

**REPORT OF THE SITE PROFESSIONAL
ADVICE COMMITTEE**

Prepared for

*John Bayless, Ed.D., Superintendent
Cabrillo Unified School District*

October 6, 2005

Executive Summary

TABLE OF CONTENTS

- I. INTRODUCTION**
- II. HISTORY OF PROCESS**
- III. COMMITTEE CHARTER**
- IV. COMMITTEE MEMBERS**
- V. COMMITTEE METHODOLOGY**
- VI. EXECUTIVE SUMMARY**
 - A. Major Findings**
 - 1. Wavecrest Joint Development
 - 2. Wavecrest Alone
 - 3. Podesta
 - 4. Cunha
 - B. Timeline Comparison Table**
 - C. Cost Comparison Table**
- VII. EVALUATION OF POTENTIAL SITES**
 - A. Wavecrest Joint Development**
 - 1. Project Description and Footprint
 - 2. Site Information
 - a) Pictures
 - b) Map
 - 3. Project Timeline and Cost Estimate
 - 4. Site Findings/Issues
 - a) Environmental Evaluation
 - b) Traffic & Access
 - c) Revenue/Income
 - d) Additional Considerations

B. Wavecrest Alone

1. Project Description and Footprint
2. Site Information
 - a) Pictures
 - b) Map
3. Project Timeline and Cost Estimate
4. Site Findings/Issues
 - a) Environmental Evaluation
 - b) Traffic & Access
 - c) Revenue/Income
 - d) Additional Considerations

C. Podesta

1. Project Description and Footprints
2. Site Information
 - a) Pictures
 - b) Map
3. Project Timeline and Cost Estimate
4. Site Findings/Issues
 - a) Environmental Evaluation
 - b) Traffic & Access
 - c) Revenue/Income
 - d) Additional Considerations

D. Cunha

1. Project Description and Footprint
2. Site Information
 - a) Pictures
 - b) Map
3. Project Timeline and Cost Estimate
4. Site Findings/Issues
 - a) Environmental Evaluation
 - b) Traffic & Access
 - c) Revenue/Income
 - d) Additional Considerations

VIII. OTHER RELATED ISSUES

A. Evaluation of Bond Language

B. Impact of Time on Project Costs

IX. APPENDICES

A. Biographies of Committee Members

B. Site Project Schedules

C. Project Cost Estimates

D. Information for Impact of Time on Project Costs

E. Amended & Restated Purchase and Sale Agreement

INTRODUCTION

In 1996, the Cabrillo Unified School District's voters approved a \$35 million bond which included authorization to build a new middle school, upgrade classrooms and school facilities, and acquire new classrooms. Since that time the District has taken many steps and encountered many hurdles in its search for a site for the middle school. In June 2005, the District's Governing Board directed the Superintendent to convene a committee of experienced professionals to assess four potential options under consideration for the middle school. The Superintendent then created the Site Professional Advice Committee.

This report is the culmination of the Committee's work. The report is organized into sections which provide:

- a brief history of the District's process for locating a middle school site;
- authorization for the Committee's work;
- an outline of the Committee's process and methodology;
- a summary of the Committee's findings;
- an evaluation of each potential project and analysis of relevant issues;
- an analysis of other issues related to the potential projects; and
- appendices with supporting information.

The Committee hopes that this report will assist the Superintendent and the Governing Board in determining the District's course of action.

HISTORY OF PROCESS

Site Selection Process

In 1996, the District's voters generously approved a \$35 million general obligation bond, part of which was to fund the construction of a new middle school. Later that year, the District convened a middle school site selection committee. The site selection committee included District administrators, certificated and classified employees, community members and business owners, and city and county officials. The committee held a series of public meetings and considered fourteen potential sites. Ultimately, the committee presented five sites to the District Governing Board for final review and selection.

In 1997, the District's Governing Board carefully considered each of these sites, including rebuilding Cunha Middle School, and determined that a site within a proposed development called Wavecrest Village would be optimal for a new middle school. The Governing Board selected the Wavecrest site based on a number of considerations, including: cost savings; safer traffic and access; ability to accommodate community-based organizations and athletic fields; site topography, size, and shape; and central location.

