fee Proposal

Dear Mr. Muir:

The existing Cactus Shadows High School is a multiple building campus with masonry exterior walls, exposed steel canopies and exterior hollow metal doors and frames. The exterior paint has basically "burned" out due to age and UV exposure compromising the ability of the exterior paint finish to protect the building from weather and possible damage. To improve the life of the building it is recommended that the exterior be painted. This would include preparation of surfaces before block fill, priming and painting. Also included are exterior doors, frames, steel structures, and handrails.

**Estimated construction cost: \$350,000.00**

**Architects Scope of Work:**

1. Provide construction documents and specifications to include preparation, printing/sealing, caulking and graphic description of the construction scope of work.
2. Assist the District in the bidding process. Conduct a pre-bid walkthrough and evaluate the bid results.
3. Conduct a substantial completion walk-through and create a final punch list of outstanding items.

**Fee: \$9,750.00**

We are prepared to begin immediately upon approval.

Sincerely,

ONE! Architecture

A handwritten signature in black ink, appearing to read "Donald R. Brubaker Jr.", is written over a circular stamp or seal.

Donald R. Brubaker Jr. Principal Architect

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
\_X\_ Building Renewal Grant Fund

District: **Cave Creek Unified**  
BRG Project Number: 07029302S-1001-009BRG  
Project Description: Exterior reseal  
Consultant: One Architecture  
Contractor: TBD

Maricopa County

Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 50,000</b>
Contingency ①		\$ 5,000
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 4,535
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 5,000
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 9,535</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 64,535</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 64,535</b>
<b>Total Project Cost:</b>		<b>\$ 64,535</b>

① Contingency shall only be used with SFB staff approval.

**Building Renewal Grant Application**

**Initial Submission Date:** 2/12/2015 2:07:31 PM

**Application ID:** 1821

**Resubmittal Date:** 6/17/2015 12:44:43 PM

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Cave Creek Unified District

**Superintendent:** Dr. Debbi Burdick

**Contact Person:** John Muir

**Contact Phone Number:** 480.575.2050

**Contact Email:** jmuir@ccusd93.org

**School Site:** Fine Arts Center

**Buildings:**  
1001 Fine Arts Center  
9999 School Wide

**Application Title:** Fine Arts Center Weatherproofing

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

The Fine Arts Center is in need of weatherproofing in order to maintain and extend the useful life of the building. Water is penetrating the walls, there is exterior cracking, and effervescence is apparent.

**Project Category:** Surfaces

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project \$0.00

Please outline any associated insurance coverage.

none

**Liaison:** Breuer

gbreuer@azsfb.gov

602-542-6139

\_\_\_\_\_  
Superintendent Printed Name

\_\_\_\_\_  
Superintendent Signature

\_\_\_\_\_  
Date

6/17/2015 12:44:43 PM



June 16, 2015

John Muir, Director of Facilities and Construction  
Cave Creek Unified School District  
33606 N. 60<sup>th</sup> Street  
Scottsdale, AZ 85266

Re: Exterior Waterproofing @ High School Fine Arts Center  
AZ-1620.2

Subj: Fee Proposal

Dear Mr. Muir:

The existing High School Fine Arts Center (FAC) is a single building. The exterior finish is stucco with accents of concrete masonry block. The exterior paint has basically "burned" out due to age and UV exposure compromising the ability of the exterior paint finish to protect the building from weather and possible damage. To improve the life of the building it is recommended that the exterior be painted. This would include preparation of surfaces before block fill, priming and painting. Also included are exterior doors, frames, steel structures, and handrails.

**Estimated construction cost: \$50,000.00**

**Architects Scope of Work:**

1. Provide construction documents and specifications to include preparation, printing/sealing, caulking and graphic description of the construction scope of work.
2. Assist the District in the bidding process. Conduct a pre-bid walkthrough and evaluate the bid results.
3. Conduct a substantial completion walk-through and create a final punch list of outstanding items.

**Fee: \$4,535.00**

We are prepared to begin immediately upon approval.

Sincerely,

ONE! Architecture

A handwritten signature in black ink, appearing to read "Donald R. Brubaker Jr.", is written over the printed name.

Donald R. Brubaker Jr. Principal Architect

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
\_X\_ Building Renewal Grant Fund

District: **Cave Creek Unified**  
BRG Project Number: 070293NST-9999-010BRG  
Project Description: Exterior reseal  
Consultant: One Architecture  
Contractor: TBD

Maricopa County

Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 135,000</b>
Contingency ①		\$ 10,000
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 6,890
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 5,000
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 11,890</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 156,890</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 156,890</b>
<b>Total Project Cost:</b>		<b>\$ 156,890</b>

① Contingency shall only be used with SFB staff approval.



**Building Renewal Grant Application**

**Initial Submission Date:** 4/8/2015 7:19:46 AM

**Application ID:** 1967

**Resubmittal Date:** 6/17/2015 12:44:13 PM

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Cave Creek Unified District  
**Superintendent:** Dr. Debbi Burdick  
**Contact Person:** John Muir  
**Contact Phone Number:** 480.575.2050  
**Contact Email:** jmuir@ccusd93.org  
**School Site:** Sonoran Trails Middle School  
**Buildings:**

1001	100
1002	200
1003	300
1004	400
1005	500
1006	600
9999	School Wide

**Application Title:** Sonoran Trails Middle School Weatherproofing

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

Sonoran Trails Middle School is in need of weatherproofing in order to maintain and extend the useful life of the building. Water is penetrating the walls, there is exterior cracking, and effervescence is apparent.

**Project Category:** Surfaces

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project	\$0.00
--	--------

Please outline any associated insurance coverage.

none

**Liaison:** Breuer

gbreuer@azsfb.gov

602-542-6139

6/17/2015 3:46:08 PM



June 16, 2015

John Muir, Director of Facilities and Construction  
Cave Creek Unified School District  
33606 N. 60<sup>th</sup> Street  
Scottsdale, AZ 85266

Re: Exterior Waterproofing @ Sonoran Trails Middle School  
AZ-1620.3

Subj: Fee Proposal

Dear Mr. Muir:

The existing Sonoran Trails Middle School is a multiple building campus with painted concrete masonry walls, exposed steal canopies and exterior hollow metal doors and frames. The exterior paint has basically "burned" out due to age and UV exposure compromising the ability of the exterior paint finish to protect the building from weather and possible damage. To improve the life of the building it is recommended that the exterior be painted. This would include preparation of surfaces before block fill, priming and painting. Also included are exterior doors, frames, steel structures, and handrails.

**Estimated construction cost: \$135,000.00**

**Architects Scope of Work:**

1. Provide construction documents and specifications to include preparation, printing/sealing, caulking and graphic description of the construction scope of work.
2. Assist the District in the bidding process. Conduct a pre-bid walkthrough and evaluate the bid results.
3. Conduct a substantial completion walk-through and create a final punch list of outstanding items.

**Fee: \$6,890.00**

We are prepared to begin immediately upon approval.

Sincerely,

ONE! Architecture

A handwritten signature in black ink, appearing to read "Donald R. Brubaker Jr.", is written over a circular stamp or seal.

Donald R. Brubaker Jr. Principal Architect

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**

Detail of Additional Cost and Contingency

☒ Building Renewal Grant Fund

District: **Concho Elementary**  
BRG Project Number: **010306101-9999-001BRG**  
Project Description: **Roof replacement**  
Consultant: **WRECORP**  
Contractor: **TBD**

Apache County

Board Approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b> (cost estimate provided by architect or contractor)		<b>\$ 187,000</b>
Contingency ①		<b>\$ 19,870</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 17,130
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 11,000
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 28,130</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 235,000</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 235,000</b>
<b>Total Project Cost:</b>		<b>\$ 235,000</b>

① Contingency shall only be used with SFB staff approval.

**Building Renewal Grant Application**

**Initial Submission Date:** 5/18/2015 12:31:53 PM

**Application ID:** 1768

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Concho Elementary District  
**Superintendent:** Leon Buttler  
**Contact Person:** Bryan Molck  
**Contact Phone Number:** 928-205-3701  
**Contact Email:** bmolck@concho.k12.az.us; bbell@concho.k12.az.us  
**School Site:** Concho Elementary School  
**Buildings:**

1001	Concho Elementary
1002	Classrooms
1005	Classroom Building
1006	Multipurpose room

**Application Title:** Roof replacement

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

Replacement of Main School Building roof and Elimination of old swamp cooler penetrations to ensure future longevity of new roof system and less problems of leaks

**Project Category:** Roofing

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project	\$0.00
--	--------

Please outline any associated insurance coverage.

**Liaison:** Cruse

pcruse@azsfb.gov

602-364-1193

\_\_\_\_\_  
Superintendent Printed Name

# PROPOSAL

## PROJECT IDENTIFICATION

PROJECT NAME	Concho Elementary School District #6
PROJECT	Roofing Project
SITE ADDRESS	6 County Road 5101 Concho, AZ 85924

## PROPOSAL

This proposal, dated this day of February 19, 2015, is between Concho Elementary School District #6 ("Client") and WRECORP (Western Roof Evaluation Corporation) ("Consultant") to set forth and further define the Scope of Services for the project generally referred to as Roof Inspection. If accepted this document shall form an agreement between the client and the consultant.

