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## **Agenda Item #9**

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# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Board of Education Report

<b>Report Number:</b>	170-08/09
<b>Date:</b>	December 9, 2008
<b>Subject:</b>	Approval of the Cancellation of Montague Charter Academy Addition and Amendment to the New Construction Strategic Execution Plan
<b>Responsible Staff:</b>	
Name	Joseph A. Mehula, Chief Facilities Executive
Office/Division	Facilities Services Division
Telephone No.	(213) 241-4811

### A. EXECUTIVE SUMMARY

**Action Proposed:** Cancellation of Valley Montague Charter Academy Addition and amendment to the New Construction Strategic Execution Plan to reflect the cancellation of this project.

**Staff Recommendation and Rationale:** Staff proposes that the Board of Education approve the cancellation of Valley Montague Charter Academy Addition. Staff further proposes that the New Construction Strategic Execution Plan be amended to reflect the cancellation of this project.

Subsequent to the preliminary apportionment, Montague Charter Academy determined that they would not proceed forward with this addition project. The Proposition 47 State Bond Fund preliminary apportionment has now expired and no state funds were released for the development of this project.

**Background:** The Montague Charter Academy Addition project definition and preferred site was approved by the Board of Education on January 24, 2006.

Valley Region Montague Addition was planned as a collaborative project between the District and Montague Charter Academy. The proposed addition project was to be located at 13000 Montague Street, in the Arleta area of the San Fernando Valley, on the existing 7.3 acre Montague Charter Academy campus. The addition project was to provide 400 two-semester seats consisting of 16 classrooms. When originally defined the project was planned to relieve Montague Charter Academy and Fernangeles Elementary School. In order to insure the relief to the District schools, Montague Charter Academy had agreed to set aside 200 of the 400 seats for the Haddon and Fernangeles Elementary School attendance areas. Based on current demographic projections the addition project is no longer needed to relieve



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Fernangeles Elementary School.

In July 2003, on behalf of Montague Charter Academy, the District applied for funding under Proposition 47 Charter School designated funds resulting in a preliminary apportionment of \$9,506,340 from the state. Of the total apportionment, \$4,753,170 was in the form of a grant and \$4,753,170 for a matching loan. Montague Charter Academy was to be responsible for the repayment of the matching loan from state. On January 24, 2006, the Board voted to contribute \$3,000,000 from Measure K Charter Facilities Expansion funds toward the current project budget of \$12,506,340.

Valley Region Montague Charter Academy is located in Local District 2 and Board District 6 (Julie Korenstein).

**Policy Implications:** There are no policy implications.

**Budget Impact:** The total project budget for Valley Region Montague Charter Academy Addition is \$12,506,340. The projected amount expended to date on this project totals approximately \$1,434,363. The expended amount includes receipt of a No Further Action (NFA) letter from Department of Toxic Substance Control (DTSC) on July 20, 2006, preparation of the Mitigated Negative Declaration (MND) for approval by the Board of Education and construction document approval by the Division of the State Architect (DSA) on June 29, 2007.

The amount expended to date for this project will be funded by local bonds from Measure K Charter Facilities Expansion funds.

**Issues/Considerations:** Approval of the cancellation of this project will return the remaining Measure K Charter Facilities Expansion funds for other charter projects which are eligible for funds under the Board policy for expenditures of Charter designated local bond funds.

**Effect of “yes” vote:** Approval of the cancellation authorizes the staff to amend the Strategic Execution Plan to reflect the cancellation of this project.

**Effect of “no” vote:** Should the Board of Education decide not to cancel Valley Region Montague Charter Academy Addition, the local funds currently allocated for this project will be unavailable for other charter projects within the New Construction program. Moreover, if this project is not cancelled at this time, it will remain in the New Construction Strategic Execution Plan as an active project.



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### B. BOARD REPORT

**Action Proposed:** Cancellation of Valley Montague Charter Academy Addition and an amendment to the New Construction Strategic Execution Plan to reflect the cancellation of this project.

**Expected Outcomes:** Amendment of the New Construction Strategic Execution Plan to reflect the cancellation of this project.

**Board Options and Consequences:** Approval of the cancellation authorizes the staff to amend the Strategic Execution Plan to reflect the cancellation of this project.