Site Approval Process

Under California and federal law, obtaining approval for development of a school site requires a number of steps, including but not limited to successful environmental studies, approval of building plans, and final approval from the California Department of Education (CDE). Although school districts may exempt themselves from some development requirements, such as local zoning provisions, school districts are subject to the California Coastal Act. Accordingly, because all of the District's territory is in the coastal zone, the District must meet additional requirements for school site development including approval of a Coastal Development Permit (CDP).

Site Investigations and Approvals. In anticipation of constructing a school in the Wavecrest project area, the District completed environmental assessments of the potential site. The District obtained the following required approvals for the Wavecrest site:

- CDE preliminary site approval;
- Department of Toxic Substances Control approval; and
- Division of the State Architect approval of plans.

Coastal Commission Appeal. In August 1999, after approval of the Environmental Impact Report (EIR) for the new middle school and the balance of the Wavecrest Village project, the Wavecrest developers entered into a Development Agreement with the City of Half Moon Bay concerning the Wavecrest Village project. An application for the required CDP was submitted to the City which has Coastal Act jurisdiction over the proposed site.

An appeal to the California Coastal Commission (CCC) of the CDP for the Wavecrest Village project that includes the new school has delayed development of the new middle school. The appeal of the CDP for the Wavecrest Village project involved issues between the City and the Wavecrest Village developers. In November 1999, the CCC determined it had jurisdiction over the appeal on the issue of whether the Wavecrest Village project is consistent with the City's Local Coastal Program Land Use Plan. Because the application to place a school within the coastal zone is part of the larger Wavecrest Village project application, approval of the school is subject to a determination on the appeal.

The CCC conducted hearings on the appeal in October 2000, June 2001, and December 2001. In staff reports prepared for those hearings, CCC staff expressed concerns about wetlands delineation, raptor habitat, parking, and other issues. The Wavecrest developers responded by proposing modifications to the Wavecrest Village project, including relocation of the middle school to the northeast portion of the project area, elimination and then reestablishment of the commercial component of the project, reduction of the number of residential units, and dedication of large tracts for open space. The City initially claimed that the developers' proposed modifications to the project violated the Development Agreement. In 2002 and 2003, the City adopted findings that the developers were not in compliance with the terms of the Development Agreement. This resulted in litigation between the developers and the City.

In 2004, several positive steps for potential development of the new middle school occurred, including a settlement of the litigation between the developers and the City, a new wetlands delineation from CCC staff that showed no wetlands on the proposed school site, and a renegotiation of the school site conveyance agreement between the developers and the District.

Also in 2004 the District and the developers encountered some new hurdles for final resolution of the appeal before the CCC, including U. S. Fish and Wildlife Service findings of possible habitat on the Wavecrest Village site for the California red-legged frog and the San Francisco garter snake. These issues have delayed scheduled CCC hearings on the appeal of the CDP and are still being investigated.

COMMITTEE CHARTER

The charter of this Committee is to provide an unbiased professional analysis of site acquisition options as defined in the general goals adopted by the District's Governing Board on May 18, 2005. The objective of this charter is for the Committee to conduct a thorough analysis and present a summary of its recommendations to the Board for public discussion and action by the Board.

This charter provides the following direction to the Committee for action:

1. Priorities

- Costs – The Committee will assess the capital acquisition, infrastructure, construction, and anticipated total costs for each of the sites analyzed.
- Timeliness – The impact of time on cost, anticipated permitting requirements, construction schedule, and projected completion will be included in the summary report.
- Community Impact – The Committee will assess the effects of traffic, economic impacts, access issues, and general community needs and perception of each site.
- Revenue/Income – Each site option will be analyzed with respect to the potential for future revenue and income options which will be assigned a weighted value for comparison.

2. Composition of the Committee

- Experience – Each member of the Committee will be a recognized professional with experience in his or her respective position.
- No Conflict of Interest – There will be no real or perceived personal benefit of interest in any of the selected sites for analysis by any of the members serving on this Committee.
- Positions – The positions to be filled are representatives from the Office of Public School Construction, an Attorney, an Architect, a Construction Management Company, an Environmental Consultant, and a Site Acquisition Specialist.

3. Schedule

The schedule for completion of the Committee's tasks is ninety (90) days from the inception of the Committee unless extended by action of the Board by recommendation by the Superintendent. The Superintendent will bring before the Board an estimate of the anticipated costs of the Committee within thirty (30) days of inception. Progress of the Committee will be monitored by the Facilities representatives of the Board (Dwight Wilson and Charles Gardner) and reported back to the Board in open session.