Client and Consultant, after negotiation, have defined the Scope of Services as follows:

### Phase I - Design

- Assess existing roof conditions on building at site address listed above.
- Create a footprint CAD of existing roofs, determining square footage.
- Provide budget for solutions.
- Create a scope of work and specification. *(Tear off the existing shingle roofs down to the decking on the roof sections designated by the SFB. Remove and reset the HVAC equipment as necessary. Modify the curbs, stands and ducts to meet industry standards. Remove old cooler curbs/ducts at roof level and fill in decking. Install new shingles to match existing shingles if available from manufacturer. Verify roof deck/wall venting and insure it is reinstalled. R & R gutters as needed)*
- Create CAD of roof foot print.
- Create construction details.

Fees: \$3,500.00 + \$1,380.00 (Structural Engineer's Report) **Total \$4,880.00**

### Phase II – Bidding and Construction Administration

- Conduct pre-bid meeting with chosen contractors and manufacturers.
- Review submittals and schedule from chosen contractor.
- Conduct pre-roofing meeting with contractor, manufacturer and client.
- Provide quality assurance monitoring once a week. Photo documented reports for each day's monitoring.
- Conduct a punch list inspection after completion of work.
- Conduct a close out inspection.
- Create a close out book in 3 ring binder and electronic disk.

**Fees: \$12,250.00**

Compensation for services and terms of payment shall be as follows: Due upon receipt of invoice.

### **Limitations on Consultant's Responsibility, Indemnity & Insurance**

*Client acknowledges that Consultant is performing professional service on behalf of Client and in the event claims, losses, damages or expenses are caused by the negligence of Contractor or Client or both, Client agrees*

# PROPOSAL

to indemnify and hold harmless Consultant, and Consultant's officers, employees, agents and representatives, from and against liability for all Professional Liability claims, losses, damages and expenses whether or not insured, including reasonable attorney's fees.

**WRECORP (Western Roof Evaluation Corporation)**

Consultant

By: Jerry L. Brown 2/19/2015  
Signature in ink Date

Name: Jerry L. Brown  
Title: President

Owner

By: \_\_\_\_\_  
Signature in ink Date

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Pat Cruse

---

**From:** Jerry Brown [Jerry@wrecorp.com]  
**Sent:** Sunday, April 12, 2015 3:13 PM  
**To:** Billie Bell  
**Cc:** Pat Cruse  
**Subject:** RE: Concho

Billie

Is there any word on a PO for our work.

Jerry L. Brown, RRO  
Roof Consultant  
6829 W. Corrine Dr.  
Peoria, AZ 85381

Office: 623-878-7117  
Cell: 602-571-8803

**From:** Jerry Brown  
**Sent:** Thursday, February 12, 2015 2:23 PM  
**To:** 'Billie Bell'  
**Cc:** Pat Cruse ([pcruse@azsfb.gov](mailto:pcruse@azsfb.gov))  
**Subject:** RE: Concho

Billie

No the proposal is for my fees only. The roofing will cost in the neighborhood of \$175,000.00

Jerry L. Brown, RRO  
Roof Consultant  
6829 W. Corrine Dr.  
Peoria, AZ 85381

Office: 623-878-7117  
Cell: 602-571-8803

**From:** Billie Bell [<mailto:bbell@concho.k12.az.us>]  
**Sent:** Thursday, February 12, 2015 10:40 AM  
**To:** Jerry Brown  
**Cc:** 'Pat Cruse'  
**Subject:** RE: Concho

Jerry,

Does this quote include the price of replacing the roof?

*Mrs. Billie Bell, CPM*  
Business Manager  
Concho ESD#6

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Elfrida Elementary**  
BRG Project Number: **020412101-1013-005BRG**  
Project Description: **Roof access installation**  
Consultant: **Robert Polcar Architects, Inc**  
Contractor: **TBD**

Cochise County

Board Approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b> (cost estimate provided by architect or contractor)		<b>\$ 25,000</b>
Contingency ①		<b>\$ 3,200</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 7,000
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 7,000</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 35,200</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 35,200</b>
<b>Total Project Cost:</b>		<b>\$ 35,200</b>

① Contingency shall only be used with SFB staff approval.



June 16, 2015

To: Vicki Bradford  
Superintendent  
Elfrida Elementary School District  
Elfrida, Arizona

Re: Roof Access at Elfrida Elementary School

Vicki,

We are pleased to give you a proposal to do an evaluation of the access to the roof of your school's multipurpose building along with a design for corrective action.

**Scope of Project**

- Our understanding is no roof ladder or other safe means exist for roof access to maintain the roof or the mechanical equipment located there.
- There are several roof levels, each need access.
- We understand that the SFB has some original plans for the facility.

**Scope of Services**

- Make a site visit to verify existing conditions as they pertain to the roof, building floorplan, and possible exterior or interior locations for a roof ladder.
- Report on the conditions and make a recommendation for corrective action.
- Provide a design document to carry out the work.
- Include a structural engineer's evaluation of the conditions and ability of the existing structure to support roof products.
- Assist during the bidding process as well as review and approvals of contractor progress payments, attend a pre-construction meeting plus one progress inspection of the work, as well as a final inspection.

**Fee**

The fee for architectural and engineering services, as described above, including structural engineer would be as outlined below. The fee includes travel expenses.

Initial Inspection	\$800
Structural Review	\$1,000
Preliminary Plan/assess	\$1,200
Detailed Drawings	\$1,600
Construction Admin	\$2,400
Total	\$7,000



Not included in the fee are: computer plots, printing reproduction and delivery charges, state, city or county permits if required, plan reviews and building permit fees if required.

We are also assuming there are "as-built" drawings of the facility available and that we will not need to make extensive measurements and drawings of the existing conditions.

Additional services such as extra on-site inspections, revisions to the approved plans, additional engineering beyond the scope, etc. if requested, would be \$100/hr. for an architect and \$125/hr. for structural engineer. If required as part of the additional services mileage would be billed at the current state rate, printing and delivery billed at cost.

We are listed as a vendor in Procure AZ as well as 1GPA (#13-103). We are in compliance with all current State of Arizona insurance requirements.

Again, thanks for the opportunity; we look forward to working with you on this project.

Sincerely,



Bob Polcar, RA  
Robert Polcar Architects, Inc.

.cc Dan Demland

June 16, 2015

To: Dan Demland  
School Facilities Liaison  
Arizona School Facilities Board  
Phoenix, Arizona

Re: Roof Access  
Elfrida Elementary School Multi-Purpose Building  
Elfrida, AZ

Dan,

We have made a site visit and studied a possible solution to provide roof access to the Multi-Purpose Building.

The existing building consists of multiple roof levels and none have access from ground level. We estimate there will need to be a ladder to the main roof level, either from the exterior over the parapet, or interior with a roof hatch, as well as two ladders down to the adjacent areas. Our estimate for the cost to supply and install the ladders is \$25,000.

Please let me know if you have any questions.

Sincerely,



Bob Polcar, RA  
Robert Polcar Architects, Inc.

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant FundDistrict: **Florence Unified**BRG Project Number: **110201201-9999-006BRG**

Pinal County

Project Description: **Replace intercom system**Consultant: **CST**Contractor: **TBD**Board Approval Date: **6/24/2015**

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost</b>		<b>\$ 30,083</b>
Contingency ①		<b>\$ 3,000</b>
Architecture / Engineering (A&E)		\$ -
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ -</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 33,083</b>
District Share (Local Funds):		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 33,083</b>
<b>Total Project Cost:</b>		<b>\$ 33,083</b>

① Contingency shall only be used with SFB staff approval

**School Facilities Board**  
**SFB BR 900-08**

**BUILDING RENEWAL GRANT**  
**Project Application Form**

**Building Renewal Grant Application**

**Initial Submission Date:** 5/21/2015 12:05:32 PM

**Application ID:** 2025

**Resubmittal Date:**

~~Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.~~

**District Name:** Florence Unified School District

**Superintendent:** Dr. Amy Fuller

**Contact Person:** Rich DeVries

**Contact Phone Number:** (520) 251-1877

**Contact Email:** rdevries@fUSDaz.org

**School Site:** Florence High School

**Buildings:** 9999 School Wide

**Application Title:** Update Existing PA System

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

The existing PA system at Florence High School is over 13 years old and does not provide communication to all campus classrooms. In addition, the system does not have the capability of 2-way communication for the safety of our students.

**Project Category:** HVAC

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project \$0.00

Please outline any associated insurance coverage.

**Liaison:** Demland

ddemland@azsfb.gov

602-542-6567

Amy Fuller  
Superintendent Printed Name

Amy Fuller  
Superintendent Signature

5/21/2015  
Date

5/21/2015 12:05:31 PM

**Application ID:** 2025



*Commercial Systems Technology, Inc.*

Date: March 21, 2015

To: Florence Unified School District No. 1  
226 S. Orlando St.  
Florence, AZ 85132

Nathan Woodbury 520-705-4346 nwoodbury@fusdaz.org

Re: BOGEN Quantum IP Intercom systems for Florence High School

Total pages 2

Dear Nathan, I am sending you this per our conversation regarding IP intercom system for the Florence High School. We have updated the system pricing and allowed for the additional exterior speakers with remote amplifiers at the Gymnasium for football Field coverage and on the 900 building.

