

**SCHOOL FACILITIES BOARD
February 7, 2008
Wickenburg, Arizona**

The School Facilities Board held a Public Hearing at Festival Foothills Elementary School in Wickenburg. The hearing began at approximately 10:03 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Davidson, Frank, Chair	H. Birch, Gilbane Bldg.
Marks, Gary (via telephone)	Mike Horn, McCarthy
Ortega, David	Tara Malloy, McCarthy
Rushin, Tom	Patti Jones, Wickenburg Sun
Gober, Patricia (arrived at 10:35 A.M.)	Cathy Rex, School Facilities Group
Keenan, Brooks, Vice Chair (via telephone)	Bruce Faught, Kitchell CEM
	Allison Suriano, W.E. O'Neil
<u>Members Absent</u>	Dana Hawman, Florence USD
Allee Taylor, Penny	Marsha Crockett, DLR Group
Salazar, Vicki	Rick Carr, EMC2 Group Architects
Private Business Owner Representative, position vacant	Paula Backs, MCAS-Yuma
Teacher Representative, position vacant	Brett Richards, Wickenburg USD
<u>Staff Present</u>	
John Arnold, Executive Director	
Dean Gray, Deputy Director - Facilities	
Monica Petersen, Deputy Director - Finance	
Debra Sterling, Attorney General's Office	
Jim Chang, Demographer	
Amber Peterson, School Finance Specialist	
Kerry Campbell, Public Information Officer	

Pursuant to ARS§15-2002(C)(9) the SFB held a public hearing to hear comment on Crane Elementary School District's application for the construction of new school facilities proposed to be located in territory within the vicinity of the Marine Corps Air Station (MCAS-Yuma) in Yuma, Arizona.

There was no public or general comment. The public hearing adjourned at 10:05 A.M.

During the School Facilities Board meeting that took place immediately after the public hearing, there was a request to address the Board by Paula Backs, Community Planning Technician for the MCAS-Yuma. Upon advisement from Debra Sterling, Assistant Attorney General, once the Board meeting was adjourned, the public hearing would be reconvened to allow Ms. Backs the opportunity to speak regarding the Crane Elementary School District and the MCAS-Yuma.

The Public Hearing was reconvened at 11:10 A.M.

Ms. Backs commented that ARS§28-8481 requires that school boards notify a military airport of the proposed construction of a school in the territory within the vicinity of a military airport. She provided a map of MCAS-Yuma showing this territory extending 5 miles to the west, north and south and 10 miles to the east of the military airport. MCAS-Yuma has corresponded with the Crane Elementary District requesting an aviation disclosure statement be provided that recognizes the noise from aviation activities performed at the nearby aviation complex. The disclosure statement may be obtained from and recorded by the City of Yuma or Yuma County. She also provided a map of the City of Yuma Land Use Plan.

David Ortega asked if Ms. Backs could provide a website in order to look up the safety statistics of MCAS-Yuma.

Ms. Backs said safety statistics may be found on www.yuma.usmc.mil. Ms. Backs directed the Board to the location of the school on the maps as close to one of the flight paths, between 26th Street and 28th Street on Avenue C.

There being no further comment, the public hearing was adjourned at 11:15 A.M.

Approved by the School Facilities Board on March 6, 2008

Frank Davidson
Frank Davidson, Chair

SCHOOL FACILITIES BOARD
February 7, 2008
Wickenburg, Arizona

The School Facilities Board held a Board meeting at the Festival Foothills Elementary School–Media Center/Library in Wickenburg. The meeting began following a public hearing at approximately 10:05 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Davidson, Frank, Chair	H. Birch, Gilbane Bldg.
Marks, Gary (via telephone)	Mike Horn, McCarthy
Ortega, David	Tara Malloy, McCarthy
Rushin, Tom	Patti Jones, Wickenburg Sun
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- I. Call to Order
Frank Davidson called the meeting to order at approximately 10:05 A.M. Brett Richards, Wickenburg Unified School District Superintendent, welcomed the Board and spoke about working with the SFB to build the new Festival Foothills Elementary School. He provided a two-page document that included information on the district and the Festival Foothills Elementary School.

- II. Roll Call
Initially there were five Board Members present at this meeting, including two members (Gary Marks and Brooks Keenan) who participated by phone. A sixth Board Member, Patricia Gober, arrived at 10:35 A.M.

III. Approval of Minutes of January 10, 2008
David Ortega moved that the Board approve the Minutes of January 10, 2008. Tom Rushin seconded. Motion passed with a 5-0 voice vote.