Motion to create and establish a middle school Site Professional Advice Committee to perform an analysis for site acquisitions of four (4) potential properties for development and construction of the new middle school as authorized and funded by Measure K in 1998. The Committee will be comprised of positions representing professionals in the following fields:

- Office of Public School Construction
- Attorney/Legal
- Architecture
- Construction Management
- Environmental Consultant
- Site Acquisition

This Committee will be directly accountable to the Superintendent of the District and will be considered an independent administrative committee. The goals of this Committee in general will be to assess the viability of the four (4) selected sites known as Wavecrest Joint Development, Wavecrest Alone, Cunha, and Podesta, respectively. The assessment will be conducted regarding cost, timeliness, impact to the community, income opportunities, and legal implications regarding each site.

COMMITTEE MEMBERS

<u>MEMBER</u>	<u>AREA OF EXPERTISE</u>	<u>PROFESSIONAL AFFILIATION</u>
John Bayless	Educational Program	Cabrillo Unified School District
Marilyn J. Cleveland	Legal	Miller Brown & Dannis
John Diffenderfer	Architecture	AEDIS Architecture & Planning
Thang Do	Architecture	AEDIS Architecture & Planning
Chad J. Graff	Legal	Miller Brown & Dannis
Bill Van Gundy	Finance & State Funding	Van Gundy and Associates
William J. Kadi	Legal	Jones Hall
Meredith Kupferman	Site Acquisition	AMG Consultants
B.J. Mackle	Educational Program	Cabrillo Unified School District
Maureen Owens Hill	Environmental	Owens Hill Consulting
Karl J. Schultz	Construction Management	Vanir Construction Management
Judith B. Wallace	Construction Management	Vanir Construction Management

COMMITTEE METHODOLOGY

On June 30, 2005, the District's Governing Board directed Superintendent John Bayless to obtain information and advice from experienced professionals for evaluating four potential options for the District's planned development of a new middle school campus.

Pursuant to the Board's direction, Dr. Bayless formed the Site Professional Advice Committee composed of professionals with expertise and experience in the following areas: architecture, construction management, educational programs, environmental compliance, finance and state funding, law, and site acquisition.

The Committee met on July 20, 2005, to discuss the Committee's goals, review existing information, visit the relevant sites, identify key issues for investigation, allocate areas of responsibility, and establish a course of action. Committee members then worked independently and in collaboration with one another to gather, analyze, and produce needed information. The Committee met again on August 8, August 30, September 15, and September 27, 2005, to review information, discuss the status of the Committee's work, and identify issues for further investigation and development. On August 30, 2005, the Committee held a public hearing where Committee members received comments and written information from community members on issues concerning the District's development of a new middle school.

The Committee produced a written report for the Superintendent describing its findings concerning the four potential options for a new middle school. The Superintendent is scheduled to report to the Board at a public meeting on October 6, 2005, with Committee members in attendance.

MAJOR FINDINGS

Based on the Committee's analysis of timing for site acquisition and mitigation, including environmental compliance and required approvals, and for design and construction, the Committee formulated schedules for completion of each potential project. The Committee estimated costs of each project's major components and applied an escalation factor to account for inflation and to predict actual project costs at time of completion. The Committee determined that the District has utilized its eligibility for state bond funds with the exception of some eligibility for joint use or facilities for a special needs population.

Wavecrest Joint Development

The Committee estimates that development of a new middle school campus on the Wavecrest site in cooperation with Wavecrest Village, LLC, would be completed in August 2014 with an overall project cost of approximately \$56.2 million. Similar to the potential project at Podesta and an independent project at Wavecrest, obtaining necessary approvals and achieving environmental compliance in order to build a new middle school on this vacant site would extend the timeline for project completion. An approximate five-year delay in the District's ability to begin construction results in approximately \$17.1 million of escalation in project costs. For this potential project, the District must also bear costs for site acquisition, although such costs would be substantially lower than for Wavecrest Alone or Podesta because of an existing conveyance agreement with Wavecrest Village, LLC. Cost-sharing with Wavecrest Village, LLC, under the agreement also reduces the District's costs for environmental approvals and off-site construction in comparison to an independent project at Wavecrest.

