

SCHOOL FACILITIES BOARD
March 6, 2003
Chandler, Arizona

The School Facilities Board held a board meeting at the Chandler Unified School District, Santan K-8 School, 1550 E. Chandler Heights, Chandler, Arizona. The meeting began at approximately 10:05 A.M.

Members Present

Conley, Patrice
Keenan, Brooks
McCarthy, Kevin (left early)
McGee, Kate
Metz, Forrest
Van Sittert, Logan, Chair
Vaughan, G. Keith
Wicks, Michael
Wright, John, Vice-Chair
Vicki Salazar, Superintendent's
Representative (non-voting)

Members Absent

None

Staff Present

Edward Boot, Interim Exec. Director
Tim Brand, Facilities Deputy Director
John Arnold, Deputy Director of Finance
Candy Cooley, Deputy Director of MIS
Tom Halverstadt, Land Specialist
Kristen Landry, Public Information
Officer
Amber Peterson, School Finance
Specialist
Judith Darknall, Assistant Attorney
General
Dena Epstein, Attorney General's Office
Dave Young, Heery

Guests Present

Judith Bobbitt, Somerton Elementary
Bob Klein, Somerton Elementary
Marcus Jones, TUSD
Mary Radcliffe, Isaac Elementary
Jan Langer, J.O. Combs ESD
Paul Hanley, Isaac ESD
Tim O'Brien, PinnacleOne
Gregoria A. Moran, DLR Group
Cathy Rex, Architect
Adam Brill, Abacus

Charles Davis, Kitchell
Judy Richardson, Stone & Youngberg
Seth Lansty, Fullett Library
Douglas Fulton, Fulton Homes
Ira Fulton, Fulton Homes
Norman Nicholls, Fulton Homes
Bob Rice, CUSD
Bret Borg, RREEF Management
Gus Headington, Yuma UHSD
Thomas D. Rushin, Yuma Elementary
Todd Sells, RLR Land
Elizabeth Wileff, Papago West Owners
Assoc.
Megan Zimmerman, Cox Education
Network
Bob Young, Dysart USD

Walt Winus, WRA
Jeanette Polvani, CUSD
Allen Shockley, Apache Junction USD
Marc Frazier, Maricopa County Regional
Kent Davis, Deer Valley USD
Ed Hall, Tolleson Elementary
Diane Hamilton, Tolleson Elementary
Ray DelZotto, PinnacleOne
Lorrie Drobny, Phoenix UHSD
Scott Higginson, Papago West
Jose Trujillo, Littlefield USD
Jeff Van Handel, Coolidge USD
Mary Ellen Simonson, Lewis and Roca
Grant Hamill, Stone & Youngberg

Welcome

Logan Van Sittert welcomed the School Facilities Board.

I. Call to Order

The Board Chair, Logan Van Sittert, called the meeting to order at approximately 10:05 A.M.

II. Roll Call

There were ten Board Members present at this meeting, including Vicki Salazar of ADE, a non-voting member. Kevin McCarthy left the meeting at approximately 12:20 P.M.

III. Approval of Minutes of February 6, 2003 Meeting

John Wright moved that the Board approve the minutes for February 6, 2003, as amended. Keith Vaughan seconded. Motion passed on a 9-0 voice vote. The minutes were amended to reflect that Kate McGee suggested that the Board establish a Building Renewal subcommittee while discussing Item IV.e.

Approval of Minutes of Executive Session of February 6, 2003 Meeting

Forrest Metz moved that the Board approve the minutes for the Executive Session of the February 6, 2003 Meeting. Keith Vaughan seconded. Motion passed on a 9-0 voice vote. Ed Boot explained that questions or comments regarding Executive Session minutes should not be handled in public session.

Approval of Minutes of Executive Session of January 9, 2003 Meeting

John Wright moved that the Board approve the minutes for the Executive Session of the January 9, 2003 Meeting. Keith Vaughan seconded. Motion passed on a 8-0-1 voice vote, with Kate McGee abstaining.

The following items are listed in the order in which they appear on the agenda, not necessarily in the order in which they were discussed. Several items were reviewed out of order as they related to other items on the agenda.

IV. Director's Report

a. Deficiency Correction Update

This was an informational item only. This item was revised from the original board packet. The following issues were discussed.