IV. Consent Agenda

a. Consideration of FY08 3-Year Building Renewal Plans

Gary Marks moved that the Board ratify the districts listed in agenda item IV.a. David Ortega seconded. Motion passed with a 5-0 voice vote.

V. Director's Report

a. Energy Grant Update

John Arnold reminded the Board that the Legislature passed a bill last year that appropriated \$2.2 million to the SFB and Department of Commerce Energy Office for the Arizona Energy and Water Savings Grant Program. Applications were due January 21, 2008. The SFB received 230 applications from 63 districts. The applications totaled \$12.6 million with an estimated savings of \$3.1 million, equaling an estimated four-year pay-back for those projects. SFB staff is currently reviewing the applications according to a process developed in cooperation with the Energy Office, and anticipates making a recommendation on the award of the grants to the Board in April.

Frank Davidson commented that the number of applications received is quite an increase over the five applications that had been reported at the January Board Meeting.

b. Legislative Update

John Arnold deferred to Monica Petersen, SFB Deputy Director of Finance, for explanation of this agenda item. Ms. Petersen gave a brief review of each of the following bills:

Energy Bills

HB 2042 requires the Department of Administration to develop and publish energy conservation standards modeled after the US Green Building Council LEED standards to be used in the construction of new capital projects.

HB 2311 requires capital projects be designed, constructed and certified to at least the LEED Silver standard.

HB 2588 requires the Lottery Commission to establish a special game from which monies are to be deposited in the Energy Efficiency Project Grants Fund, which would be administered by the SFB.

SFB Continuation Bills

HB 2232 extends the existence of the SFB until July 2010, a two-year extension.

SB 1026 extends the existence of the SFB until July 2018, a ten-year extension.

Ms. Petersen mentioned that there may be changes to these bills as the session progresses. The Legislature may want to change the composition of the Board to include a legislative appointee.

Bonding Bill

HB 2234 excludes from the SFB square footage calculation any space a JTED is leasing from a school district.

Rural Area Bill

HB 2508 redefines a rural area as the most reasonable route from a municipality boundary to the nearest school facility.

SFB Staff Bills

SB 1031 allows the SFB to contract for project management services when projects are over the formula budget, allows districts to contract with project managers when construction budgets are within the formula budget and allows the SFB to contract for assessment services to determine if school buildings have outlived their useful life and for land acquisition services to perform environmental surveys and appraisals.

Mr. Davidson asked if SB 1031 is the exact same bill that was proposed last year. Ms. Petersen responded that it is the exact same bill.

SB 1032, an omnibus bill, requires districts to submit their renovation reports in order to receive their building renewal distribution and changes the due date from September 1 to October 15, eliminates the “within three years” requirement with regard to district requests to reconfigure square footage, gives the SFB rulemaking authority and eliminates the requirement of making a recommendation within five business days in response to a district’s request for emergency deficiency corrections funding.

Impact Fee Bill

SB 1138 prohibits municipalities and counties from assessing development fees for any costs associated with school construction.

Mr. Davidson asked if SB 1138 would apply to other school buildings such as transportation or warehouse facilities. Ms. Petersen responded that the bill, as it is written, says “school district construction” and that the wording is broad enough to include those types of school buildings.

David Ortega asked if SB 1138 addressed the cost of needed infrastructure and development being reciprocated as increased taxes on new houses. Mr. Arnold responded that there are a limited number of government entities levying impact fees on school districts. SFB staff has reviewed the fees assessed over the last twelve months and found only one entity levying impact fees; therefore, most communities will not be affected by this bill. However, there is a school on today’s agenda that will be impacted by this bill in Pinal County, which may have to address their fee schedule.

Mr. Davidson mentioned that previously his district had not been assessed impact fees, but with the recent construction of an administrative facility, an

\$83,000 fee will be assessed by the local municipality. Mr. Arnold added that SFB staff fears other municipalities may start assessing impact fees. Mr. Davidson asked if this bill was initiated by any particular group. Mr. Arnold responded that this issue came out of the legislative budget hearings as a new cost to the SFB and the legislature decided to take action.

At Mr. Arnold's request, Ms. Petersen continued with an update on the budget situation. The Governor's Office and the legislature continue to debate the budget shortfall, with the Governor's Office predicting a deficit of \$870 million. As of the recent Cabinet meeting, they are revising revenues and expect the deficit to grow. With regard to the SFB budget, the legislature is proposing an \$86 million reduction in the SFB General Fund budget. This would include the second half of the building renewal distribution (\$43 million), a moratorium on new school construction (\$42 million) and a 10% reduction to the SFB operating budget (\$200,000). This proposal gives SFB staff some discretion with regard to implementation allowing the transferring of funds, etc.

c. Litigation Update

Tom Rushin moved that the Board convene in Executive Session to discuss the Sahuarita Unified and Tempe Union High School District's claims with legal counsel. Seconded by David Ortega. Motion passed with a 5-0 vote.

