



Board Agenda Item #	III J
Date:	March 9, 2017
To:	MPS Board
From:	Caprice Young, Ed.D. CEO & Superintendent,
Staff Lead:	Frank Gonzalez, CGO; Nanie Montijo, CFO
RE:	Project Update and Approvals Related to MSA SD- DeAnza School Facilities

Proposed Board Recommendation

I move that the board approve the capital improvement project and preliminary budget for the new campus for MSA San Diego at the DeAnza campus.

Further, I move that the Board of Directors authorize the CEO & Superintendent, or a designee, to proceed with entering into a contract for abatement and demolition of the existing structures with Whillock Contracting.

Background

In December 2016, the Board authorized the CEO & Superintendent to proceed with internal intra-company loans to address cash flow needs for purposes of executing capital improvement projects for MSA San Diego until longer term external financing can be put in place.

Development Update

Magnolia staff and the development team is in the process of finalizing construction plans for the DeAnza site, which will be submitted to the Department of the State Architect in April 2017. It is anticipated that DSA will provide an over the counter review and issue permits in May 2017 as the Silver Creek Industries system being utilized has a DSA Pre-Check (PC) Number indicating that it has been evaluated and pre-approved by the state architect's office.

Phasing Strategy

In order to begin work on the project, the team determined that it is best to phase the

work as follows:

- Abatement and demolition of the existing buildings
- Site preparation and utility trenching
- Site construction and installation of the new modular buildings

This phasing is necessary in order to meet the construction schedule and complete the project by the middle of August 2017. The school will open the 2017-2018 school year on September 5, 2017.

Abatement and Demolition Contract

Whillock Contracting was selected as the preferred vendor as they are a pre-approved contractor that has replied to the district's Request for Qualifications process and has all of the necessary licenses and insurance coverage required to work on district property. Whillock Contracting works with SDUSD on various projects and was the company with (a) capacity to take on the work immediately and (b) the most cost efficient price for this type and scope of work, based on SDUSD experience.

Future Contract(s)

The construction contract for site work will be bid out to qualified contractors and a recommendation for contract approval and execution will be brought to the Facilities and Finance Committees and the full Magnolia Board for review and approval.

Financing Update

In December 2016 LACOE approved MSA 1, 2, and 3. Since that time Magnolia has moved ahead with our planned bond financing with Hamlin, the investors of our \$6.02m 2014 bonds. We have executed a term sheet to amend the 2014 \$6.02MM bond financing and provide financing for the MSA 1, MSA SD and MSA SA facilities projects. Permanent financing for the MSA SD DeAnza project will be from the tax -exempt bond.

Funds that are utilized for any development costs for MSA SD will be reimbursed to Magnolia once the bond closes. The Board of Magnolia previously authorized a reimbursement resolution that enables this.

Attachments:

- MSA SD Development Project Description and Budget

- MSA SD 5 Year Pro Forma Current Estimate (may improve if Prop 1D \$3m can be recaptured)
- Abatement and Demolition Proposal, Whillock Contracting