All existing speaker, amplifiers and wiring will be reused and reincorporated back in the system. We will be replacing the paging system with a Quantum IP school intercom system. The system will be tied it into your network for remote access and control along with one (1) display phone located in the IT room.

If you would like to interface IP Quantum systems with your VOIP phone switch, we will need a FXO port from your call manager, programmed as an analog trunk port for this feature. (We believe this is already in place).

All speaker circuits will be checked for shorts, opens, grounds and proper loads (impedance) prior to reconnection. We recommend a \$3,000.00 miscellaneous contingency for unforeseen or changes and additions that you may request. Any existing bad speakers, bad lines found will not be re-terminated. However, we can repair these through our service department on an as needed / time and materials basis or the school district may elect to fix these on their own. Any unused contingency funds will be returned back to the district.

The school district will be given all access codes along with a copy of the software and training for their use on the system.

Florence High School 120 station IP Quantum system -----\$30,083.00  
Recommended miscellaneous contingency--- \$ 3,000.00  
**TOTAL COST \$33,083.00**



*Commercial Systems Technology, Inc.*

Page 2 of 2 BOGEN Quantum IP Intercom systems for Florence High School

Notes:

The school district will be given all access codes along with a copy of the software for their use on the system.

All pricing will be held for 30 days from above listed date.

We will need a port and IP address on your LAN/WAN system for computer control access.

As always I have appreciated working with you in the past and look forward to working with you on this project.

Sincerely,

*Craig Edwards*

CST / Commercial System Technology Inc.

Office # 480 890-2260

Mobile # 480 332-3600

Fax # 480 890-2263

Web: [www.cst-az.com](http://www.cst-az.com)

Email: [cedwards@cst-az.com](mailto:cedwards@cst-az.com)

*Mark Haddad*

CST / Commercial System Technology Inc.

Office # 480 890-2260

Mobile # 480 433-3590

Fax # 480 890-2263

Web: [www.cst-az.com](http://www.cst-az.com)

Email: [mhaddad@cst-az.com](mailto:mhaddad@cst-az.com)

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Mesa Unified**  
BRG Project Number: 070204103-1006-016BRG  
Project Description: Replace wheelchair lift  
Consultant: Sandoval  
Contractor: TBD

Maricopa County

Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		
Contingency ①		\$ 8,950
		\$ 550
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ -
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		\$ -
<b>Total SFB Funded Project Cost:</b>		\$ 9,500
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		\$ 9,500
<b>Total Project Cost:</b>		\$ 9,500

① Contingency shall only be used with SFB staff approval.



**Building Renewal Grant Application**

**Initial Submission Date:**

**Application ID:** 2030

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Mesa Unified District

**Superintendent:** Dr. Michael Cowan

**Contact Person:** Todd Poer

**Contact Phone Number:** 928-595-1400

**Contact Email:** jrasmuss@mpsaz.org ftpoer@mpsaz.org bksylvester@mpsaz.org  
remichal@mpsaz.org

**School Site:** Edison Elementary School

**Buildings:** 1006 A6000

**Application Title:** Remove and replace failing wheelchair lift no longer manufactured

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

When performing quarterly maintenance on the wheelchair lift located at Edison Elementary, Sandoval Elevator Company found the Main Roller completely destroyed. Unfortunately the required part (MAIN ROLLER GUIDE) is no longer manufactured and parts are no longer available from the manufacture who has gone out of business. We researched and found that this company was not bought out by another company. This particular wheelchair lift has been in operation for over 30+ years.

**Project Category:** Special Equipment

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project \$0.00

Please outline any associated insurance coverage.

Failure is not due to theft, vandalism, or wind, therefore, it is not covered by insurance.

**Liaison:** Cruse

pcruse@azsfb.gov

602-364-1193

Michael B. Cowan  
Superintendent Printed Name

**Building Renewal Grant Application**

Michael B. Cowan  
Superintendent Signature

6/9/15  
Date

<b>Date:</b>	5/26/15	<b>Building:</b>	Edison Elementary
<b>Attention:</b>	James Lucero		545 North Horne
<b>Address:</b>	555 South Lewis		Mesa, AZ 85023
<b>City:</b>	Mesa		
<b>Zip Code:</b>	85210		
<b>Telephone:</b>	602-680-8572		

**Provide a new ADA Wheelchair Lift**

Sandoval Elevator Company shall remove the old wheelchair lift and replace with a new single vertical lift located at the above address as follows:

<b>TYPE OF EQUIPMENT:</b>	One (1) Harnar CPL410 with retractable ramp
<b>CAPACITY:</b>	750 lbs.
<b>SPEED:</b>	10 fpm
<b>DRIVE:</b>	Belt Driven ball screw
<b>TRAVEL:</b>	42 inches (FIELD VERIFY)
<b>POWER SUPPLY:</b>	115 VAC – 20 amp grounded circuit (FIELD VERIFY)
<b>STOPS:</b>	2
<b>OPENINGS:</b>	2 (1-Front, 1-Rear) Pass through
<b>PLATFORM SIZE:</b>	36" x 54" (FIELD VERIVY)

**INCLUDED FEATURES:**

- Platform Gate
- Top Landing Gate
- Upper and Power Call/Send Controls
- Keyed Access Control
- Audible Alarm
- ADA Phone (Active phone line and monitoring by others)
- Base Color: Oyster White

**PRICE: \$8,950 (All applicable sales tax and permit fees included)**

This Repair Order is submitted for acceptance within 30 days from the date executed by Sandoval Elevator Company. All prior representations or agreements regarding this work, whether written or verbal, will be deemed to be merged herein, and no other changes in or additions to this agreement will be recognized unless made in writing and properly executed by both parties. This Repair Order specifically contemplates work outside the scope of any maintenance contract currently in effect between the parties; any such contract shall be unaffected by this Repair Order.

Please be advised of the following lead times associated with this project:

Preparation of shop drawings for review and approval: (Upon receipt of construction drawings)	2 weeks
Approval time:	2 weeks
Fabrication: (Upon receipt of all approvals and an executed contract)	2 weeks
Delivery of equipment:	2 weeks
Installation of wheelchair lift:	<u>2 days</u>
<b>Total weeks:</b>	<b>8 weeks</b>

Sandoval Elevator can proceed with preparation of shop drawings for review and approval with receipt of one (1) set of plans and subcontract agreement. **We will require receipt of the executed subcontract agreement and approved submittals prior to release of equipment for fabrication.** This quote is good for 90 days.

**Mesa Public Schools**  
**555 South Lewis**  
**Mesa, AZ 85210**

**Sandoval Elevator Company**  
**PO Box 7497**  
**Phoenix, AZ 85011**

By: \_\_\_\_\_  
(Signature of Authorized Individual)

James Lucero

By: \_\_\_\_\_  
(Signature of Authorized Individual)

Matthew Sandoval  
(602) 820-4992

Date: \_\_\_\_\_

Date: 5/26/15

sandoval

Mail

Move to Inbox

[www.sandovalelevator.com](http://www.sandovalelevator.com)

Inbox (192)

Starred

Sent Mail

Drafts (8)

Bobette Sylvester

Bond List (1)

Notes

Requisition Form

SER (1)

More labels



Todd

Michael Lucero

to me

----- Forwarded message -----

From: Matthew Sandoval <[matthew@sandovalelevator.com](mailto:matthew@sandovalelevator.com)>

Date: Mon, Mar 30, 2015 at 10:32 AM

Subject: Edison Elementary Wheelchair lift

To: [mlucero@mpsaz.org](mailto:mlucero@mpsaz.org)Cc: Dave <[dave@sandovalelevator.com](mailto:dave@sandovalelevator.com)>

James

When performing our quarterly maintenance on the wheelchair lift at Edison Elementary we found the motor on the wheelchair lift tripped and the unit shut down. Upon further investigation we found the MAIN GUIDE ROLLER completely destroyed. This roller like the tire of a car bears all the weight of the lift as it moves up and down.

Unfortunately the required part (MAIN ROLLER GUIDE) is no longer manufactured and parts no longer available from the manufacture who has gone out of business.

The wheelchair lift requires the MAIN GUIDE ROLLER in order to operate. Without it the unit drags metal on metal and the motor eventually works too hard and trips. We have tagged the unit out of service until a solution can be determined.

Call phones feature is not  
available

As you know the wheelchair lift provides access to the school stage for children who are wheelchair bound and cannot use the stairs. This particular wheelchair lift has been in operation for over 30+ years and has served its productive life expectancy.



Currently there are (2) options available:

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Mesa Unified**  
BRG Project Number: 070204128-9999-017BRG  
Project Description: **Replace roofs**  
Consultant: Brock, Craig and Thacker Architects, Ltd.  
Contractor: TBD

Maricopa County

Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 14,665</b>
Contingency ①		<b>\$ 3,000</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 3,240
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 750
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 3,990</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 21,655</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 21,655</b>
<b>Total Project Cost:</b>		<b>\$ 21,655</b>

① Contingency shall only be used with SFB staff approval.

