

Agenda Item:	III E: Information/Discussion Item
Date:	June 17, 2024
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“MPS”) Board of Directors (the “Board”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead(s):	Patrick Ontiveros, General Counsel & Director of Facilities Mustafa Sahin, Project Manager Katrina Jimenez, Assistant Project Manager
RE:	Update on Facilities Projects

**1. Action Proposed:**

This is an informational item, there is no action.

**2. Purpose:**

Facilities Department monthly report to give an update on the existing projects at each campus.

**3. Updates:**

MSA5 - 7111 Winnetka

- CDE site approval:
  - Updated the plan with an additional 4,700 square feet on the building’s rooftop, plan was shared with CDE Thursday, 6/6 by DLR. CDE verbally accepted on Friday, 6/7.
- DSA pre-submission meeting is scheduled for Wednesday, 6/19.
- Start of demolition to be determined.
- MPS Staff are pursuing advanced site acquisition funds. Expect funds by mid-July.

MSA1:

- JAM Building

- The end of July is the new completion date.
- Mezzanine Area
  - Drywall will be finished the week of 6/21.
  - Painting will be completed by 6/28.
  - All Finishes will be installed by 7/5.
- Utilities
  - LADWP will tentatively start on 6/17: Finish 7/1
  - Wood Flooring start on 7/2; Finish 7/26
  - Storefront start on 6/25; Finish 7/17.

- Bungalows

- Fire Department Inspection on Monday, 6/17:
- Fire Department requested one integrated fire alarm system for the entire campus.
  - MPS Staff released RFP on 5/30.
  - Next steps: Building and Safety, LACOE

- Alley Closure

- Application was submitted Feb 02, 2024.

- Veronica followed up with the Fire Department on Thursday, 6/6.
- Planner expected to be assigned by end of Friday, 6/14.

MSA2 -16600 Vanowen

- Community Outreach to resume September.
- Councilwoman Imelda Padilla will be speaking at our MSA 2 graduation ceremony and Alfredo will have a more formal meeting mid-July.

MSA7 – 18120 Sherman Way

- Berliner Architect presented a test fit for the BofA building, discussing the options with the staff.
- Letter of Intent was signed 5/14.
- Due diligence is proceeding
- Lease Agreement is pending and concurrently working on starting our due diligence.
- Pacific Charter School Development presented a proposal to manage the project for \$375,000. PCSD is also considering an investment in the Project. See Exhibit A.

MSA SA - Digital Sign

- Updated design to be submitted to DSA the week of 6/17.

4. **Exhibits:**

Exhibit A PCSD Proposal



Exhibit A  
Pacific Charter School Development  
Project Management Proposal for 18120 Sherman Way

(See Following Pages)



May 10, 2024

Patrick Ontiveros, Esq.  
General Counsel & Director of Facilities  
Magnolia Public Schools  
250 E 1st Street, Suite 1500  
Los Angeles, CA, 9001

**Re: *Magnolia Science Academy 7 Adaptive Reuse of Bank Building located at 18120 Sherman Way, Reseda***

Dear Patrick:

Pacific Charter School Development (“PCSD”) is pleased to present you with our proposal for Project Management services for the adaptive reuse and expansion of your current school campus (“Project”). Based on our previous conversation and our experience as the largest developer of charter schools in the U.S., we understand your current project needs and have the expertise to assist in further defining the project. Our specific capabilities include:

- Since 2004 we have completed over 100 new charter facilities projects serving more than 42,000 students in Southern California, the Bay Area, and Washington State.
- As a non-profit and mission-based organization focused on delivering high-quality and low-cost charter school facilities, we mitigate client risk by providing affordable funding solutions and providing technical expertise to ensure projects are completed on time and within budget.
- We deploy a team of experienced professionals to manage the entire facilities development process, including project scoping, design, cost estimating, financing, construction bid and award, and construction.
- We have extensive experience managing and successfully delivering privately funded and state bond-funded charter school projects with prevailing wage requirements.

We are excited about the opportunity to work with Magnolia Public School and look forward to further discussing our proposal with you. I can be reached with any questions at (310) 614-6895 or [john@pacificcharter.org](mailto:john@pacificcharter.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'John Sun', is written over a thin horizontal line.

John Sun  
Chief Executive Officer

## **PROJECT MANAGEMENT SERVICES**

PCSD is prepared to provide project management services over an 18-month duration starting July 1<sup>st</sup>, 2024 to clarify project requirements to renovate and add to an existing bank building to create a 18,000 sf facility including classrooms, server room and administrative office space. The purpose of project scoping will be to validate the school's program in the design and masterplanning, assess required entitlements and approvals, define preliminary budget and schedule, and assist in evaluating potential financing opportunities and scenarios. PCSD believes with accomplishing these activities, Magnolia will have a clear direction on how to proceed. Below are a sample of the proposed activities:

- ***Project Financing***
  - a. Work with Magnolia to confirm affordable debt service for facilities funding.
  - b. Explore potential additional funding sources.
  - c. Facilitate selection of an appropriate financing structure with the board and school leaders.
  