Wavecrest Alone

The Committee estimates that independent development of a new middle school campus on the Wavecrest site would be completed in June 2014 with an overall project cost of approximately \$61.6 million. Similar to the potential projects at Podesta and with Wavecrest Village, LLC, obtaining necessary approvals and achieving environmental compliance in order to build a new middle school on this vacant site would extend the timeline for project completion. An approximate five-year delay in the District's ability to begin construction results in approximately \$18.5 million of escalation in project costs. When compared to a joint project with Wavecrest Village, LLC, proceeding independently, without the benefits in the District's agreement with Wavecrest Village, LLC, would increase the District's costs for site acquisition, environmental approvals, and off-site construction.

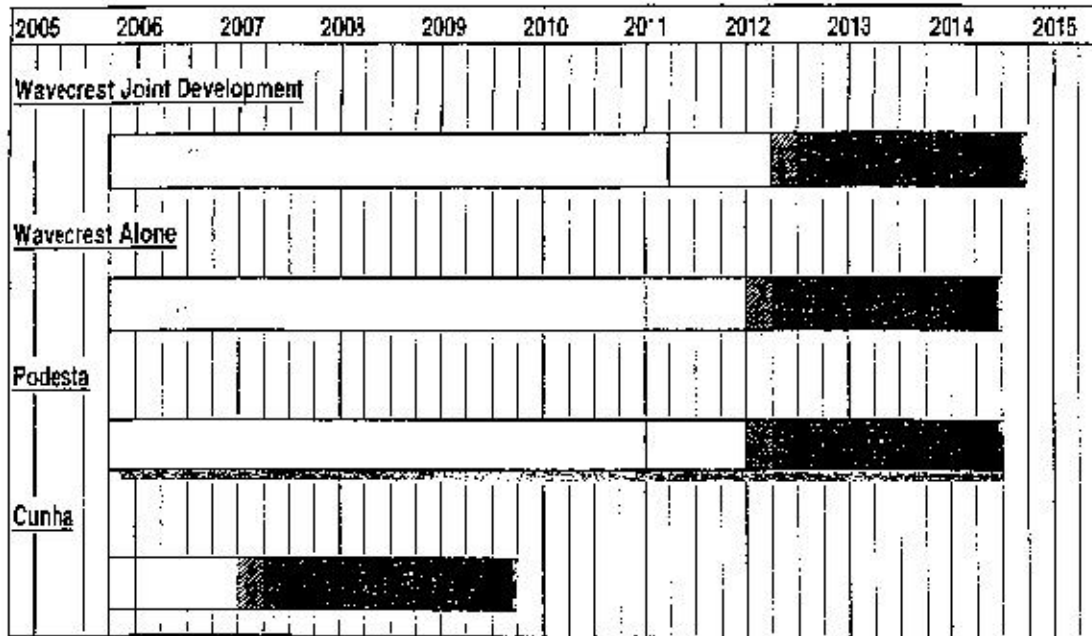
Podesta

The Committee estimates that development of a new middle school campus on the Podesta site would be completed in June 2014 with an overall project cost of approximately \$61.8 million. Similar to the potential projects at Wavecrest, obtaining necessary approvals and achieving environmental compliance in order to build a new middle school on this vacant site would extend the timeline for project completion. An approximate five-year delay in the District's ability to begin construction results in approximately \$17.8 million of escalation in project costs. For this potential project, the District would bear the highest cost for site acquisition and bear increased off-site construction costs to address traffic impacts. The District would also bear increased costs for site mitigation to address environmental issues related to past agricultural use of the site.