Executive Session was convened from 10:24 A.M. to 10:38 A.M.

VI. New School Construction

a. Consideration and possible vote of FY 2008 Capital Plan New Construction Requests

John Arnold explained that out of 23 requests for new school space on the agenda, only the Laveen District qualified for a new school. The others were recommendations for denial or conceptual approval.

David Ortega asked if there were any districts present that were denied new school space should they wish to discuss it. There were none. He moved that the Board approve the staff recommendations as listed below:

1. **Arlington Elementary (K-8): Deny** the district's request for a K-8 school to open in FY 11. **Conceptually approve** 002N for 800 students to open in FY 14.
2. **Avondale Elementary (K-8): Revise** 001N from an 1,100-student school (101,640 SF) to an 850-student school (78,540 SF). **Conceptually approve** 006N for 1,100 students to open in FY 13.
3. **Bouse Elementary (K-8): Deny** the district's request for additional K-8 space to open in FY 11. **No conceptual approval.**

4. **Buckeye Elementary (K-8): Deny** the district's request for three schools to open by FY 11. **Conceptually approve** 013N, 014N, 015N, and 016N for 800 students each to open in FY 13 through FY 16.
5. **Crane Elementary (K-6): Deny** the district's request for a K-6 school to open in FY 10. **No conceptual approval.**
6. **Fowler Elementary (K-5): Deny** the district's request for additional K-5 space to open in FY 10. **No conceptual approval.**
7. **Gadsden Elementary (K-6): Deny** the district's request for a K-6 buildout to open in FY 10. **Conceptually approve** 008N (buildout of core Ed Pastor) to open in FY 14.
8. **Gila Bend Unified (K-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for five new schools.
9. **Glendale Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 006N for 1,000 students to open in FY 14.
10. **Laveen Elementary (K-8): Approve** project 009N for 1,000 students to open in FY 11. Monies cannot be awarded for this facility until sufficient funds are available in the New School Facilities Fund. **Conceptually approve** four additional schools.
11. **Liberty Elementary (K-8): Deny** the district's request for two schools to open in FY 11. **Conceptually approve** 005N, 007N, 009N, and six additional schools for 800 students each to open FY 12 through FY 16.
12. **Littleton Elementary (K-8): Deny** the district's request for a K-8 school to open in FY 11. **Conceptually approve** 009N to open in FY 13 and 011N to open in FY 16.
13. **Palo Verde Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 003N for 800 students to open in FY 14, and 004N for 800 students to open in FY 16.
14. **Pendergast Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 005N for 950 students to open in FY 13.
15. **Roosevelt Elementary (K-5):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
16. **Saddle Mountain Unified (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 008N for

750 students to open in FY 15, and 009N for 750 students to open in FY 16.

17. **Saddle Mountain Unified (9-12):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for two new schools.
18. **Somerton Elementary (K-5):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 003N (buildout of core school) to open in FY 13, and 006N for 600 students to open in FY 16.
19. **Somerton Elementary (6-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
20. **Tolleson Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
21. **Tolleson Union (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 004N for 1,800 students to open in FY 14.
22. **Union Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 008N for 800 students to open in FY 14.
23. **Yuma Union (9-12):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for two new schools.

Seconded by Patricia Gober. Motion passed with a 6-0 voice vote.

b. Consideration and possible vote of FY 2008 Capital Plan New Construction Requests

Tom Rushin recused himself from this agenda item since he is the Superintendent of the Yuma Elementary District.

John Arnold commented that the district was previously approved for 6-8 space and that with the approval of these denials, new projections will move the previously-approved 6-8 space outside the funding window, effectively putting it "on hold".

Gary Marks moved that the Board approve staff recommendations as listed below:

1. **Yuma Elementary (K-5):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.

2. **Yuma Elementary (6-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.

Seconded by David Ortega. Motion passed with a 5-0-1 vote. Tom Rushin rejoined the Board.

- c. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders

Frank Davidson asked John Arnold if he had any comments to make with regard to this agenda item.