- February 28, 2003 Status of Work and Performance
- PM Performance
- Cost Analysis
- Projected Schedule of Work
- Bid Protests

b. Land Donations Developer Awards

The Board recognized three companies (Fulton Homes, Del Webb/Pulte Homes, and Sunbelt Holdings) for the special efforts they have made to support Students FIRST and the schools of the State of Arizona by donating land for school sites, with a cumulative value of \$36 million. Representatives from each of the companies (respectively, Ira Fulton and Norm Nicholls, Ben

Redman, and John Graham) were presented with Certificates of Appreciation.

c. Attorney Fees for Condemnation

This was an informational item only. Ed Boot explained that some districts have requested that the SFB pay for legal costs related to condemnation of property. Most recently, Tanque Verde Unified and Isaac Elementary Districts have made requests. Ed Boot explained that the SFB's position has consistently been not to pay legal costs for school districts, but that if the Board wished to change its position, certain districts would need to be revisited, including Alhambra and Creighton. Kevin McCarthy felt that in some cases it would be acceptable for the SFB to pay districts' legal costs, depending on the circumstances. Keith Vaughan felt that the SFB should not get involved with paying those costs. John Wright moved that the Board go into executive session for the purpose of obtaining legal advice. Pat Conley seconded. Motion carried on a 9-0 voice vote.

Executive Session was held from 11:45 A.M. to 11:55 A.M. This item will be revisited on the April SFB agenda for action. The Board then went ahead to Agenda Item VI.d., which is a related issue.

d. Alternative Project Delivery Methods

This was an informational item only. Dave Young made a presentation regarding alternative delivery methods. He presented a draft of the rules "authorizing school districts to procure construction services by alternative delivery methods including construction manager-at-risk, design build, and job order contracting" as required in A.R.S. 15-213(A). These draft rules will be transmitted to the State Board of Education for their formal adoption process, as well as to the Attorney General. It may be seven to nine months before these rules are implemented.

e. ADM of SFB-Funded Schools

This was an informational item only. This item was revised from the original board packet. Candy Cooley presented a list of schools that are open which were funded by the SFB. The list compares each school's capacity to its opening year ADM. This list was developed in response to questions from legislators and legislative staff about whether or not the SFB is funding unnecessary schools. Kate McGee requested that similar information be provided for entire districts.

f. 1st Half FY 03 Building Renewal Distribution

Ed Boot updated the Board on the distribution of the first half of FY 2003 Building Renewal. The Joint Committee on Capital Review (JCCR) is expected to meet within the next two weeks, and to review this item at that time. JLBC staff has asked the SFB to postpone the distribution until after JCCR's review. John Wright moved that the SFB distribute the first half of FY 2003 Building Renewal on March 21st. Pat Conley seconded. Motion passed on an 8-0 voice vote. Kate McGee suggested again that the Board establish a sub-committee to review building renewal, and requested that SFB staff remind JCCR that the second half FY 03 distribution will be in May.

g. Comprehensive Financial Summary and Legislative Update

This was an informational item only. John Arnold presented a comprehensive update on the financial status of the Board including all three funds. Keith Vaughan moved that the Board go into executive session for the purpose of discussing a portion of the Deficiency Correction financial update. Forrest Metz seconded. Motion passed on a 9-0 voice vote.

Executive Session was held from 10:50 A.M. to 11:35A.M.

John Arnold provided a legislative update on the status of current bills that would, if passed, affect Students FIRST. Staff is not actively advocating any of these bills except HB 2091.

h. Quarterly ASP Update / Cox Report

This was an informational item only. Megan Zimmerman of Bearing Point updated the Board on the status of the ASP and performance of Cox Communications. Pat Conley requested that atlases be included in the reference portion as per the Guidelines.