**Building Renewal Grant Application**

**Initial Submission Date:**

**Application ID:** 1928

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Mesa Unified District

**Superintendent:** Dr. Michael Cowan

**Contact Person:** Todd Poer

**Contact Phone Number:** 928-595-1400

**Contact Email:** ftpoer@mpsaz.org bksylvester@mpsaz.org remichal@mpsaz.org

**School Site:** Keller Elementary School

**Buildings:**  
1004 A4000 / R-042  
1006 A6000 / R-039

**Application Title:** Replace shingles on two portable classrooms at Keller Elementary

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

The asphalt shingles on these 2 portable classrooms have are not under warranty and are in very poor condition with frayed edges and worn surfaces. Pat Cruse has walked both portable roofs. The Mesa School District has paid for and obtained Architect's roof inspection report, roof consultant's inspection report and engineer's structural analysis towards our contribution for this grant application. We are requesting funding of \$3,240.00 for additional structural design for new roof truss reinforcing for support of previously replaced roof top mounted mechanical equipment.

**Project Category:** Roofing

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project \$0.00

Please outline any associated insurance coverage.

Failure is not due to theft, vandalism, or wind, therefore, it is not covered by insurance.

**Liaison:** Cruse

pcruse@azsfb.gov

602-364-1193

**Building Renewal Grant Application**

Michael B. Cowan  
Superintendent Printed Name

Michael B. Cowan  
Superintendent Signature

5/15/15  
Date




May 11, 2015

Mr. Todd Poer  
Director of Maintenance & Grounds  
Mesa Public Schools  
555 S. Lewis  
Mesa, AZ 85210

Re: Amendment Request for PO No. 509524  
Structural Design for truss corrections at 2 Portables at Keller Elementary School

Dear Todd,

Listed below are the additional fees for Keller portables structural corrective measures required by the SFB for support of replaced mechanical units:

Current PO 509524 amount:	\$5,850.00	<i>Dist. Funded.</i>
Additional services needed:		
Gervasio & Assoc. Structural Engineering:	\$2,700.00	
BCT overhead & coordination:	<u>\$ 540.00</u>	
Proposed Additional fee:	\$3,240.00	

No Mechanical, Plumbing or Electrical Engineering is included. Any printing costs, permits or testing would be billed as reimbursable expenses.

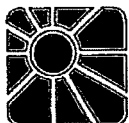
If acceptable, please increase the purchase order for this work.

Sincerely,



James E. Craig, Jr, AIA

JEC:jc  
Enc.



brock, craig and thacker architects, ltd.

james e. craig jr, aia

boyd h. thacker, aia

145 e. university, suite 3, mesa, arizona 85201 \* (480) 969-3081 \* [bct@bctarchitects.net](mailto:bct@bctarchitects.net)

# GERVASIO & ASSOC., INC.

CONSULTING ENGINEERS

(602) 285-1720 • 77 East Thomas Road, Suite 120  
Phoenix, Arizona 85012

# REVISED

## ADDITIONAL SERVICES FAX

**\*\* This is the only page \*\***

TO: Brock Craig & Thacker Architects, Ltd. DATE: April 13, 2015  
145 E. University Dr., Ste. 3 FAX / E-MAIL: bthacker@bctarchitects.com net  
Mesa, AZ 85201 VOICE: (480) 969-3081  
ATTN: Boyd Thacker G&A FAX: (602) 285-1530  
JOB: Keller Elementary School G&A Voice: (602) 285-1720  
CLIENT #: \_\_\_\_\_ G&A # 4203 S01 254 Code \_\_\_\_\_

☐ Survey ☐ Civil ☐ Architectural ☐ Forensic ☒ Structural ☐ Major Revision

Keller Elementary School located at 1445 E. Hilton Ave., in Mesa, AZ

Subsequent to issuing our report on the re-roofing load study for the above referenced project you asked us to provide structural design for new roof truss reinforcing for support of previously replaced roof top mounted mechanical equipment weights superimposed on the modular roof structure. We will:

- Field measure a typical roof truss and existing truss bearing conditions at the interior beam and exterior stud wall;
- Field measure/locate the roof top mechanical units;
- Verify weights, where possible, of existing roof-top units; and
- Provide a partial roof framing plan for placement of new joist reinforcing of the trusses and required support details for the mechanical equipment. The new joists will be located at the top chord of the existing trusses and span full length.

Note: Existing ceiling materials shall be removed prior to our site visit at locations indicated by the engineer.

We will be billing you hourly not to exceed \$2,700.00

Please confirm this authorization by signing and faxing it back to us so we may start the work. This additional service is for our standard contract and is valid for 30 days. No hard copy will be mailed.

Ramona E. Dutton, P.E.

Project Engineer

Reviewed By: ✓

Client Approval

Title

Original to Bkpr.

Copy to Sec.

Copy to Dept. Dir.

File Folder: ✓ Yes        No

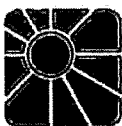
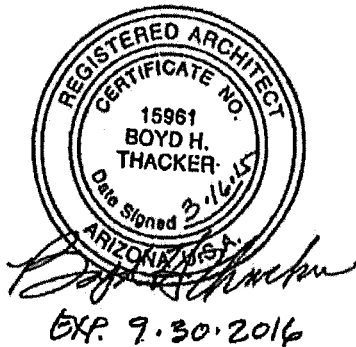
☐ Small Job - 1 File Folder Needed

06/12 - 2 F

# MPS ROOFING ESTIMATES

BCT PROJECT #1414 - 1421

Robson Elementary Portables	Base Bid	\$ 16,748.00
	Alt Bid	\$ 18,270.00
Washington Elementary	Base Bid	\$ 262,860.00
	Alt Bid	\$ 525,720.00
Riverview Cafeteria		\$ 26,025.00
Carson Auditorium		\$ 22,748.00
Webster Elementary		
Media Center	Base Bid	\$ 23,706.00
	Alt Bid	\$ 45,588.00
Multi-purpose Bldg	Base Bid	\$ 62,400.00
	Alt Bid	\$ 139,200.00
Media Center Canopy	Base Bid	\$ 11,326.00
	Alt Bid	\$ 12,550.00
Keller Elementary Portables	Base Bid	\$ 11,165.00 *
	Alt Bid	\$ 12,180.00



**brock, craig and thacker architects, ltd.**

james e. craig jr, ala

145 e. university, suite 3, mesa, arizona 85201 \* (480) 969-3081 \* [bct@bctarchitects.net](mailto:bct@bctarchitects.net)

boyd h. thacker, ala

Carson Jr. High Auditorium Roof Repairs:

Existing PO 507579 for services thru construction documents:	\$4,700.00
Requested amendment to add construction administration:	<u>\$1,500.00</u>
	\$6,200.00

Webster Elementary Media Center, Cafeteria & Walkway Canopy Roof Repairs:

Existing PO 507039 for Media Center services thru construction documents:	\$4,300.00
Requested amendment to add:	
Structural Investigation at Walkway Canopy:	\$3,000.00
Construction Documents for Cafeteria & canopy	\$2,000.00
Construction Administration (all 3 areas):	<u>\$2,000.00</u>
	\$11,300.00

Keller Elementary Portables Reroof:

Structural investigation & report:	\$2,500.00	} DISTRICT FUNDED REQUEST SEB FUNDING
Construction Documents:	\$2,600.00	
Construction Administration:	<u>\$ 750.00</u>	
	\$5,850.00	

Mesa High School Auditorium Roof Repairs:

Roof Investigation & Construction Documents:	\$4,900.00
Construction Administration:	<u>\$1,500.00</u>
	\$6,400.00

Red Mountain High School Auditorium Roof Repairs:

Roof Investigation & Construction Documents:	\$4,900.00
Construction Administration:	<u>\$1,500.00</u>
	\$6,400.00

Total All Projects:	\$68,100.00
---------------------	-------------

Note: No Mechanical, Plumbing or Electrical Engineering is included. Any printing or testing costs would be billed as reimbursable expenses.

Please call with any questions. If acceptable, please issue purchase orders for the various projects.

Sincerely,



James E. Craig, Jr., AIA

JEC/jc

Cc: Dennis Gearhart  
Laura Tennyson

# GERVASIO & ASSOC., INC.

CONSULTING ENGINEERS

77 EAST THOMAS ROAD, SUITE 120

PHOENIX, ARIZONA 85012

(602) 285-1720 • (602) 285-1530 (FAX)

March 30, 2015

Mr. James Craig, R.A.  
BROCK CRAIG & THACKER ARCH., LTD.  
145 East University Drive  
Suite 3  
Mesa, AZ 85201

via E-mail: [jcraig@bctarchitects.net](mailto:jcraig@bctarchitects.net)

RE: ROBSON ELEMENTARY SCHOOL  
G&A Job No. 4148 S01  
KELLER ELEMENTARY SCHOOL  
G&A Job No. 4203 S01

Dear Mr. Craig:

We were requested to perform a structural analysis of the existing modular roof structures at both schools for support of new roof-mounted mechanical units which are heavier than the existing units. Based on our previous roofing inspections, we observed that the roof framing structure for two (2) modular buildings at each school consisted of plywood roof sheathing supported on pre-fabricated wood trusses spaced at 24" o.c. However, the wood trusses are fabricated with nominal 2" x 2", and smaller, top and bottom chords and web members connected together with light-gauge metal plates at the panel points. The nominal 2" truss members were ripped (cut lengthwise) from standard 2" x 4" framing lumber. These type of trusses were "proof-tested" and rated to a specific dead and live load capacity which is allowed by State of Arizona "Manufactured Home Construction and Safety Standards, Part 3280". No load rating specifications were found on these modular buildings. There is usually a data plate affixed to the building which indicates this loading information. Therefore, the existing truss load capacity of the trusses cannot be determined using standard engineering principles. In addition, the wood grades must be determined to perform a structural analysis and load capacity of the trusses. Per the Western Woods Product Association (WWPA) "ripping" (cutting lengthwise) lumber invalidates the original wood grades. Therefore, the trusses are fabricated with ungraded lumber. To minimize the size of the trusses for construction cost purposes, the modular building industry uses the "proof-test" requirements allowed by the State.