Mr. Arnold explained that this is a K-8 school for the Florence Unified District in the Magma Ranch Development, located approximately 1.5 miles from the Magma Dam. The Magma Dam is an earthen flood control dam that has been categorized by the Department of Water Resources as an "unsafe dam with an elevated risk of failure". DWR places the risk of failure at "moderate" in a 100-year event. There have been a number of different studies on what would happen at the school site should the dam break during a 100-year event. In December, staff placed this project on hold pending a thorough analysis and contacted DWR, which has some limited authority over the regulation of dams in the state. The DWR, the developer, and the Dam Control District completed further studies and DWR provided some recommendations. These studies found that it is safe to construct the school in this location and strongly recommended an evacuation and notification plan be put in place before the opening of the school. Staff is working with the county to make sure this happens before the Certificate of Occupancy is issued. The county has reviewed these studies and found it is safe to construct in this location. DWR compared building on this site to building in any normal 100-year flood plain. The worst-case scenario would be about a foot of slow moving water on the school site if the dam breaks near its northern end. The dam is approximately 5.5 miles in length and the school is at the northern end of the dam. With this background, SFB staff recommended approval for this school to move forward. Although growth has slowed in the Florence area, staff did a thorough review of the ADM projections and believes the school is still necessary.

Patricia Gober asked about the potential damage to the school building in the case of a 100-year event. Mr. Arnold responded that SFB staff has met with The School Trust, which insures schools. They were hesitant at first, but after review of the studies have agreed to insure the school property and facilities with no limitations. There will be standard property insurance on the site.

David Ortega asked about adequate on-site retention in the case of a 100-year event, deferring to Dean Gray, Deputy Director of Facilities to answer. Mr. Gray responded that he was unsure that civil engineers account for a 100-year event during retention design of a site. Retention is normally built to accommodate on-site water. Mr. Arnold added that there would probably not be enough retention to accommodate water from a dam break.

Mr. Ortega added that in comparing a dam break to a 100-year event, he thought retention was designed to accommodate a 100-year event, when it is raining, for example, therefore the retention area would be designed to handle water from a dam break. He asked for the size of the site and about the on-site retention. Mr. Arnold answered that the site is approximately 13 acres and deferred to representatives from the district and the developer present to answer the retention questions.

Larry Tysiac, a civil engineer and Senior Vice President of Planning and Engineering for AREAD, the developer, answered that the conditions at this school site are the same as at other school sites the SFB has approved. Almost all schools are within a 100-year flood zone. The grading and retention on this site are designed to prevent any water from a dam failure from entering the school site. The school is higher than the surrounding area and water would go around the site. It is a good design with full retention per the county requirements.

David Ortega moved that the Board approve the following staff recommendation:

1. The **Florence Unified District's** request to proceed with [CM@Risk](#) Project 110201000-9999-009N, upon staff receipt of necessary documents, and that the Board approve additional funding for inflation in the amount of \$1,697,191.

Tom Rushin seconded. Patricia Gober abstained. Motion passed with a 5-0-1 voice vote.

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

- a. Step I & II: Justification of Need for Land and Request to Lease a Specific State Land Site

John Arnold explained that the Nadaburg Unified District was formerly an elementary district that unified about a year ago. They are seeking a high school from the SFB under the geographic exception rule. We have yet to approve this request. The acreage they are requesting is questionable and will be reviewed by the State Land Department. Staff is working with the Land Department to determine what the exact acreage will be.

David Ortega added that he would always encourage the use of State Trust Land for educational purposes and moved that the Board approve the following:

1. The **Nadaburg Unified District's** request to proceed with Step III on 90 acres of State Trust Land for a dual K-8/9-12 school site, project number 070381000-9999-009L.

2. The **Vail Unified District's** request to proceed with Step III on 60 acres of State Trust Land for a 9-12 school site, project number 110220000-9999-016L.

Tom Rushin seconded. Motion passed with a 6-0 voice vote.

VIII. Consideration and Possible Vote of Requests for Reduction in Square Footage

Brooks Keenan asked why the Washington Elementary District school buildings were demolished prior to Board ratification that the reduction in square footage would not cause the district to fall below the minimum square footage guidelines within three years. He also asked if there were factors regarding age or condition that caused the district to demolish the buildings.

John Arnold responded that the buildings have already been demolished and the district did not provide a reason for having demolished the buildings. Since the reduction in square footage does not cause the district to fall below the guideline within three years, the SFB does not have the authority to question this action, hence the legislative bill discussed earlier.

Patricia Gober moved that the Board approve the staff's projection, which indicates that the demolition of these buildings is not projected to cause the district to fall below minimum square footage guidelines within three years.

Seconded by David Ortega. Motion passed with a 6-0 voice vote.

IX. Policy Review

Frank Davidson explained that each month the Board reviews one of the SFB policies. SFB staff brings recommended changes to the policy before the Board for review. These are also made available for public comment until the next Board meeting at which time the Board takes action. The Emergency Policy is on today's agenda for review.