Cunha

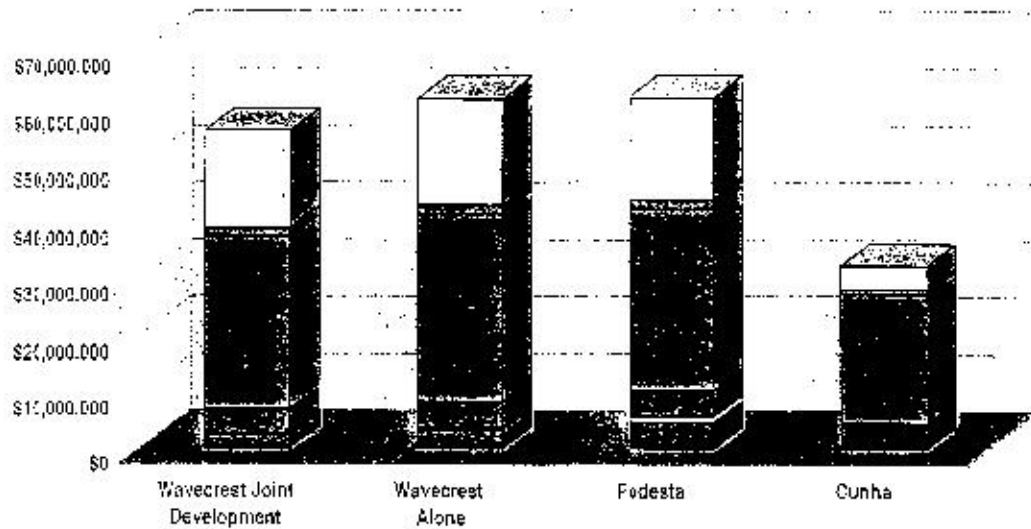
The Committee estimates that development of a new middle school campus on the Cunha site would be completed in August 2009 with an overall project cost of approximately \$32.3 million. In comparison to the other potential projects, the District would avoid substantial costs for land acquisition because it already owns the site. Because of the site's existing use as a middle school and the District's intent not to increase its overall capacity substantially, the District's timeline for receiving required project approvals and beginning construction would be significantly reduced. Although the District would bear short term escalation in project costs of approximately \$4.2 million, partially due to rebuilding efforts in the southern United States, the District's ability to begin and complete construction sooner than the other projects significantly reduces the impact of escalation on overall project costs. For this potential project, the combination of modernization and new construction to complete the new campus would increase design costs but reduce overall construction costs. Phasing of the project to avoid relocation of students during construction would also reduce overall project costs.

TIMELINE COMPARISON TABLE



Anticipated Completion Dates	Wavecrest Joint Development	Wavecrest Alone	Podesta	Cunha
- CEQA / Approval / Acquisition	April 2011	February 2011	December 2010	January 2006
- Design	February 2012	December 2011	December 2011	December 2006
- Bid and Award	April 2012	February 2012	February 2012	February 2007
- Construction	August 2014	June 2014	June 2014	August 2009

COST COMPARISON TABLE



■ Site Acquisition □ Site Mitigation □ CEQA ■ Soft Cost ■ Construction Cost □ Furniture, Fixtures and Equipment □ Escalation

Description	Wavecrest Joint Development	Wavecrest Alone	Podesta	Cunha
Site Acquisition	2,323,100	3,254,164	4,849,350	-
Site Mitigation	304,638	329,164	917,722	-
CEQA	60,000	156,000	209,000	26,000
Soft Cost	4,416,377	4,631,529	4,714,556	4,559,072
Construction Cost	30,463,818	32,916,353	31,772,220	22,736,927
Furniture, Fixtures and Equipment	1,523,191	1,645,818	1,588,611	800,000
Escalation	17,071,094	18,463,814	17,847,608	4,223,616
Total	56,164,218	61,611,642	61,799,057	32,345,616

COST METHODOLOGY

A project cost estimate was prepared for each of the proposed project sites. The estimates include the following key components:

SITE ACQUISITION COSTS – Costs associated with land acquisition, California Environmental Quality Act (CEQA) compliance, other environmental approvals, and mitigation costs. Property cannot be purchased until the CEQA process is complete and it is determined that the project is viable at the proposed property.

- ***Site Acquisition Costs*** – Estimated cost of land purchase, including appraisal and legal fees. Land purchase estimate for Podesta is based on an escalated cost per acre projection and was not established from negotiations. If eminent domain is necessary for either the Podesta or Wavecrest properties, additional costs will be incurred.
- ***Site Mitigation Costs*** – Estimated costs of potential environmental mitigation measures. Actual costs may be significantly higher or lower and would be dictated by the CEQA process and approval by the California Coastal Commission and other regulatory agencies. The Podesta site amount has been increased to allow for minor clean-up due to potential agricultural toxins that may be present at the site. No DTSC investigation has been performed at the Podesta site. Cost may increase if there is an issue with toxins and remediation is warranted.
- ***CEQA Compliance Costs*** – Costs associated with compliance with CEQA include environmental consultants, traffic studies, biological studies, view shed analysis, and legal fees. Both Wavecrest and Podesta properties would likely require full studies and environmental impact reports (EIRs). Cunha qualifies for a categorical exemption.