For the existing modular buildings with 2" x 2" truss framing, we recommend that the heavier mechanical units be supported on new standard 2" x 4" replacement trusses. We understand that existing roof materials will be removed to the existing sheathing for the re-roof installation. With minimal sheathing removal, new trusses with standard 2" x 4" members can be designed and installed at the mechanical equipment locations to adequately support the new units. Additional framing conditions will need to be designed and detailed to accommodate the new trusses bearing on the walls and interior girder supports.

Mr. James Craig, R.A.  
March 30, 2015  
G&A Job No. 4148 S01 & 4203 S01  
Page 2

---

Based on our experience, the roof framing revisions noted above should provide adequate support for the proposed mechanical equipment.

If you have any questions or comments, please call.

Sincerely,

Reviewed by:

GERVASIO & ASSOC., INC.



Raymond E. Beltran, P.E.  
V.P. & Structural Dept. Director

Jack Gordon, P.E.  
Forensic Dept. Asst. Director

REB:blm

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Mesa Unified**  
BRG Project Number: 070204134-9999-018BRG  
Project Description: **Replace roofs**  
Consultant: Brock, Craig and Thacker Architects, Ltd.  
Contractor: TBD

Maricopa County

Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 20,248</b>
Contingency ①		<b>\$ 3,000</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 1,920
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ 750
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 2,670</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 25,918</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 25,918</b>
<b>Total Project Cost:</b>		<b>\$ 25,918</b>

① Contingency shall only be used with SFB staff approval.

**School Facilities Board**  
**SFB BR 900-08**

**BUILDING RENEWAL GRANT**  
**Project Application Form**

**Building Renewal Grant Application**

**Initial Submission Date:**

**Application ID:** 1927

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Mesa Unified District

**Superintendent:** Dr. Michael Cowan

**Contact Person:** Todd Poer

**Contact Phone Number:** 928-595-1400

**Contact Email:** ftpoer@mpsaz.org bksylvester@mpsaz.org remichal@mpsaz.org

**School Site:** Robson Elementary School

<b>Buildings:</b>	1004	A4000 / R-386
	1005	A5000 / R-387
	1010	A10000 / R-436

**Application Title:** Replace shingles on three portable classrooms at Robson Elementary

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

The asphalt shingles on these 3 portable classrooms have are not under warranty and are in very poor condition with frayed edges and worn surfaces. Pat Cruse has walked all three portable roofs. The Mesa School District has paid for and obtained Architect's roof inspection report, roof consultant's inspection report and engineer's structural analysis towards our contribution for this grant application. We are requesting funding of \$1,920.00 for additional structural design for new roof truss reinforcing for support of previously replaced roof top mounted mechanical equipment.

**Project Category:** Roofing

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school? ?**

**Available Funding**

Amount of Local funds planned for this project	\$0.00
--	--------

Please outline any associated insurance coverage.

Warranty is over and failure is not due to theft, vandalism, or wind, therefore, it is not covered by insurance.

**Liaison:** Cruse

pcruse@azsfb.gov

602-364-1193

5/15/2015 8:10:55 AM

1

**Application ID:** 1927



**Building Renewal Grant Application**

Michael B. Cowan  
Superintendent Printed Name

Michael B. Cowan  
Superintendent Signature

5/15/15  
Date

May 11, 2015

Mr. Todd Poer  
Director of Maintenance & Grounds  
Mesa Public Schools  
555 S. Lewis  
Mesa, AZ 85210

Re: Amendment Request for PO No. 505295  
Structural Design for truss corrections at Robson Elementary Portables

Dear Todd,

Listed below are additional fees for the Robson Portables structural corrective measures design required by the SFB for support of replaced mechanical units:

Current PO 505295 amount:	\$5,850.00
Additional services needed:	
Gervasio & Assoc. Structural Engineering:	\$1,600.00
BCT overhead & coordination:	<u>\$ 320.00</u>
Proposed Additional fee:	\$1,920.00

No Mechanical, Plumbing or Electrical Engineering is included. Any printing costs, permits or testing would be billed as reimbursable expenses.

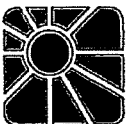
If acceptable, please increase the purchase order for this work.

Sincerely,



James E. Craig, Jr, AIA

JEC:jc  
Enc.



**brock, craig and thacker architects, ltd.**

james e. craig jr, aia

145 e. university, suite 3, mesa, arizona 85201 \* (480) 969-3081 \* [bct@bctarchitects.net](mailto:bct@bctarchitects.net)

boyd h. thacker, aia

# GERVASIO & ASSOC., INC.

CONSULTING ENGINEERS

(602) 285-1720 • 77 East Thomas Road, Suite 120  
Phoenix, Arizona 85012

# REVISED

## ADDITIONAL SERVICES FAX

**\*\* This is the only page \*\***

TO: Brock Craig & Thacker Architects, Ltd. DATE: April 13, 2015  
145 E. University Dr., Ste. 3 FAX / E-MAIL: bthacker@bctarchitects.cxxx net  
Mesa, AZ 85201 VOICE: (480) 969-3081  
ATTN: Boyd Thacker G&A FAX: (602) 285-1530  
JOB: Robson Elementary School G&A Voice: (602) 285-1720  
CLIENT #: \_\_\_\_\_ G&A # 4148 S01 254 Code \_\_\_\_\_

☐ Survey ☐ Civil ☐ Architectural ☐ Forensic ☒ Structural ☐ Major Revision

Robson Elementary School located at 2122 E. Pueblo Ave., in Mesa, AZ

Subsequent to issuing our report on the re-roofing load study for the above referenced project you asked us to provide structural design for new roof truss reinforcing for support of previously replaced roof top mounted mechanical equipment weights superimposed on the modular roof structure. We will:

- Field measure a typical roof truss and existing truss bearing conditions at the interior beam and exterior stud wall;
- Field measure/locate the roof top mechanical units;
- Verify weights, where possible, of existing roof-top units; and
- Provide a partial roof framing plan for placement of new trusses and required support details for the mechanical equipment. We will use similar details from the Keller Elementary School project.

Note: Existing ceiling materials shall be removed prior to our site visit at locations indicated by the engineer.

We will be billing you hourly not to exceed \$1,600.00

Please confirm this authorization by signing and faxing it back to us so we may start the work. This additional service is for our standard contract and is valid for 30 days. No hard copy will be mailed.

Raymond C. Dutton, P.E.

Project Engineer

Reviewed By: ✓

Client Approval

Title

Original to Bkpr.  
Copy to Sec.  
Copy to Dept. Dir.

File Folder: ✓ Yes     No

☐ Small Job - 1 File Folder Needed

06/12 - 2 F

December 9, 2014

Mr. Todd Poer  
Director of Quality Control  
Mesa Public Schools.  
555 S. Lewis  
Mesa, AZ 85210

Re: Architectural Services Proposal for Reroofing Projects

Dear Todd,

Thank you for the opportunity to submit a proposal for architectural services for reroofing projects at several District school sites. Our services would include site visits with evaluation reports on existing roof conditions, structural investigation and report (where required), construction drawings and specifications, cost estimates, bidding assistance and construction administration. Construction drawings and specifications would be compiled in one project manual, with itemized bids for each project.

