

TO: BOARD OF EDUCATION
FROM: TIM CUNEO / JANECE L. MAEZ
RE: ADOPT RESOLUTION NO. 10-06 OF THE SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT MAKING CERTAIN FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445 ON THE CIVIC CENTER JOINT USE PROJECT

ACTION/CONSENT
08/18/10

RECOMMENDATION NO. A.14

It is recommended that the Board of Education adopt Resolution No. 10-06 that outlines the Civic Center Joint Use Project at Santa Monica High School and formally finds that without the Redevelopment Agency funding of the project there are no other sources of funding available to the District at this time.

COMMENT: The District submitted the Civic Center Joint Use Project (CCJUP) to the City of Santa Monica's Redevelopment Agency (RDA) for funding consideration on February 25, 2009. The proposed three-phase \$235 million joint use project included cultural and recreational redevelopments on the campus of Santa Monica High School that implemented principles, goals and objectives of the City Open Space Element, Recreation and Parks Master, Civic Center Specific Plan and Creative Capital.

On May 12, 2009, the Redevelopment Agency unanimously voted to prioritize \$57 million to the CCJUP (Phase I of school project)

A careful evaluation of Phase I Alt I of the CCJUP, at a project cost of \$57 million, revealed certain shortcomings that would adversely affect the campus. First among them, doing this phase only would leave the campus without a baseball field, a core intramural activity for the school.

On February 4, 2010, the Board approved a contract with R.L. Binder FAIA Architects, LLP to develop two new concepts. Each concept was to contain two designs for a total of four new designs. The goal was to develop designs that would meet the community and City needs and wishes and leave the campus intact. A resulting presentation was made to the Board on June 18, 2010.

The Board received new concepts each with a phased approach. Each concept had a \$57 million project that met all of the criteria established.

The next step to receive funding of this project from the RDA is for the Board to adopt findings that no other reasonable means of financing is available to the District.

After examining the various funding sources for capital projects, staff has reached the conclusion that there are no other reasonable means of financing the CCJUP. The following sources of funds were considered and found not to be viable options for funding of the CCJUP:

Measure BB GO Bond Funds

Santa Monica Malibu Unified School District received voter approval on November 7, 2006 authorizing the issuance and sale of \$268 million of general obligation bonds. The Board has fully allocated the proceeds from these bond sales to other capital projects throughout the District. Those include modernization and new construction projects at each secondary school, a newly rebuilt elementary school at the Edison site and various safety projects.

Redevelopment Agency "Pass Through" Funds

The District annually receives statutory pass through funding from the Redevelopment Agency of Santa Monica. These funds are fully committed to the debt services on Certificates of Participation issued several years ago.

Developer Fee Funds

These funds come to the District through the statutory limits that can be applied to new or reconstructed development within the District. The current revenue from this funding source has been included in the allocation of projects identified as Measure BB. There are no uncommitted developer fee funds.

State of California School Facility Funding

The District routinely checks the availability of state dollars for capital projects. In most cases, state money is available only when a district is growing and has a demand for additional facilities. There are very specific eligibility requirements that must be met before the state will allocate funding for capital projects to a district. Santa Monica Malibu Unified does not currently meet those eligibility requirements.

District General Funds

The significant strain placed on school district general fund budgets by the lack of state funds is commonly known. Santa Monica Malibu Unified has lost over 20% of funding normally provided by the state over the past several years. In order to balance the 2010-11 budget, the Board was forced to make reductions totaling over \$7.2 million dollars. Class sizes were increased, the number of teachers was reduced, nurses, counselors, security guards, administrators, reading specialists, music programs, and many more cuts were made. The General Fund budget does not include appropriations for capital projects at this time. Capital expenditures would most likely not be the first priority to restore if additional funding became available.

MOTION MADE BY: Mr. Allen
SECONDED BY: Mr. Mechur
STUDENT ADVISORY VOTE: Aye
AYES: Six (6)
NOES: One (1) (Mr. de la Torre)

RESOLUTION NUMBER 10-06

A RESOLUTION OF THE SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT MAKING CERTAIN FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445 ON THE CIVIC CENTER JOINT USE PROJECT

WHEREAS, on November 17, 2009, the Redevelopment Agency of the City of Santa Monica (the "Agency") adopted its Five-Year Implementation Plan (the "Plan") for the period of FY 2009-10 through FY 2013-14, with established goals to support affordable housing, disaster prevention and mitigation, community revitalization, commercial revitalization, and institutional revitalization; and