Should the Board of Education decide not to cancel Valley Region Montague Charter Academy Addition, the local funds currently allocated for this project will be unavailable for other charter school projects within the New Construction program. Moreover, if this project is not cancelled at this time, it will remain in the New Construction Strategic Execution Plan as active project.

**Policy Implications:** There are no policy implications.

**Budget Impact:** The total project budget for Valley Region Montague Charter Academy Addition is \$12,506,340. The projected amount expended to date on this project totals approximately \$1,434,363.

The amount expended to date for this project will be funded by Measure K Charter Facilities Expansion funds.

**Issues and Analysis:** Property Description: The proposed addition project is located at 13000 Montague Street, in the Arleta area of the San Fernando Valley, on the existing 7.3 acre Montague Charter Academy campus. The addition project was to provide 400 two-semester seats consisting of 16 classrooms. The project was planned to relieve Montague Charter Academy and Fernangeles Elementary Schools.

In order to ensure the relief to the District schools, Montague Charter Academy agreed to set aside 200 of the 400 seats for the Haddon and Fernangeles Elementary School attendance areas. This relief will return these schools to a two-semester calendar. The remaining 200 seats were going to be used to relieve Montague Charter Academy.



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In July 2003, on behalf of Montague Charter Academy, the District applied for funding under Proposition 47 Charter School designated funds resulting in a preliminary apportionment of \$9,506,340 from the state. Of the total apportionment, \$4,753,170 was in the form of a grant and \$4,753,170 for a matching loan. Montague Charter Academy was to be responsible for the repayment of the matching loan from the state.

On January 24, 2006, the Board voted to contribute \$3,000,000 from Measure K Charter Facilities Expansion funds toward the current project budget of \$12,506,340.

Subsequent to the preliminary apportionment, Montague Charter Academy determined that they would not proceed forward with this addition project. The Proposition 47 State Bond Fund preliminary apportionment has now expired and no state funds were released for the development of this project.

### Demographic Data:

RELIEVED SCHOOLS	SITE ACREAGE	2007-08 CALENDAR	2007-08 2- SEMESTER CAPACITY	2007-08 OPERATING CAPACITY	2007-08 ACTUAL ENROLLMENT	2007-08 RESIDENT ENROLLMENT	PLANNING 2- SEMESTER CAPACITY	PORTABLE CLASSROOMS (EXCLUDES CLASSROOMS TO BE REMOVED)
FERNANGELES	6.7	4 TRK	919	1,190	1,021	1,072	937	32
MONTAGUE CHARTER	7.3	OTHER	N/A	N/A	1,107	1,136	804	N/A

### **Committee Information:**

This item was on the agenda for the December 4, 2008 Facilities Committee.

### **Bond Oversight Committee Recommendation:**

The School Construction Bond Citizen’s Oversight Committee took action at its November 19, 2008 meeting on this item and adopted a resolution in support of the item by a vote of ten ayes and zero noes.

### **Reporting Requirements and Benchmarks:**

Progress is reported monthly in the New Construction Monthly Status Report and updated annually, in the New Construction Strategic Execution Plan. Facilities Services Division status reports are posted on [www.laschools.org](http://www.laschools.org)

### **Accountable Staff:**

Tom Calhoun, Real Estate Department Regional Development Manager

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**Applicable Board Delegations:**

**Superintendent's Comments:** The Superintendent recommends approval of this action.

**Miscellaneous Issues and Matters:**

- Desegregation Impact Statement attached** This action does not require a Desegregation Impact Report.
- Division of Accountability and Systemwide Performance**
- Informative**

Respectfully submitted,

DAVID L. BREWER III  
Superintendent of School

APPROVED &  
PRESENTED BY:

APPROVED BY:

Handwritten signature of Joseph A. Mehula in cursive.