Our proposed fees are listed below:

Robson Elementary Portables Reroof:

Existing PO 505295 for Structural Investigation:	\$2,500.00	} <u>DISTRICT FUNDED</u>
Requested amendment to add construction documents and construction administration:	\$2,600.00	
	<u>\$ 750.00</u>	<u>REQUEST SFB FUNDING</u>
	\$5,850.00	

Washington Elementary Roof Remediation:

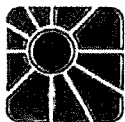
Existing PO 504187 for services thru construction documents:	\$7,900.00
Requested amendment to add construction administration:	<u>\$1,500.00</u>
	\$9,400.00

Field Elementary Roof Remediation:

Existing PO 504186 for services thru construction documents:	\$7,900.00
Requested amendment to add construction administration:	<u>\$1,500.00</u>
	\$9,400.00

Riverview HS Cafeteria Reroof:

Existing PO 506440 for services thru construction documents:	\$3,800.00
Requested amendment to add:	
Structural Investigation:	\$2,500.00
Construction Administration:	<u>\$1,000.00</u>
	\$7,300.00



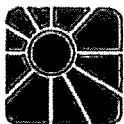
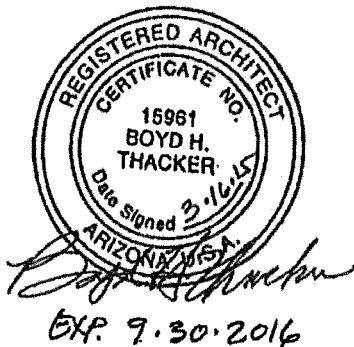
brock, craig and thacker architects, ltd.

daniel w. brock III, aia • james e. craig, jr., aia • boyd h. thacker, aia  
145 e. university dr., suite 3, mesa, arizona 85201 • (480) 969-3081 • fax: (480) 969-8283

# MPS ROOFING ESTIMATES

BCT PROJECT #1414 - 1421

Robson Elementary Portables	Base Bid	\$ 16,748.00
	Alt Bid	\$ 18,270.00
Washington Elementary	Base Bid	\$ 262,860.00
	Alt Bid	\$ 525,720.00
Riverview Cafeteria		\$ 26,025.00
Carson Auditorium		\$ 22,748.00
Webster Elementary		
Media Center	Base Bid	\$ 23,706.00
	Alt Bid	\$ 45,588.00
Multi-purpose Bldg	Base Bid	\$ 62,400.00
	Alt Bid	\$ 139,200.00
Media Center Canopy	Base Bid	\$ 11,326.00
	Alt Bid	\$ 12,550.00
Keller Elementary Portables	Base Bid	\$ 11,165.00
	Alt Bid	\$ 12,180.00



**brock, craig and thacker architects, ltd.**

james e. craig jr, aia

145 e. university, suite 3, mesa, arizona 85201 \* (480) 969-3081 \* [bct@bctarchitects.net](mailto:bct@bctarchitects.net)

boyd h. thacker, aia

# GERVASIO & ASSOC., INC.

CONSULTING ENGINEERS

77 EAST THOMAS ROAD, SUITE 120

PHOENIX, ARIZONA 85012

(602) 285-1720 • (602) 285-1530 (FAX)

March 30, 2015

Mr. James Craig, R.A.  
BROCK CRAIG & THACKER ARCH., LTD.  
145 East University Drive  
Suite 3  
Mesa, AZ 85201

via E-mail: [jcraig@bctarchitects.net](mailto:jcraig@bctarchitects.net)

RE: ROBSON ELEMENTARY SCHOOL  
G&A Job No. 4148 S01  
KELLER ELEMENTARY SCHOOL  
G&A Job No. 4203 S01

Dear Mr. Craig:

We were requested to perform a structural analysis of the existing modular roof structures at both schools for support of new roof-mounted mechanical units which are heavier than the existing units. Based on our previous roofing inspections, we observed that the roof framing structure for two (2) modular buildings at each school consisted of plywood roof sheathing supported on pre-fabricated wood trusses spaced at 24" o.c. However, the wood trusses are fabricated with nominal 2" x 2", and smaller, top and bottom chords and web members connected together with light-gauge metal plates at the panel points. The nominal 2" truss members were ripped (cut lengthwise) from standard 2" x 4" framing lumber. These type of trusses were "proof-tested" and rated to a specific dead and live load capacity which is allowed by State of Arizona "Manufactured Home Construction and Safety Standards, Part 3280". No load rating specifications were found on these modular buildings. There is usually a data plate affixed to the building which indicates this loading information. Therefore, the existing truss load capacity of the trusses cannot be determined using standard engineering principles. In addition, the wood grades must be determined to perform a structural analysis and load capacity of the trusses. Per the Western Woods Product Association (WWPA) "ripping" (cutting lengthwise) lumber invalidates the original wood grades. Therefore, the trusses are fabricated with ungraded lumber. To minimize the size of the trusses for construction cost purposes, the modular building industry uses the "proof-test" requirements allowed by the State.

For the existing modular buildings with 2" x 2" truss framing, we recommend that the heavier mechanical units be supported on new standard 2" x 4" replacement trusses. We understand that existing roof materials will be removed to the existing sheathing for the re-roof installation. With minimal sheathing removal, new trusses with standard 2" x 4" members can be designed and installed at the mechanical equipment locations to adequately support the new units. Additional framing conditions will need to be designed and detailed to accommodate the new trusses bearing on the walls and interior girder supports.

Mr. James Craig, R.A.  
March 30, 2015  
G&A Job No. 4148 S01 & 4203 S01  
Page 2

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Based on our experience, the roof framing revisions noted above should provide adequate support for the proposed mechanical equipment.

If you have any questions or comments, please call.

Sincerely,

Reviewed by:

GERVASIO & ASSOC., INC.



Raymond E. Beltran, P.E.  
V.P. & Structural Dept. Director

A handwritten signature in black ink that reads "Jack Gordon".

Jack Gordon, P.E.  
Forensic Dept. Asst. Director

REB:blm

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Valley Union**  
BRG Project Number: 020522201-9999-007BRG  
Project Description: **Replace backflow preventers**  
Consultant: FEI-Sierra Vista  
Contractor: TBD

Cochise County

Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 7,700</b>
Contingency ①		<b>\$ 800</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ -
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ -</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 8,500</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 8,500</b>
<b>Total Project Cost:</b>		<b>\$ 8,500</b>

① Contingency shall only be used with SFB staff approval.



**Building Renewal Grant Application**

**Initial Submission Date:**

**Application ID:** 2043

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Valley Union High School District

**Superintendent:** Ron Aguallo

**Contact Person:** Ron Aguallo

**Contact Phone Number:** 5206423492

**Contact Email:** ron.aguallo@vuhs.net

**School Site:** Valley Union High School

**Buildings:** 9999 Schoolwide

**Application Title:** Backflow valves

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

Upon inspection from ADEQ, inspector John Eyre indicated that our water system had some compliance issues specifically the system needed a back-flow valve that is a double check valve with reduced pressure and 4 pressure vacuum breakers installed. Mr. Eyre (ID#241023) indicated that these items needed to be installed as soon as possible, prior to the district being cited these items could be rectified and that the compliance issue would become a mute point. The district would like to avoid any compliance issues and correct areas as soon as possible. Also The seriousness threatens the functioning of the school district, and the health, welfare or safety of all VUHS staff/students.

District does not have money allocated for this project as it was unforeseen. estimated cost to rectify problem is:

2 - 4" Back-flow valve with a double check valve with reduced pressure=\$2300.00/valve = \$4600.00

4 - 1" Brass pressure vacuum breakers = \$125.00/breaker = \$500.00

Install valve/breakers = \$2000.00

Total = \$7100.00

**Project Category:** Plumbing

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project

\$0.00

## Building Renewal Grant Application

Please outline any associated insurance coverage.

The district does not have the finances available to cover the cost to remedy this situation. Insurance will not cover valves.

**Liaison:** Demland

ddemland@azsfb.gov

602-542-6567

R. Aguillo  
Superintendent Printed Name

[Signature]  
Superintendent Signature

6-9-15  
Date

## Price Quotation # B996420

### FEI- SIERRA VISTA #914

4244 E INDUSTRY DR  
SIERRA VISTA, AZ 85635

Phone : 520-459-4448  
Fax : 520-459-4452

Bid No.....: B996420

Bid Date...: 06/09/15

Quoted By: JKA

Customer.: VALLEY UNION HIGH SCHOOL  
PO BOX 158  
ELFRIDA, AZ 85610

Cust Phone: 520-642-3492

Terms.....: NET 10TH PROX

Ship To.....: VALLEY UNION HIGH SCHOOL  
PO BOX 158  
ELFRIDA, AZ 85610

Cust PO#...: RON

Job Name.: BACKFLOWS / PRES VBs

Item	Description	Quantity	Net Price	UM	Total
W375P	LF 4 RPZ BFP W/ NRS GATE VLV	2	2300.00	EA	4600.00
W420XLG	LF 1 PRES VB FNPT X FNPT	4	125.000	EA	500.00
	Labor		2000.00	LS	2000.00

Subtotal: \$7100.00

Inbound Freight: \$0.00

Order Total: \$7100.00

tax \$600.00  
\$7,700.00

Quoted prices are based upon receipt of the total quantity for immediate shipment (48 hours). SHIPMENTS BEYOND 48 HOURS SHALL BE AT THE PRICE IN EFFECT AT TIME OF SHIPMENT UNLESS NOTED OTHERWISE. Seller not responsible for delays, lack of product or increase of pricing due to causes beyond our control, and/or based upon Local, State and Federal laws governing type of products that can be sold or put into commerce. This Quote is offered contingent upon the Buyer's acceptance of Seller's terms and conditions, which are incorporated by reference and found either following this document, or on the web at [http://wolselevna.com/terms\\_conditionsSale.html](http://wolselevna.com/terms_conditionsSale.html). Govt Buyers: All items quoted are open market unless noted otherwise. LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with \*NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant FundDistrict: **Wickenburg Unified**

BRG Project Number: 070209201-1017-005BRG

Maricopa County

Project Description: Replace roof

Architect of Record: WRECORP

Contractor: TBD

Board Approval date: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 247,260</b>
Contingency ①		<b>\$ 30,000</b>
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ 18,994
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 18,994</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 296,254</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 296,254</b>
<b>Total Project Cost:</b>		<b>\$ 296,254</b>

① Contingency shall only be used with SFB staff approval.