V. Assessment Deficiencies

a. Consideration of Funding Supplemental Assessment Deficiency Projects from the Deficiencies Correction Fund

Brooks Keenan moved that the Board approve the staff recommendation to approve the assessment deficiency projects, which will be eligible for funding from the Deficiencies Correction Fund. Forrest Metz seconded. Motion passed on an 8-0 voice vote.

b. Consideration of Assessment Deficiency Projects review, bids, bid packages, and expansion of change orders

Expansion of Scope

Forrest Metz moved that the Board approve the staff recommendation for the following projects:

1. Additional funding of \$252,340 for Project 100206130-1008-003 for Marana Unified (Marana Junior High School), bringing the total project cost to \$327,820.
2. Additional funding of \$578,437 for Project 100206241-1016-001 for Marana Unified (Mountain View High School), bringing the total project cost to \$667,897.
3. Additional funding of \$799,490 for Project 140401111-1001-001 for Yuma Elementary (Gwyneth Ham Elementary School), bringing the total project cost to \$1,153,174.
4. Additional funding of \$743,954 for Project 140401105-9999-002 for Yuma Elementary (Mary E. Post Elementary School), bringing the total project cost to \$1,047,826.
5. Additional funding of \$258,270 for Project 140570202-9999-012 for Yuma Union (Kofa High School), bringing the total project cost to \$269,270.

Pat Conley seconded. Motion passed on an 8-0 voice vote.

c. Consideration of Ratification of CM @ Risk Contracts, GMP applied and Purchase Orders Issued

Brooks Keenan moved that the Board ratify the CM @ Risk contracts for the School Facilities Board and the districts and vendors listed under agenda item V.c. Forrest Metz seconded. Motion passed on an 8-0 voice vote.

- d. Consideration of Ratification of Contracts for Deficiency Corrections Projects
John Wright moved that the Board ratify the contract awards for the School Facilities Board and the districts and vendors listed under agenda item V.d. Keith Vaughan seconded. Motion passed on an 8-0 voice vote.
- e. Consideration of Ratification of Change Orders for Deficiency Corrections Projects
John Wright moved that the Board ratify the change orders for the districts and vendors listed under agenda item V.e. Keith Vaughan seconded. Motion passed on an 8-0 voice vote.
- f. Consideration of Other Deficiency Correction Issues
There were no districts listed under this agenda item.

VI. New School Construction

- a. Consideration of 2003 Capital Plan New Construction Requests
Keith Vaughan moved that the Board approve the staff recommendation as follows:
 - 1. That the Board approve the staff recommendation to *approve* project 070433000-9999-004N, a core K-8 elementary school for 800 students (with classroom space for 400) for Buckeye Elementary District to open in FY 06, for a total project cost of \$4,771,166.
 - 2. That the Board approve the staff recommendation to *deny* Buckeye Union High School District's request for a core high school in FY 06.
 - 3. That the Board approve the staff recommendation to *revise* project 070483000-9999-003N from additional 7-8 middle school classroom space for 470 students to a core 7-8 middle school for 1,200 students (with classroom space for 600) for Cartwright Elementary District to open in FY 06, for a total project cost of \$8,070,660 (this is \$3,207,570 over the original project cost of \$4,863,090 which was approved 5/9/02).
 - 4. That the Board approve the staff recommendation to *approve* project 070297000-9999-013N, a K-8 elementary school for 900 students for Deer Valley Unified District to open in FY 06, for a total project cost of \$8,257,788.
 - 5. That the Board approve the staff recommendation to *deny* Fowler Elementary District's request for a core K-5 school in FY 05 or 6-8 middle school build out in FY 06.
 - 6. That the Board approve the staff recommendation to *cancel* project 070440000-9999-002N for Glendale Elementary, and *approve* project 070440000-9999-005N, a core K-8 elementary school for 1,000 students (with classroom space for 500) to open in FY 06. The cancellation of project 070440000-9999-002N would release funding in the amount of \$2,655,183, and the total project cost for project 070440000-9999-005N would be \$5,963,958.
 - 7. That the Board approve the staff recommendation to *deny* Lake Havasu Unified District's request for a K-5 elementary school in FY 05.