**Magnolia Science Academy San Diego
DeAnza Facility Project**

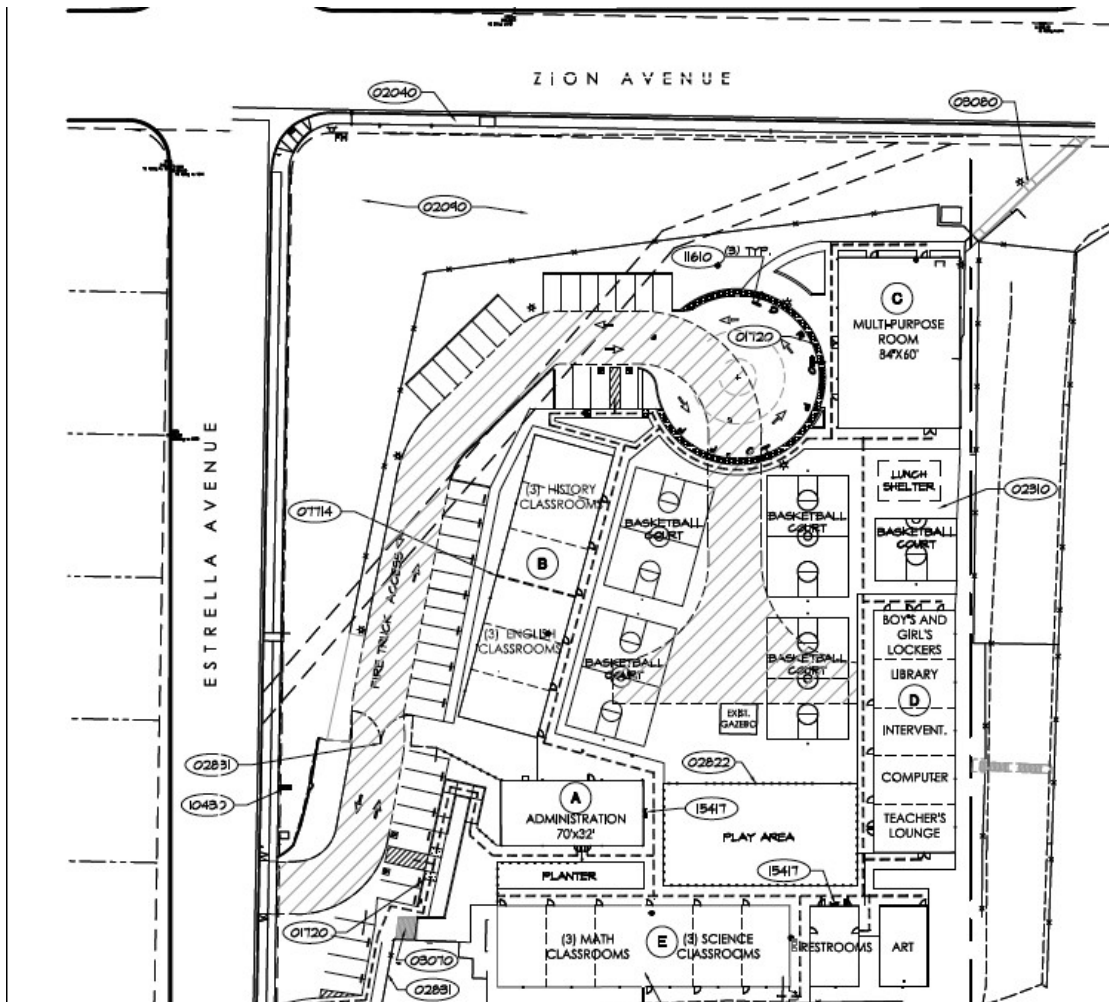
Background

Magnolia Public Schools (“MPS” or “Magnolia”) operates ten schools, eight in Los Angeles County and one each in Santa Ana and San Diego. Magnolia Science Academy San Diego (“MSA SD”) is the award winning middle school serving students from throughout the San Diego Unified School District. The school will be relocating to the DeAnza School site at 6525 Estrella Avenue in San Diego beginning in the 2017-2018 school year.

The Project

The new school facility will have 16 classrooms, a multipurpose room, cafeteria and outdoor recreation spaces. Site capacity will be 450 students in 6th Thru 8th grades.

Exhibit 1: Site Plan



The rectangular parcel area is approximately 3.3 acres and owned by the San Diego Unified School District. The property is being leased from the school district by Magnolia.

The new facility will be a state of the art campus utilizing all new prefabricated modular buildings that are pre-checked and approved by DSA. The project includes onsite pick up and drop off areas, extensive outdoor play areas, green building techniques and landscaping throughout.

Project Schedule

Submit Construction Documents:	April 2017
Ready To Issue Permit:	June 2017
Construction NTP:	June 2017
Construction Complete:	August 2017
Occupancy:	September 2017

Proposal

WHILLOCK CONTRACTING, INC.

License No. 572217 DIR #: 100001767
 P.O. Box 2322
 La Mesa, CA 91943-2322
 (619) 579-0700 Fax (619) 579-0955
SBE Certified

PROPOSAL SUBMITTED TO Magnolia Public Schools	PHONE 323-422-9129	Email frank@edfacgroup.org	DATE 3-8-17
STREET 250 E. 1 st Street #1500	JOB NAME De Anza Child Development Center/SDUSD Partnering with Magnolia Public Schools		
CITY, STATE AND ZIP CODE Los Angeles, CA 90012	JOB LOCATION 6525 Estrella Ave., San Diego, CA 92120 Buildings: 0250, 0115, 3459, 3460A, 7003(CC1), 7004(CC2) and 7005(CC3).		
ARCHITECT N/A	DATE OF PLANS N/A	JOB PHONE N/A	

We hereby submit specifications and estimates for:

DEMOLITION:

7,296 SF Remove and dispose of building trash.

ABATMENT:

Remove and dispose of asbestos containing materials per survey by JMR 1/12/17.

EXCLUSIONS:

- Removal of tenant trash.
- Utility disconnects.
- PSA, IDIQ or Union work.

STIPULATIONS:

- Temporary fabric barrier adjacent to the residential properties and toilet will be supplied for two months.
- Water to be supplied onsite by others.
- Route to be free and clear of obstructions.

In the event a suit is instituted to collect the contract price, **Magnolia Public Schools**, agrees to pay the Whillock Contracting, Inc.'s reasonable attorney's fees and all court cost. Any sums due and not paid shall bear interest at the maximum rate permitted by law, compounded annually until paid, also collection agency fees. Excluded by this proposal unless otherwise specified in writing are: Waiver of subrogation, backfilling, blasting, rock moving, import, export, material processing, planting, dewatering, erosion control, traffic control, re-compaction, engineering, soils engineering, staking, bonds, permits, footings extending 18 inches below surface, removal of any subsurface material, shoring, demolition and removal of materials attached to adjoining buildings or any hazardous waste, or any unknown conditions. Whillock Contracting, Inc. not responsible for damage to offsite or onsite for ingress or egress. All salvage rights retained by Whillock Contracting, Inc.

All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs shall, at the election of the Whillock Contracting, Inc., be executed only upon the grading whether written or oral, shall become an extra charge over and above the estimate. All estimates are based upon the grading plans, topographical maps, and soils reports submitted to us on, N/A, which the owner warrants to be accurate.

We propose hereby to complete in accordance with above specifications, for the sum of:

Fifty nine thousand five hundred sixty and no/100*****dollars (\$59,560.00*)

Payment to be made as follows:

Billed on the first, paid on the fifteenth, billed on the fifteenth, paid on the first, anytime job stopped, paid to date. Paid on completion.

One signing this Proposal is responsible for accurate Preliminary information, to be given at time of signing.

Authorized Signature _____

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.

Note: This proposal may be withdrawn by us if not accepted within 3 days.

Acceptance of Proposal - The above price specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____

Date of Acceptance _____