WHEREAS, the Earthquake Recovery Redevelopment Project was adopted in part to provide for and facilitate the repair, restoration, demolition and/or replacement of facilities damaged as a result of the Northridge earthquake; and

WHEREAS, the Agency's Five-Year Implementation Plan establishes goals to support affordable housing, disaster prevention and mitigation, community revitalization; and institutional revitalization to support joint-use opportunities on the campus of Santa Monica High School; and

WHEREAS, to implement the programs and activities (the "Projects") associated with each goal, the Agency prioritized redevelopment funding totaling approximately \$283 million, based on a variety of assumptions regarding growth in tax increment, borrowing costs, timing of borrowing, State grabs of local funds, leveraging opportunities and State law; and

WHEREAS, the capital improvements and affordable housing activities associated with the Projects are considerable undertakings; and

WHEREAS, the Projects are comprised of, but not limited to, the following efforts:

- **Affordable Housing:** In addition to the Project Areas' anticipated 20 percent housing set-aside increment revenues, invest non-housing funds toward the preservation and production of affordable housing.
- **Disaster Prevention and Mitigation:** To fund disaster prevention and mitigation programs to meet the City's seismic retrofit needs and mitigate against effects of future disasters. Funds will be used for rehabilitation of the Santa Monica Civic Auditorium, implementation of the Traffic Signal Master Plan and property acquisition to support the reconstruction and expansion of parking resources called for in the Downtown Parking Strategic Plan.
- **Community Revitalization:** To improve, repair, rebuild and provide parks and community facilities including: the Palisades Garden Walk and Town Square parks, open space and facilities in the Civic Auditorium District, the Civic Center early childhood education center, the Pico Neighborhood Library, planning and design for the Civic Center parks and facilities, and the Memorial Park expansion.
- **Commercial Revitalization:** To revitalize and promote economic investment and business expansion in the Project Areas or of benefit to the Project Areas, and preserve the area's existing employment base by supporting improved access to the Project Areas by employees and customers, primarily by supporting enhancements to the Exposition Light Rail Station Areas.

- ***Institutional Revitalization:*** To help achieve community goals associated with the Santa Monica-Malibu School District's master plan for the Santa Monica High School campus, including designing and constructing facilities for joint-use between the school and the broader community; and

WHEREAS, on May 12, 2009 the Agency unanimously voted prioritize \$57 million to the CCJUP "Project" (Phase I of school project); and

WHEREAS, the Santa Monica-Malibu Unified School District received voter approval on November 7, 2006 authorizing the issuance and sale of \$268 million of general obligation bonds; and

WHEREAS, the Santa Monica-Malibu Unified School District has fully allocated proceeds from those bonds to other capital facility projects throughout the District; and

WHEREAS, the Santa Monica-Malibu Unified School District does not have eligibility for State facility funds; and

WHEREAS, statutory Redevelopment Agency pass-through funds are fully committed to repayment of Certificates of Participation (COP) debt services; and

WHEREAS, current and future Developer Fee funds have been allocated to other capital facility projects throughout the District; and

WHEREAS, significant deficits applied to the District's general operating revenue by the State has caused the reduction or elimination of all capital projects from the District's General Fund.

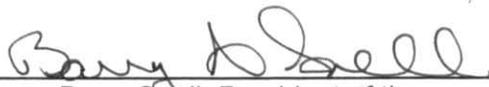
NOW, THEREFORE, BE IT RESOLVED THAT:

Based on substantial evidence in the record, the District hereby finds and determines:

- (1) that the foregoing recitals are true and correct;
- (2) that the Project is of benefit to the Earthquake Recovery Redevelopment Project Area;
- (3) that after the School District considered other funding mechanisms to fund the proposed Project, there is no reasonable means available to the District to fund the CCJUP;
- (4) that the Project is consistent with the Earthquake Recovery Redevelopment Project Area;
- (5) that the Project is consistent with the Agency's Implementation Plan and that it meets the goals of the Agency's Five-Year Implementation Plan.

PASSED AND ADOPTED ON AUGUST 18, 2010 BY THE FOLLOWING VOTES:

AYES: 6
NOES: 1 (Mr. DeLaTorre)
ABSTENTIONS: 0
ABSENT: 0



Barry Snell, President of the
Board of Education



Tim Cuneo, Superintendent and
Secretary to the Board of Education