8. That the Board approve the staff recommendation to *deny* Littleton Elementary District's request for a K-8 elementary school in FY 06.
9. That the Board approve the staff recommendation to *deny* Nadaburg Elementary District's request for a K-8 elementary school in FY 06.
10. That the Board approve the staff recommendation to *deny* Palo Verde Elementary District's request for a K-8 elementary school in FY 06.
11. That the Board approve the staff recommendation to *approve* project 070211000-9999-006N, a core 9-12 high school for 1,800 students (with classroom space for 900) for Peoria Unified District to open in FY 06, for a total project cost of \$17,520,750.
12. That the Board approve the staff recommendation to *deny* Riverside Elementary District's request to increase project 070402000-9999-001N from a 5-8 middle school for 450 students to a 5-8 middle school for 750 students to open in FY 05.
13. That the Board approve the staff recommendation to *deny* one of Roosevelt Elementary District's requests for a K-8 elementary school in FY 05, but to *approve* a K-8 elementary school for 800 students to open in FY 06, for a total project cost of \$7,340,256 (the district requested current funding for two K-8 elementary schools).
14. That the Board approve the staff recommendation to *deny* Vail Unified District's request for a 6-8 middle school in FY 05 or a high school in FY 06.
15. That the Board approve the staff recommendation to *deny* Wickenburg Unified District's request for additional high school space in FY 06.

John Wright seconded. Motion passed on an 8-0 voice vote.

- b. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders, and Expansion/Change of Scope and Increased Project Cost
There were no districts listed under this agenda item.
- c. Expansion/Change of Scope and Increased Project Cost
There were no districts listed under this agenda item.
- d. Consideration of Other New Construction Issues
Isaac Elementary

Ed Boot explained that in February 2001, the SFB authorized the purchase of a site, which is located in an industrial park. This site was originally appraised for a higher value than it should have been due to SFB staff inadvertently neglecting to provide information to the appraiser regarding CCR's. Mr. Boot reiterated that this was a mistake made by the Director. Business owners in the industrial park do not want a school built on the site for a variety of reasons, including safety, business, and property value diminishment. Several people spoke against the site, including Scott Higginson of Papago West who cited safety concerns for the students due to the large number of trucks that pass by the site regularly, Randy Knight of RJB Development who provided statistics regarding truck-related accidents, and Bret Borg of RREEF who requested that the district wait for the results of the environmental study. Those who spoke in favor of the site included Paul Hanley (Superintendent of Isaac Elementary), Mary Ellen Simonson (Attorney with Lewis and Roca representing the Isaac Elementary School district), and

Walter Winius (Principal of Winius Realty Analysts retained by the Isaac Elementary School District). Mr. Winius surveyed three elementary schools that are located in industrial parks, and wrote a study that indicates that being located in an industrial park does not seem to negatively impact a school. The district has obtained condemnation approval from the Court, and has requested that the SFB be responsible for paying the legal costs for condemnation. SFB staff has been told that these fees could cost between \$0 and up to \$10 million. Staff does not recommend that the SFB accept responsibility for these potential costs at this time. Staff has received much of the due diligence needed and a new appraisal, but is having further environmental tests performed on an alternate site in order to determine whether or not this site is safe for a school. John Wright moved that the Board table this item until the April meeting, hoping to have final results from the environmental study by that time. Forrest Metz seconded. Motion passed on a 7-1 voice vote, with Keith Vaughan against.

Keith Vaughan moved that the Board go into executive session for the purpose of discussing land issues and to seek legal advice if necessary. John Wright seconded. Motion passed on an 8-0 voice vote. This session was not open to the public.

Executive Session was held from approximately 1:20 P.M. to 3:15 P.M.

VII. Consideration of Request for Land or Real Property Purchase, Lease, or Donation, including requests from:

a. Steps I and/or II

Chandler Unified

John Wright moved that the Board Accept Staff recommendation to approve Chandler Unified School District's request for a high school site (project number 070280000-9999-007L) and move to Step III. Forrest Metz seconded. Motion failed on a 4-4 voice vote, with Kate McGee, Forrest Metz, Brooks Keenan, and Pat Conley against. John Wright moved that this item be tabled until the April meeting. Pat Conley seconded. Motion passed on a 6-2 voice vote, with Forrest Metz and Brooks Keenan against.

Crane Elementary

Brooks Keenan moved that the Board Accept Staff recommendation to approve Crane Elementary School District's request for an elementary school site (project number 140413000-9999-002L) and move to Step III. Forrest Metz seconded. Motion passed on a 7-0-1 voice vote, with Mike Wicks abstaining.

Somerton Elementary

Forrest Metz moved that the Board Accept Staff recommendation to approve Somerton Elementary School District's request for an elementary school site (project number 140411000-9999-005L) and move to Step III. Mike Wicks seconded. Motion passed on an 8-0 voice vote.

