

CaliberSchools

Caliber Schools Facility Proposal for the Former Adams Middle School Campus

May 12, 2015

Background: The WCCUSD Facilities Subcommittee is scheduled to discuss options for a long-term facility for Caliber:Beta Academy at its May 12, 2015 meeting. To further that discussion, and to provide a concrete plan for WCCUSD's consideration and response, Caliber hereby submits the following proposal.

Summary of Proposal: Caliber Schools proposed to bear all the costs of creating a long-term facility for Caliber:Beta Academy on the vacant former Adams Middle School Campus.

Prop. 39 provides that a school district and charter school may mutually agree to an alternative to specific compliance with any of the provisions of Prop. 39 (5 CCR Section 11969.1(b)). Other school districts and charter schools across the state have entered into Prop. 39 in-lieu arrangements in many different forms over the last fifteen years, including long-term ground or building leases such as the one proposed here.

In lieu of providing long-term Prop 39 facilities to Caliber:Beta Academy, WCCUSD would lease the land comprising the former Adams Middle School Campus to a supporting organization formed for the purpose of supporting Caliber Schools. The supporting organization will (with WCCUSD administrative support, but at the supporting organization's sole cost) demolish or renovate any existing buildings on the site and will build and maintain a safe and legally compliant facility, which will be leased to Caliber:Beta Academy for the same term as the lease from the District to the supporting organization.

Construction is likely to occur in two phases:

- Initially, the Caliber Schools supporting organization is likely to install a temporary, portables-based campus while permits and construction for a permanent facility are being completed and carried out.
- A permanent facility will be created as soon as permitting and construction can reasonably be completed.

The specific timing of each phase is dependent on when the proposal is accepted and how promptly the parties can work together to begin the planning and permitting process. The goal is that Caliber:Beta Academy will operate on the site for the 2016-17 school year and beyond.

WCCUSD will provide a suitable and legally compliant Prop. 39 facility for Caliber:Beta Academy until demolition and construction of the portable campus occurs.

Benefits to WCCUSD: The proposal has significant benefits for WCCUSD and the Richmond community as follows:

- The proposal makes productive use of a facility that has remained vacant and under-utilized for many years and that WCCUSD has acknowledged it does not have funds to otherwise make productive use of in the foreseeable future.

- The proposal allows Caliber Schools to bring a significant amount of financing and funding to the Richmond and WCCUSD community that would otherwise not be available.
- The proposal renovates/replaces the facility at no cost to WCCUSD. Based on the actual costs of other WCCUSD renovation/replacement projects of comparable size and scope, this will save WCCUSD tens of millions of dollars in planning and construction costs relative to WCCUSD paying for the project.
- The proposal provides a long-term facility for Caliber:Beta Academy, thereby relieving WCCUSD of the burden of providing a facility for the school (which according to its planned growth will eventually serve over 800+ students) under its legally mandated Prop. 39 obligations.
- The District does not have other suitable locations for a long-term Caliber:Beta Academy facility that (a) have sufficiently capacity for Caliber's full enrollment projection of 810 students, and (b) are accessible to the majority of Caliber:Beta Academy students & families.
- The proposal accomplishes all of this without displacing any WCCUSD students from the facilities they currently enjoy. In fact, the proposal brings a school to the East Richmond Heights community that has been without a local school for many years.

Specific Details of Caliber Schools' Proposal

Long-term Ground Lease:

- **Caliber School** will create a non-profit supporting organization (**Caliber SO**) through which it will lease the facility, seek the necessary financing, perform the necessary improvements to the Adams site, and sublease the facility to Caliber:Beta Academy.
- **WCCUSD and Caliber SO** will enter into a 99-year lease at a cost of \$10.00 per year.
- At the end of the term of the lease, the parties will have the option to negotiate a new lease for an additional term to be mutually agreed upon by the parties.

Construction of Facility:

- **Caliber SO** will evaluate the cost-effectiveness of refurbishing versus demolishing and rebuilding any or all the buildings on the site.
- **Caliber SO** will manage the demolition of any buildings on the site that it determines are not cost effective to use, renovation of any buildings that it will use, and construction of any new buildings it requires for the new facility.
- **Caliber SO** will likely construct a temporary, portable-based campus sufficient to house Caliber:Beta Academy until construction of a permanent facility is complete.
- **Caliber SO** will ensure that any facilities it refurbishes or constructs comply with the Education Code's requirements for charter schools, including all seismic and environmental regulations, as well as any applicable local requirements.
- **WCCUSD** will make staff available (at no cost) to cooperate with **Caliber SO** throughout the planning and construction process. WCCUSD will (if **Caliber SO** requests) act as the lead agency for the project's CEQA &/or DSA submission and review processes; however, Caliber SO will be responsible for all its third-party costs associated with going through any necessary CEQA process.
- **Caliber SO** will bear all of its third-party "hard" and "soft" costs associated with the planning, demolition, renovation, and construction associated with this project. This includes, without limitation, costs for (i) architecture & design, (ii) permits & approvals, (iii) construction general contractors and sub-contractors, (iv) provision & upgrade of utility services, (v) construction management & inspection, and (vi) site preparation & landscaping.
- Based on actual construction costs experienced by other charter organizations in the district, **Caliber Schools** anticipates building the facility at a cost of approximately \$250/square foot, which equates to \$12.5-\$15.0 million.
- **Caliber SO** will bear all utility and maintenance costs associated with the facility once it is constructed, and will maintain comprehensive general liability and property insurance on the facility.

Lease of Facility to Caliber:Beta Academy:

- **Caliber SO and Caliber:Beta Academy** will enter into a facilities lease agreement under which **Caliber:Beta Academy** will have the use of the renovated/replaced facility (or temporary, portables-based campus if applicable) as a charter school.

- **Caliber:Beta Academy** will waive its right to seek facilities from **WCCUSD** under Prop 39 once the portable campus is constructed and for the duration of **Caliber SO's** lease. If the facility is completely destroyed, however, Caliber:Beta shall be entitled to request reasonably equivalent facilities from the District for the subsequent school year and until a new facility can be constructed.
- **Caliber:Beta Academy** will submit applications for any available California and/or Federal charter school facility funding programs (e.g., the Charter School Facilities Grant Program or the Charter School Facilities Incentive Grants Program) and apply such funding towards its lease payments under the lease with **Caliber SO**.
- **Caliber:Beta Academy** will provide any required matching funds for California and/or Federal facility funding sources out of its operating budget.