



<i>Agenda Item:</i>	IV B: Action Item
<i>Date:</i>	May 9, 2024
<i>To:</i>	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Board of Directors (the “ Board ”)
<i>From:</i>	Alfredo Rubalcava, CEO & Superintendent
<i>Staff Lead(s):</i>	Patrick Ontiveros, General Counsel & Director of Facilities Mustafa Sahin, Project Manager Katrina Jimenez, Assistant Project Manager
<i>RE:</i>	Approval of Appointment of Ad Hoc Committee to Review and Approve Facilities Related Projects

Action Proposed:

I move that the Board approve the establishment of an “Ad Hoc Committee” of the Magnolia Public Schools Board of Directors (the “**Board**”) to ensure timely approvals of time sensitive matters that could impact the timely delivery of the MSA-5 – 7111 Winnetka Construction Project (the “**Project**”). The Board hereby appoints the following two Board members to be members of the ad hoc committee: _____, _____ Staff further recommend and moves that Ad Hoc Committee be established immediately and be operational from its appointment through the earlier of the Board’s resolution to terminate the Ad Hoc Committee or the end of the 2024-25 MPS fiscal year.

Purpose:

The main purpose of forming this Ad Hoc Committee is to facilitate expedited decision-making and discussion, which is essential to keep the Project on track within its scheduled timeline and budget constraints. This committee will address urgent project-related issues, thereby enabling more efficient management and oversight of the construction process.

Background:

Acquisition of Winnetka Ave Property

At its December 19, 2021, meeting the MPS Board approved MPS pursuing the purchase of the 7111 Winnetka Ave Property. Escrow for the purchase and sale of the Property was opened on December 22, 2021. At the June 16th meeting, the Board approved a loan from CLI Capital to fund the Property's acquisition.

MPS assigned to MPM Sherman Winnetka LLC (“**Winnetka LLC**”) the right to acquire and take title to the Property with a loan from CLI Capital. Winnetka Ave LLC is a subsidiary of Magnolia Properties Management, Inc., a 501(c)(3) support corporation. Concurrent with the foregoing assignment, MPS entered a lease for the Property with Winnetka Ave LLC. Escrow on the Property closed on October 21, 2022.

CSFP Award

MPS Staff applied for funding to the OPSC’s CSFP program during the application period held from



May 2, 2022, to June 3, 2022. CSFP provides funding to charter schools for new school facilities. On October 26, 2022, the State Allocation Board (“**SAB**”) approved a preliminary apportionment in the amount of \$50,838,000. Awards made by CSFP are 50% loan and 50% grant. The loan portion is paid back by the award recipient and is amortized over 30 years. The CSFP award will be used to construct a new campus for MSA-5 which is currently co-located with MSA-1 on MSA-1’s campus. To date, MPS has received approximately \$4 million in advance design funds from the award. MPS is in the process of submitting a request for an additional \$10 million in advance site acquisition funds.

Architect of Record Selection & Division of the State Architect Submission

DLR Group (“**DLR**”) was selected as the architect of record for the Project at the Board’s January 12, 2023, meeting. After working with MPS staff on the program and design intent, DLR prepared plans that it submitted to the Division of the State Architect (“**DSA**”).

Modular Design Services

At its March 21, 2024, meeting the Board approved the selection of Silver Creek Modular (“**SCM**”) to convert the existing DLR design into a modularized version that could be constructed using modular/prefabricated methods.

Analysis & Impact:

Article VII, Section 1 of MPS’s Amended and Restated Bylaws, provides that “[t]he Board may delegate the management of the corporation’s activities to any person(s), management company or committees, however composed, provided that the activities and affairs of the corporation shall be managed, and all corporate powers shall be exercised under the ultimate direction of the Board.” Article VII, Section 16 of MPS’s Amended and Restate Bylaws, further provides that “[t]he Board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, to serve at the pleasure of the Board.

MPS staff and the Board desire that the Project be ready for occupancy by July 2025. In order to achieve such an aggressive schedule, MPS staff will require some quick decision making that may not align perfectly with the Board’s meeting schedule. The appointment of an ad hoc committee will provide the flexibility needed to deliver the Project on schedule.

The MPS Board may appoint an ad hoc committee so long as it is for a specific purpose and a finite duration.

Exhibits:

None