**Building Renewal Grant Application**

**Initial Submission Date:** 6/12/2014 2:23:39 PM

**Application ID:** 1337

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Wickenburg Unified District  
**Superintendent:** Dr. Howard Carlson  
**Contact Person:** William Moran  
**Contact Phone Number:** 928-684-6713  
**Contact Email:** wmoran@wickenburg.k12.az.us  
**School Site:** Wickenburg High School  
**Buildings:** 1017 Building K, Gym, PE

**Application Title:** Roofing

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

Foam roof at the Gymnasium has bubbles and has areas the foam has puffed, causing leakage. Requesting repair work to above foam roofing

**Project Category:** Roofing

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project \$0.00

Please outline any associated insurance coverage.

Not under insurance.

**Liaison:** Breuer

gbreuer@azsfb.gov

602-542-6139

\_\_\_\_\_  
Superintendent Printed Name

\_\_\_\_\_  
Superintendent Signature

\_\_\_\_\_  
Date



David Kennon  
Gerry Breuer  
AZSFB

Project: Wickenburg Unified School District

### Wickenburg High School Gym

Identification	Activity	Items	Price per square foot	Total
Flat Roofs	Replacement	28,568 sf.	\$7.50	\$214,260.00
Mechanical Eq.	Modification	10	\$1,500.00	\$15,000.00
Coping	Modification	2,000 lnft.	\$5.00	\$10,000.00
Interior Parapets	Repair & coat			\$8,000.00
Consultant/Engineer	Design & Admin.			\$18,994.00
<b>Total</b>				<b>\$266,254.00</b>

→ A/E FEE

1. Flat roof will be torn off and new coated foam roof installed.
2. Mechanical equipment will be raised and curbs extended to allow for industry height.
3. Copings will be removed wood nailers installed where missing and waterproofing membrane applied and copings reinstalled.
4. Expansion joints on vertical walls directly above roofs will be repaired or replaced.

### Hassayampa Elementary School

Identification	Activity	Items	Price per square foot	Total
Dome/Flat Roof	Replacement	22,000 sf.	\$12.50	\$275,000.00
Consultant/Engineer	Design & Admin.			\$20,625.00
<b>Total</b>				<b>\$295,625.00</b>

1. Dome & flat roof will be torn off and new coated foam roof installed.

Jerry L. Brown, RRO  
Roof Consultant

June 9, 2015

**STATE OF ARIZONA  
SCHOOL FACILITIES BOARD**

Meeting Date: June 24, 2015

Agenda Item IV.d.

**Subject: IV. Building Renewal Grant Requests**

**d. Consideration and possible vote to accept reject or modify Building Renewal Grant Requests (design awards)**

**Clarkdale-Jerome Elementary**

**Background – Clarkdale-Jerome Elementary (Clarkdale-Jerome ES - replace underground water lines)**

Clarkdale-Jerome Elementary has submitted a Building Renewal Grant request to replace the domestic underground water lines at Clarkdale-Jerome Elementary School.

Clarkdale-Jerome Elementary, located 105 miles north of Phoenix, has one school. Clarkdale-Jerome Elementary School is comprised of 11 buildings constructed between 1984 and 2002, totaling 48,288 square feet.

The 30+ year old PVC piping continually requires repairs due to aging material and joint failure. The district requested the services of an engineer for an investigation. The district received a proposal in the amount of \$3,600.

**Criteria for Eligibility:**

Pursuant to ARS §15-2032, Building Renewal Grant Funds are only available to correct primary building renewal projects.

The district meets this criteria including doing preventative maintenance.

**Staff Recommendation–Clarkdale-Jerome (Clarkdale-Jerome ES - domestic underground water lines)**

Staff recommends that Clarkdale-Jerome Elementary be awarded \$4,100 in Building Renewal Grant funding for the engineering investigation to replace underground water lines at Clarkdale-Jerome Elementary School. This includes \$500 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

**Board Action Requested: [ ] information [ X ] action / described below**

Board approval of the staff recommendation that **Clarkdale-Jerome Elementary** be awarded \$4,100 in Building Renewal Grant funding for the engineering investigation to replace underground water lines at Clarkdale-Jerome Elementary School. This includes \$500 in contingency that will only be used with SFB staff approval. Funding for this project is contingent upon appropriation of FY 2016 Building Renewal Grant funding.

**Attachments: Yes [ X ]      No [ ]**

**SCHOOL FACILITIES BOARD****BUILDING RENEWAL GRANT**Detail of Additional Cost and Contingency  
  X   Building Renewal Grant Fund

District: **Clarkdale-Jerome Elementary**  
BRG Project Number: **130403101-9999-006BRG**  
Project Description: **Replace underground water lines**  
Architect of Record: **Shephard Wesnitzer, Inc. (SWI)**  
Contractor: **TBD**

Yavapai County

Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost</b>		\$ -
Contingency ①		\$ 500
Architecture / Engineering (A&E)		\$ 3,600
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ 3,600</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 4,100</b>
District Share (Local Funds):		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 4,100</b>
<b>Total Project Cost:</b>		<b>\$ 4,100</b>

① Contingency shall only be used with SFB staff approval.



**Building Renewal Grant Application**

**Initial Submission Date:**

**Application ID:** 1907

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Clarkdale-Jerome Elementary District

**Superintendent:** Kathleen Fleenor

**Contact Person:** Dave Chapman

**Contact Phone Number:** 928-634-5035

**Contact Email:** david.chapman@cjsd.k12.az.us

**School Site:** Clarkdale-Jerome Elementary School

**Buildings:** 9999 School Wide

**Application Title:** Main Waterline Replacement

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.

Replace the main waterline from the meter to all seven buildings. Would require new trenches to be dug and all waterlines replaced. tying new lines into each building and saw cutting sidewalks where the waterline enter the buildings.

Over the last 10 years there have been between one or two lines broken and repaired per year. The existing PVC pipe is old and was not installed with proper shading.

**Project Category:** Plumbing

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding**

Amount of Local funds planned for this project	\$0.00
--	--------

Please outline any associated insurance coverage.

There are no additional sources for this project and is not covered by insurance. If the grant is not approved we will continue to fix the leaks as needed. This is a disruption to school when the water is turned off for repairs and high water bills are a negative impact to the school budget.

**Liaison:** Breuer

gbreuer@azsfb.gov

602-542-6139

## Building Renewal Grant Application

Superintendent Printed Name \_\_\_\_\_

William Selman  
Superintendent Signature

3-18-15  
Date

## PROPOSAL / AGREEMENT FOR PROFESSIONAL SERVICES

**Ref. No. 15042**  
June 8, 2015

**BETWEEN:** Clarkdale – Jerome School District No. 3  
P.O. Box 248  
Clarkdale, AZ 86324 ("CLIENT")

**AND:** Shephard - Wesnitzer, Inc.  
1756 E. Villa Drive, Suite C-17  
Cottonwood, AZ 86326 ("SWI")

**FOR THE PROJECT:** Civil Engineering Services  
Water Main Investigation Report ("PROJECT")  
Clarkdale Campus ("SITE")

The Client and SWI do hereby agree as follows:

### 1.0 DESCRIPTION OF PROJECT

Information provided by the Client indicates that the Project will consist of a water main investigation report for the Site to be submitted to the Client and the Arizona School Facilities Board (SFB).

### 2.0 PURPOSE

The purpose of our Engineering Services will be to provide an investigation report regarding the existing water main conditions at the campus. The report will assist the Client and the SFB in the future planning of possible maintenance and/or improvements on the campus.

Client's Initials \_\_\_\_\_

**3.0 SCOPE OF SERVICES**

We propose to provide the following:

Item No.	Description	Fee
1.	<b>Water Main Investigation Report:</b> SWI will meet with school maintenance staff at the Site, collect known alignment and location information for the existing water main, and review historical construction plans of the campus. A report will be prepared outlining conditions found at the campus with exhibits and photo documentation.	\$3,600.00
<b>TOTAL</b>		<b>\$3,600.00</b>

**4.0 SCHEDULE**

Work will be scheduled upon receipt of a signed copy of this agreement. Item 1 is expected to require 1 - 2 weeks to complete.

**5.0 ASSUMPTIONS**

- a. Planning information will only be provided to the Client and may only be shared if directed by the Client to do so.
- b. Client to provide input on land planning concepts and assist in obtaining digital files if needed for use in exhibits.

**6.0 MANNER OF PAYMENT**

Billing for work in progress will be made on a monthly basis. Payment is due upon receipt of monthly billings. Late fees at the rate of 2% interest on balance owed will be assessed to client for delays in payments in excess of 30 days from the date of invoice. Services will be halted due to delays in payment. Final revisions to calculations and drawings will be released upon receipt of final payment.

**7.0 FEES**

The total cost of Civil Engineering services is a lump sum fee of \$3,600.00 including reimbursable expenses. Reimbursable expenses include FedEx charges, mileage, and plan/report reproduction costs. Any additional work which may be indicated by the discovery of unanticipated conditions in the field or revisions to the site plans instigated by others will be performed, only upon your authorization, in accordance with our current standard fee schedule. Current standard hourly rates are subject to change as current year expires. The estimated fee noted above is valid for 90 (ninety) calendar days after which time a review by SWI will be required.