SOFT COSTS – Costs associated with design and administration of the project. Many of the soft cost items are required to comply with laws governing California public school construction.

- ***Topographical Survey*** – Engineering associated with documenting existing site configuration, features, and topography. Some survey work has already been performed on the Wavecrest property.
- ***Geotechnical Investigations*** – Engineering associated with documentation and recommendations concerning existing soil and subsurface conditions.
- ***DTSC Review*** – Investigations necessary to comply with the California Department of Toxic Substances Control. DTSC investigation has already been performed on the Wavecrest site.
- ***HAZMAT Survey*** – Investigations necessary to properly document potential hazardous materials and comply with the California Environmental Protection Agency (EPA) and Asbestos Hazard Emergency Response Act requirements.
- ***Design Fees*** – Architectural and engineering fees to design the proposed project. Design fee estimates are lower at Wavecrest and Podesta because some design work has already been performed and may be reused.

- *DSA Review Fees* – Fees for the required fire, structural, and access compliance review by the Division of the State Architect (DSA).
- *CDE Review Fees* – Fees for the required design review by the California Department of Education to verify compliance with state public school requirements.
- *DTSC Review Fees* – Fees for the required review of the property by DTSC to verify that the site is suitable for construction of a public school facility.
- *SWPPP Design Fees* – Fees associated with preparation of a Storm Water Pollution Prevention Plan as required by the California EPA and California Water Resource Control Board.
- *Permits and Fees* – Cost of permits and fees to outside jurisdictions related to the project.
- *Utility Fees* – Design and connection fees for off-site utilities such as power, telephone, water, gas, storm water, and sewer.
- *Hazardous Materials Abatement Design and Monitoring* – Design and monitoring of any remediation of hazardous materials that may be necessary.
- *Technology Consultant* – Consultant to establish technology program for new school.
- *OPSC Consultant* – Exploration of possible funding for joint-use or other state programs.
- *Legal Services* – Legal services budget for contract initiation, potential claims resolution, and litigation.
- *Moving/Storage* – Costs associated with move-out of existing classrooms and move-in to new or renovated spaces.
- *Other Consultants* – Allowance for additional experts for issues resolution, testing, technical reviews, etc.
- *Contingency for Additional Consultant Services* – Allowance for additional consultant costs related to potential unforeseen conditions, scope additions, or other issues.
- *Design Support* – Allowance for document reproduction and advertising for bids.
- *Inspector of Record* – Full-time DSA inspector that monitors code and contract compliance.
- *Soils Testing* – Geotechnical engineering services to perform soils testing necessary to verify that earthwork was performed in compliance with code and geotechnical recommendations.
- *Testing and Inspection* – Material testing and inspection as required by DSA.
- *Project Management* – Construction management services for contract administration during construction.

CONSTRUCTION - Conceptual construction cost estimates were prepared for each of the site options. Conceptual construction estimates were based on current dollars per square foot cost of similar facilities that are currently being constructed in the Bay Area. Initial conceptual construction cost estimates were prepared by AEDIS Architecture and Planning, verified by Vanir Construction Management, and reconciled with the District to ensure that the District's program intent was interpreted correctly.

- *Off-site Construction* – Traffic mitigation, street improvements, and utility services up to the property line.
- *Service Site Construction* – All site construction up to 5 feet from the building line.
- *New Construction* – Conceptual estimated cost of proposed new construction on the site. This amount includes a 10 percent change order contingency.
- *Modernization of Existing Buildings* – Conceptual estimated cost of proposed renovation on the site. This amount includes a 15 percent change order contingency.

ESCALATION – The estimated increase in project cost as a result of inflation. Escalation has been calculated from the date of the conceptual estimates of current construction costs and applies inflation factors through the midpoint of construction. The Committee applied an escalation rate of 7 percent to the Cunha project based on the projection that it would be constructed in the next few years and an escalation rate of 5 percent to the other projects based on the projection that they would be constructed several years in the future.