- ***Pre-Construction***
  - a. Refine and validate project budget, create cash flow projections, track project spent-to-date against budget line-items.
  - b. Package and coordinate monthly draw requests for funding and review and approve consultant/vendor invoices for monthly payment by client.
  - c. Procure per client procurement policy, review, compare, and negotiate proposed contractor bids in order to finalize Schedule of Values and contract value.
  
- ***Construction***
  - a. Review vendor submittals for finishes and materials.
  - b. Oversee development of detailed construction schedule, establish critical path, and ensure that timeline is maintained through delivery.
  - c. Facilitate review and response for submittals and RFIs requiring input and decisions by client.
  - d. Approve general contractor's monthly progress payment and submit any required requests for funding.
  - e. Manage project budget and financial tracking, providing at least monthly updates on budget to actual expenditures.
  - f. Identify variances from budgeted amounts, including exposures against construction contingencies.
  - g. Advise client on contingency use for proposed change orders, wish list items and keep client updated on status of contingency funds throughout construction.
  - h. Coordinate proposed change order process, including documentation requirements. Review, manage and negotiate Proposed Change Orders.
  - i. Ensure all punch list defects are addressed.
  - j. Coordinate with General Contractor to ensure that all final inspections are scheduled and passed in order to meet the project delivery date and to obtain Certificate of Occupancy.
  
- ***Post Construction***
  - a. Obtain closeout documentation including: Warranties and guarantees and lien releases.



- b. Assist in preparing any financing/funding closeouts, convert construction loans to permanent loans, if necessary.
- c. Reconcile project accounting for handover to client.
- d. If applicable, assist LEED/CHPS consultant in submission of final certificate application and distribution of certification upon receipt.

### **FEE STRUCTURE**

With an estimated 20-month duration, our services will be a fixed fee of \$375,000, exclusive of reimbursable expenses. The fee will be due in 20 monthly payments of \$18,750, determined by the total fee amount divided by the project's estimated duration. We believe it is in our clients' best interests to have a single fee without the uncertainty of unforeseen costs.

### **PROPOSED STAFF**

PCSD has an experienced staff with a proven track record and relies primarily on its in-house expertise to provide cost-effective services. Principals identified below are John Sun, Chief Executive Officer, and Akil Manley, Regional Director. Day-to-day project scoping will be provided by Project Director, Joe Wilson, and financing support will be provided by Finance Director Tina Lin. Our team members' qualifications are described below, and resumes are available upon request:

- John Sun, Chief Executive Officer - Before joining PCSD, John worked within the Los Angeles Unified School District to fund innovative facilities solutions for charter schools. He was also Vice President of New School Development at Green Dot Public Schools and oversaw Green Dot's growth strategy, advocacy, community outreach, and student recruiting efforts. As Director of Real Estate Development for Green Dot, he developed eight permanent charter school campuses in Los Angeles. His previous professional experience also includes work in community redevelopment and as a consultant with PwC. John holds a Master of Public Policy from the University of Southern California and a B.A. from the University of California at Berkeley.
- Akil Manley, Regional Director - Akil has spent his career in real estate development focused on enhancing communities by developing facilities that support the underserved. He has led the development of urban infill new construction and adaptive reuse projects, entailing acquisitions, entitlements, design, construction, and disposition. Akil brings over 20 years of experience, having developed over 1.5MM square feet and \$750MM in projects throughout Northern and Southern California. Akil is a graduate of the University of California, Riverside, and University of Southern California, Sol Price School of Public Policy.
- Joseph Wilson, Project Director - Joseph has over 20 years of real estate development experience, including entitlements, design, and construction. Before joining PCSD, he worked as a project manager overseeing numerous commercial real estate developments and approximately 35 childcare facilities. He has B.A. and J.D. degrees from Brigham Young University.
- Tina Lin, Finance Director - Tina has facilitated over \$300 million of financing for private and publicly financed charter school facility projects throughout California. She has modeled the

financial feasibility of countless projects, determining affordability with single-site and CMO-operated organizations, and educated school boards and leaders on effective financing plans. Tina has structured and negotiated acquisition and construction loans for 30+ projects and facilitated successful closings of loans with follow-up for loan conversions, loan administration, and financing exits. Prior to PCSD, Tina worked for U.S. Bank's Community Development Corporation and financed an array of real estate projects and commercial businesses, including several charter schools, through the New Markets Tax Credit, Historic Tax Credit and Renewable Energy Tax Credit programs. Tina has a Master's of Real Estate Development from USC and graduated from MIT with a Bachelor's of Science in Architecture Design.