John Arnold explained that the existing policy contained only the actual statute verbiage, consequently the Board has never established an actual emergency request policy. SFB staff is proposing the addition of an application procedure and authority for the Executive Director to award up to \$30,000 for investigative studies in lieu of Board approval to accommodate the timeliness of the SFB's response to an emergency request, effectively shortening it by 2-4 weeks. Districts typically have limited information to assist SFB staff in determining the scope of an emergency. Being able to contract for investigative services will enable staff to determine if the request is actually an emergency by definition and to establish the scope of the project in order to bring a comprehensive request before the Board.

David Ortega commented that he is in favor of the investigation authority because it provides an opportunity to bring in a qualified investigator. This also assists smaller districts that may not have the resources to conduct such studies.

Mr. Arnold confirmed Mr. Ortega's comment, adding that current statute allows the SFB to contract for these services directly and that each request would be considered on a case-by-case basis.

Patricia Gober asked what types of questions would be asked of an investigator and whether consideration would be given to issues that arose through no fault of the district vs. those that could have been prevented by routine maintenance. Mr. Arnold explained that the emergency deficiency corrections statute does not consider the cause of the emergency. It only requires that the current situation create a health crisis, damage public property or disrupt the functioning of the school district. He added that staff is certainly interested in how the emergency evolved and that the Board has taken action in the past considering whether the district knew about the emergency for more than one budget cycle, and whether the district had the opportunity to budget for the correction. This scenario is not currently incorporated into the policy.

Dr. Gober asked what is to preclude a district from delaying routine maintenance and creating an environment in which an emergency arises given the nature of the statute and the way the Board is implementing it. Mr. Arnold responded that the SFB is somewhat protected from this by looking at the building renewal funds awarded the district. If there are building renewal dollars available to fix the emergency, the SFB can require the use of them. Additionally, statute now requires districts to use building renewal dollars to correct deficiencies before it can be used for any other project. It is believed this recent change in statute was designed to protect the SFB and the state from the use of building renewal monies on non-deficiency type projects, resulting in requests for emergency funding to correct the deficiencies. Other steps SFB staff is taking include reviewing the 3-year Building Renewal Plans submitted by districts, as well as performing 5-year inspections of every school. If a deficiency is discovered during the inspection process, the district is required to include it in their building renewal plan. To date, districts have been fairly honest in using building renewal, preventative maintenance, and emergency dollars.

Frank Davidson asked if there was a way to address Dr. Gober's concerns through changes to the policy under review, perhaps requesting the districts to provide an accounting of past year's building renewal funds as part of the application process. Mr. Arnold responded that this is already required of districts on an annual basis, adding that some districts are not exactly timely in their reporting and that perhaps we should include something with regard to this in the new policy, such as, if the district is not current with their annual expenditure reporting, they need to become current.

David Ortega commented that with regard to investigative studies, if there were a possible emergency, this new policy does not preclude a district from contracting for their own investigative studies. Mr. Arnold affirmed and added that the application would request the district to include any studies or reports already completed in order to avoid repeating work the district had already done. He explained that staff currently receives a variety of applications, from full studies to generic requests with little information. Staff does not want to preclude districts that have the resources from doing their own studies, rather provide a balance for those that cannot.

Dr. Gober asked if at one time the Board received an emergency request to build a road. Mr. Arnold answered that the Board has received a couple of road related requests. One in particular was for improvements to a private road to provide an alternative route to the school due to extensive damage from flooding sustained by the main road to the school.

Tom Rushin expressed his favorable opinion of the investigative authority. As a superintendent, he appreciates the importance and ability to act quickly especially in response to an emergency request.

Mr. Davidson added that the Board will take action on these changes at the March Board Meeting. Public input is encouraged as soon as possible. Staff provides the board packet information to the Board members the Thursday before the meeting and needs the public comments well in advance in order to include them.

XI. Future Agenda Items

There were no requests for future agenda items.

XII. Public Comment

Paula Backs with the Marine Corps Air Station in Yuma, Arizona requested to address the Board regarding the Crane Elementary District's request to build a new school in the territory within the vicinity of a military airport. Since this was the topic of the public hearing held just prior to the Board Meeting, Debra Sterling, Assistant Attorney General overseeing the public hearing and meeting, advised adjournment of the Board meeting and reconvening the public hearing to give Ms. Backs an opportunity to speak and the Board an opportunity to ask questions.

XII. Adjournment

There being no further business, Frank Davidson adjourned the meeting at approximately 11:15 A.M.

Approved by the School Facilities Board on March 6, 2008

Frank Davidson
Chair