JOSEPH A. MEHULA  
Chief Facilities Executive  
Facilities Services Division

DR. JAMES MORRIS  
Chief of Staff

LOS ANGELES UNIFIED SCHOOL DISTRICT

**SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE**

**Constance Rice, Chair**  
L.A. City Controller's Office

**Scott Folsom, Vice Chair**  
Tenth District PTSA

**David Crippens, Secretary**  
L.A. Area Chamber of Commerce

**Elizabeth Bar-EI**  
LAUSD Student Parent

**Christopher Espinosa**  
L.A. Mayor's Office

**Charles Bergson**  
LAUSD Student Parent

**David Jenkins**  
Associated General Contractors  
of California

**Lynda Levitan**  
Thirty-First District PTSA

**Anastacio Medina**  
BREATHE California

**Richard Slawson**  
L.A. Co. Federation of Labor,  
AFL-CIO

**Virginia Tanzmann**  
American Institute of Architects

**Betty Valles**  
AARP

**Wendy Watanabe**  
**John Naimo - *Alternate***  
County of Los Angeles

**(Vacant)**  
California Taxpayers' Association

**(Vacant)**  
Environmental Justice/Civil  
Rights Group

**Joseph P. Buchman – Legal Counsel**  
Burke, Williams & Sorensen, LLP

**Thomas A. Rubin**  
Oversight Committee Consultant

**Gary C. Anderson**  
Director  
**Frank Padilla**  
Administrator

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**RESOLUTION 2008-59**

**BOARD REPORT NO. xx-08/09**

**NEW CONSTRUCTION STRATEGIC EXECUTION PLAN AMENDMENT –  
CANCELLATION OF MONTAGUE CHARTER ACADEMY ADDITION**

WHEREAS, Valley Region Montague Charter Academy Addition was planned as a collaborative project between the District and Montague Charter Academy; and

WHEREAS, during July 2003, on behalf of Montague Charter Academy, the District applied for funding under Proposition 47 Charter School designated funds resulting in a preliminary apportionment of \$9,506,340 from the state. Of the total apportionment, \$4,753,170 was in the form of a grant and \$4,753,170 for a matching loan that Montague Charter Academy was to be responsible for the repayment of; and

WHEREAS, on January 24, 2006, the Board of Education approved the project definition and preferred site for Valley Region Montague Charter Academy Addition enabling the Facilities Services Division to proceed with design and due diligence review of the proposed site. The Board also voted to contribute \$3,000,000 from Measure K Charter Facilities Expansion funds toward the current project budget of \$12,506,340; and

WHEREAS, subsequent to the preliminary apportionment Montague Charter Academy determined that they would not proceed forward with this addition project. The Proposition 47 State Bond Fund preliminary apportionment has now expired and no state funds were released for the development of this project, and

WHEREAS, enrollment projections based on demographic shifts now indicate that Valley Region Montague Charter Academy Addition is no longer needed;

**Resolution 2008-59**

**New Construction Strategic Execution Plan Amendment – Cancellation of Montague Charter Academy Addition**

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WHEREAS, Facilities Services Division has concluded (1) that amending the Facilities Strategic Execution Plan to cancel the Valley Region Montague Charter Academy project will facilitate implementation of the New Construction Strategic Execution Plan, and (2) that the proposed amendment will not adversely affect the District’s ability to successfully complete the New Construction Strategic Execution Plan;

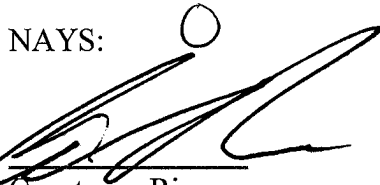
NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Bond Citizens’ Oversight Committee recommends that the Board of Education adopt an amendment to the New Construction Strategic Execution Plan, to cancel the Valley Region Montague Charter Academy Addition project, as described in the attached Board Report.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Bond Oversight Committee’s website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection or pending status of the recommendation as provided in section 6.2 of the Charter and Memorandum of Understanding between the Oversight Committee and the District.

ADOPTED on November 19, 2008 by the following vote:

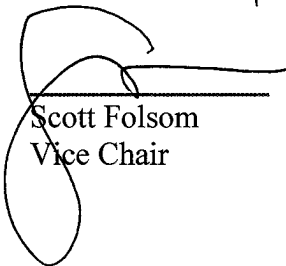
AYES: 9

ABSTAIN: 0

NAYS: 

ABSENT: 4

Constance Rice  
Chair

  
Scott Folsom  
Vice Chair