Yavapai Accommodation

John Wright moved that the Board table Yavapai Accommodation School District's request for a high school site (project number 130199000-9999-

002L) and to move to Step III until the April SFB meeting. Forrest Metz seconded. Motion passed on an 8-0 voice vote.

b. Step III

Buckeye Elementary

Mike Wicks moved that the Board approve Staff recommendation to approve the donation of an elementary and middle school site for the Buckeye Elementary School District (project number 070433000-9999-003L). John Wright seconded. Motion passed on an 8-0 voice vote.

Deer Valley Unified

Forrest Metz moved that the Board approve Staff recommendation to approve the leasing of state land for a high school site for the Deer Valley Unified School District (project number 070297000-9999-323L). Mike Wicks seconded. Motion passed on an 8-0 voice vote.

J.O. Combs Elementary

John Wright suggested that all of J.O. Combs Elementary District's requests be moved in one motion. Brooks Keenan moved that the Board approve Staff recommendations as follows:

1. to approve the purchase and donation of a middle school site for the J.O. Combs Elementary School District (project number 110344000-9999-010L).
2. to approve the donation of an elementary school site for the J.O. Combs Elementary School District (project number 110344000-9999-011L).
3. to deny the purchase of an elementary school site for the J.O. Combs Elementary School District (project number 110344000-9999-012L).

Forrest Metz seconded. Motion passed on an 8-0 voice vote.

Littlefield Unified

John Wright moved that the Board approve Staff recommendation to approve the taking of title of a high school site for the Littlefield Unified School District (project number 080209000-9999-002L). Mike Wicks seconded. Motion passed on an 8-0 voice vote.

Maricopa County Regional

John Wright moved that the Board table the district's request to purchase an elementary school site for the Maricopa County Regional School District (project number 070199000-9999-001L) until the April SFB meeting. Mike Wicks seconded. Motion passed on an 8-0 voice vote.

Phoenix Union

Forrest Metz moved that the Board **deny** Staff recommendation to reconsider Phoenix Union High School District's request for a high school site (project number 070510000-9999-001L). Kate McGee seconded. Motion failed on a 4-4 voice vote, with Pat Conley, Brooks Keenan, John Wright, and Keith Vaughan against. John Wright moved that this item be tabled until the April SFB meeting. Mike Wicks seconded. Motion passed on a 7-1 voice vote with Forrest Metz against.

Red Mesa Unified

John Wright moved that the Board approve Staff recommendation to approve the district taking title of a high school site for the Red Mesa Unified School District (project number 010227000-9999-002L). Mike Wicks seconded. Motion passed on an 8-0 voice vote.

c. Consideration of Other Land Related Issues

Duncan Land Sale

Forrest Metz moved that the Board approve Staff recommendation to approve Duncan Unified School District's request to sell an approximate 3-acre parcel and to use the proceeds for plant improvements. Mike Wicks seconded. Motion passed on an 8-0 voice vote.

Reimbursement of District Land Purchase

Forrest Metz moved that the Board approve Staff recommendation to implement a Board policy to approve school districts' requests to purchase land upon Board approval, for possible subsequent reimbursement by the SFB. Kate McGee seconded. Diane Hamilton from Tolleson Elementary School District spoke in favor of this recommendation. John Wright felt that this method of obtaining land for school districts neglected the SFB's obligations to buy land for districts that show a need within a 10-year window. Motion passed on an 8-0 voice vote. Staff was directed to develop documentation and have it reviewed by legal counsel. The documentation will be presented at a future Board meeting.

VIII. Replenishment of Contingency Funds for Packages including:

John Wright moved that the Board approve the staff recommendation to approve the supplemental contingency funds for packages A, B, D, E, F, G, H, I, J, K, L, M, O, P and Q in the amount of \$10,392,910.29. Brooks Keenan seconded. Motion passed on an 8-0 voice vote.

IX. Request for Reduction of Square Footage

There were no districts listed under this agenda item.

X. Request for Waiver from Guidelines

There were no districts listed under this agenda item.

XI. Finance Report

This information was covered by John Arnold under Agenda Item IV.g.

XII. Future Agenda Items

None

XIII. Public Comment

None

Adjournment

There being no further business Board Chair, Logan Van Sittert, adjourned the meeting at approximately 4:50 P.M.

Approved by the School Facilities Board on _____, 2003

Logan Van Sittert, Chair