**8.0 STANDARD SWI TERMS AND CONDITIONS**

Attached hereto and incorporated by the reference are the **SWI Standard Terms and Conditions**, which shall govern this agreement.

**9.0 SERVICES NOT INCLUDED**

Boundary survey, grading plans, structural analysis, construction staking, geotechnical investigations, environmental studies, archeological studies, or any other work not specifically identified in Section 3.0, Scope of Services. All agency and/or permitting fees are to be paid by the Client.

This Proposal/Agreement, and the attached **Terms and Conditions**, contain the entire agreement between the parties, and supersede all other agreements, either oral or written. No representations or warranties shall be valid or binding unless contained herein.

The signature below constitutes Shephard - Wesnitzer Inc.'s intention to be bound under the terms of this Proposal/Agreement, including the attached **Terms and Conditions**. The Client may accept by signing and returning to Shephard - Wesnitzer, Inc.

Any change to the **Terms and Conditions** of this Proposal/Agreement, or the tender of any contract documents in place of this Proposal/Agreement shall not be valid unless made in writing, dated and signed by all the parties.

EXECUTED BY:



June 8, 2015

Shephard-Wesnitzer, Inc.

The foregoing AGREEMENT with its attached **Terms and Conditions** has been proposed by Shephard - Wesnitzer, Inc. and has been read, is understood, and is hereby accepted.

EXECUTED BY:

\_\_\_\_\_  
Client / Authorized Representative

\_\_\_\_\_, 2015  
Date

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Title

STATE OF ARIZONA  
SCHOOL FACILITIES BOARD

Meeting Date: June 24, 2015

Agenda Item V.

Subject: **V. Emergency Deficiencies Correction Requests**  
**Consideration and possible vote to accept, reject or modify Emergency Deficiencies Correction Request (construction award)**

**Sunnyside Unified**

**Background – Sunnyside Unified (Transportation Dept. – replace diesel fuel tank)**

Sunnyside Unified has submitted an Emergency Deficiencies Correction request to replace the 10,000 gallon diesel fuel tank at the Transportation Department.

Sunnyside Unified, located in Tucson has 22 schools. The Transportation Department is comprised of three buildings constructed in 1991, totaling 5,400 square feet.

The diesel fuel tank has failed, is currently leaking and needs replacement. The district has chosen to expand the scope of the project to include elective upgrades; the SFB will not contribute to the funding of those upgrades. SFB will only participate in the replacement of the failed diesel fuel tank and the associated piping for that work.

The district has obtained an estimate for the project and isolated the fuel tank costs. Those costs come to \$120,706, with the district supporting the balance of the project costs to cover any upgrades.

**Criteria for Eligibility**

A.R.S. §15-2022, paragraph E.: For the purposes of this section, “emergency” means a serious need for materials, services or construction or expenses in excess of the district’s adopted budget for the current fiscal year that seriously threatens the functioning of the school district, the preservation or protection of property or public health, welfare or safety.

**Staff Recommendation – Sunnyside Unified (Transportation Dept. – replace diesel fuel tank)**

Staff recommends that Sunnyside Unified be awarded \$132,800 in Emergency Deficiencies Correction funding for the design and replacement of the 10,000 gallon diesel fuel tank at the Transportation Department. This includes \$12,094 in contingency that will only be used with SFB staff approval.

**Board Action Requested: [ ] information [X] action / described below**

Board approval of the staff recommendation that **Sunnyside Unified** be awarded \$132,800 in Emergency Deficiencies Correction funding for the design and replacement of the 10,000 gallon diesel fuel tank at the Transportation Department. This includes \$12,094 in contingency that will only be used with SFB staff approval.

**Attachments: Yes [X]      No [ ]**

**SCHOOL FACILITIES BOARD****EMERGENCY DEFICIENCIES CORRECTION**Detail of Additional Cost and Contingency  
  X   Emergency Deficiencies Correction Fund

District: **Sunnyside Unified**  
BRG Project Number: 10021200S-9999-001EP  
Project Description: Replace diesel fuel tank  
Consultant: Franzen-Hill  
Contractor: TBD

Pima County

Board approval: 6/24/2015

School Facilities Board Action Approved as recommended by Staff		Staff Rec. or Approved
<b>Base Cost:</b>		<b>\$ 120,706</b>
Contingency ①		\$ 12,094
<b>Additional Cost:</b>		
Architecture / Engineering (A&E) Fees		\$ -
Survey & Required Reports, Printing, Permits, Advertising, Etc.		\$ -
Testing & Inspection		\$ -
<b>Total Additional Cost:</b>		<b>\$ -</b>
<b>Total SFB Funded Project Cost:</b>		<b>\$ 132,800</b>
District or Local Funds:		\$ -
<b>SFB Board Approved Amount:</b>		<b>\$ 132,800</b>
<b>Total Project Cost:</b>		<b>\$ 132,800</b>

① Contingency shall only be used with SFB staff approval.



**Emergency Deficiencies Correction Funding Application**

**Initial Submission Date:** 8/29/2014 10:32:27 AM

**Application ID:** 1510

**Resubmittal Date:**

Please provide as much of the requested information as possible. SFB staff will assist in developing required information that is not currently available.

**District Name:** Sunnyside Unified District  
**Superintendent:** Interim Dr. Eugenia Favela  
**Contact Person:** Cindy Bova  
**Contact Phone Number:** 520 545-2102  
**Contact Email:** cindyb@susd12.org  
**School Site:** Transportation Department  
**Buildings:** 9999 School Wide

**Application Title:** 10,000 Gallon Replacement Diesel Fuel Tank

**Description of Problem**

Please include a detailed description of the issues, as well as a description of and a copy of any professional studies, citations or reports from government entities, recommended solutions, and any cost information or estimates. If additional space is needed, please attach.



## Emergency Deficiencies Correction Funding Application

Respectfully request at least partial funding on the replacement of new Diesel Fuel Tank.

1. On Tuesday August 19th 2014 while fueling of buses, it was discovered that there may be issues with our fuel tanks.

2. According to the fuel tank monitoring system we had eight-thousand (8000) gallons of diesel fuel on August 10th.

3. On August 11th the system indicated an inventory of six-thousand-one hundred-twenty seven (6127) gallons, a difference of over one-thousand eight-hundred seventy-three (1873) gallons. Due to the notable shortage, the service cover to the diesel tank vault was opened and a large visible amount of fuel was within the vault. A check of the tank for depth of fuel indicated thirty-nine (39) inches of fuel within the vault.

On Wednesday August 27th Southwest Fuel Care (contractor for Senergy fuel distributors) entered the vault to inspect the tank. Upon entering the following was found:

- Only a fourteen (14) inch gap instead of the mandatory 32 inch (32) gap between the entrance of the tank and the vault ceiling prohibiting entrance into the tank due to confined space risk
- A visual inspection of the tank's interior showed multiple areas on the tank's floor where the metal had eroded away allowing the fuel to escape into the vault
- It was determined that the tank was irreparable due to three factors, the extent of deterioration, style of tank and the inability to gain entrance to the interior of tank
- Recommendation was made to de-commission for a safe abandonment
- It was determined by Jimmie Hutchison, Geologist from Dominion that the Vault has contained the fuel and the coating was good
- The unleaded tank passed the "Tightness Test" however the tank is the same style and installed in the same manner
- In discussions with "Old Castle", the tank manufacturer, they discovered that although they specified a tank which was to be built in Chandler, AZ the installed tank was constructed in California.
- Cooley Inc. original contractor and tank installer is no longer in business

Mr. Jim Miller from "Tank Tech" advised that due to the manner in which the tank was constructed there would be "NO WAY" they could repair the interior. We will also be receiving a letter from Old Castle stating that the tank is not reparable.

**Project Category:** Special Equipment

**Are any of the above-described issues in buildings or part of buildings that are leased to another entity, including a district sponsored charter school?** N

**Available Funding** Was money to address this issue included in your adopted budget for this fiscal year? N

Current fiscal year building renewal expenditures:	\$0.00
Current balance of unrestricted capital:	\$0.00

Please outline any associated insurance coverage.

Sorry to report, there is no repair to the Diesel Fuel Tank Please refer to above Description. The District is currently working with the Arizona School Risk Retention Trust, Inc. Ray Valencia is the person that we have been working with.

**Llaison:** Cruise

pcruise@azsfb.gov

602-364-1193

**Emergency Deficiencies Correction Funding Application**

Eugenia Favek  
Superintendent Printed Name

[Signature]  
Superintendent Signature

8-29-14  
Date



June 15, 2015

**Submitted to:**

Sunnyside School Dist

Attention: Carlos

Phone: 520-545-2166

email: CarlosV@susd12.org

Please find the allocation of costs for the B-15-54-15, Fuel Storage Tank Replacement and Existing Tank Abandonment. The cost of \$120,706 is directly related to the installation of the new Diesel tank and associated equipment.

A handwritten signature in black ink, appearing to read "Darren Thomas", is positioned above the printed name and company.

Darren Thomas  
Franzen-Hill Corp