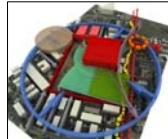


Using All of Your Planning and Financing Tools



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What We Hope You'll Learn...

- How to Deal with Multiple Agencies
- Importance of Relationships and Team Make-up
- Methods for Design, Budget, and Schedule Efficiency
- How to Finance a Project in Tough Times

Case Study: San Marcos Elementary School



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What We Needed To Do...

- Increase Capacity
- Improve Ability to Meet Educational Program
- Keep Students in Their Neighborhood
- Do it ASAP

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Challenges...

- Poorly Configured Site
- Buildings & Infrastructure Past Useful Life (60+ years old)
- Nowhere to Locate Students During Construction



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Options Considered...

- Modernization
- Modernization/Expansion
- New Larger School on New Site
- New Larger School on Existing Site

What would be best for the kids?

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Options Considered...

Modernization

- Amount available wouldn't be enough to adequately upgrade the facility; not cost effective
- Modernization wouldn't add additional program space or allow design to meet educational program needs
- Kids couldn't stay on site during construction
- Could not resolve existing unsafe automobile and bus access configuration

What would be best for the kids?

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Options Considered...

Modernization/Expansion

- Land configuration was not conducive for additional construction
- Reduce an already too-small playground area
- Increased construction time due to complicated phasing
- Could not resolve existing unsafe automobile and bus access configuration

What would be best for the kids?

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Options Considered...

New Larger School on a New Site

- Kids would need to be bussed from their neighborhood (bussing cost would come from project cost)
- Raw land was not available
- Condemnation would be too costly, time consuming, and politically unpopular
- District would be left with unused site to maintain

What would be best for the kids?

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Options Considered...

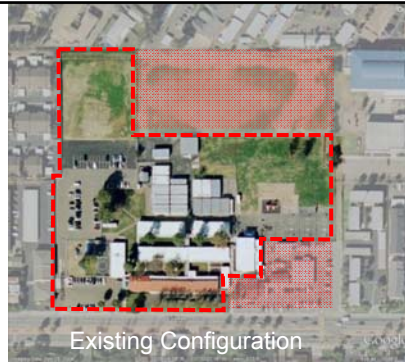
New Larger School on Existing Site

- Would require reconfiguration of site
- Could potentially allow kids to remain on site during construction
- Would allow new buildings to be designed around educational program
- *How could we make this happen quickly within our budget?*
What would be best for the kids?

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Reconfiguring the Site...

- Needed agreement with City for land exchange – started on a “handshake”
- Reconfiguration of Tiger Way
- Joint-use with City for playfields
- Relocation of San Marcos Museum
- Relocation of continuation high school
- CEQA issues with historical status of existing buildings



Existing Configuration



Proposed Configuration

Budget...

Had \$20 million from:

- RDA “pass-through” funds
- Developer fees
- CFD (Mello-Roos)

Needed \$10 million from other sources

- State program and/or Local G.O. bonds

Construction Budget was \$19.25 million

Budget...

- New construction grants
- Modernization grants
- Emergency Repair Funds (“Williams”) funding
- AB801 funding (established regulations within OPSC to allow receipt of funding for addition of 200 students on a small school site if a new site was too costly)

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Delivery Methods...

District wanted to maintain as much control of cost and schedule as possible.

Some options considered:

- Design/Bid/Build (Hard bid)
 - *Too many uncertainties in costs, quality, and relationships*
 - *Did not allow collaborative process during design*
- CM multiple prime
 - *Too much risk on District, no real cost savings*
 - *Still a “hard bid” environment*
- CM @ Risk
 - *Still a “hard bid” environment*
 - *Minimal collaboration during design (no sub-trade involvement)*
- Design Build
 - *Did not allow input from builder during design of bridging documents, required extensive front-end work before team could be selected*
- Lease/Lease-Back
 - *Provided flexibility in “pre-construction” work (moving buildings, etc.)*
 - *IPD allowed design and budget to be developed simultaneously, ensuring educational program and budget were maintained.*
 - *Guaranteed maximum price*

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Principles of Lease/Lease-Back...

1. Mutual respect and trust
2. Mutual benefit and reward
3. Collaborative innovation and decision making
4. Early involvement of key participants
5. Early goal definition
6. Intensified planning
7. Open communication
8. Appropriate technology
9. Organization and leadership-no artificial boundaries regarding validity of input
10. Financing flexibility

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Project Specific Benefits of Lease/Lease-Back (Design Phase)...

- Contractor was an integral part of Architect's design team early on
- Early involvement of major sub-trades in systems design
- "Real-time" pricing of design ideas and dynamic cost modeling
- "Real-time" value engineering
- "Real-time" approvals by District
- Design phase became part of overall schedule
- Early establishment of GMP
- Efficiency in construction document preparation

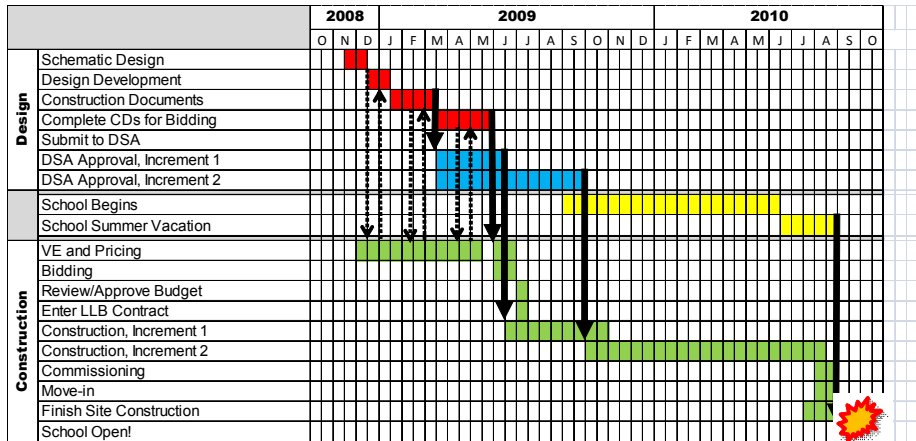
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Project Specific Benefits of Lease/Lease-Back (Construction Phase)...

- Eased coordination of construction with City and adjacent property owners
- E-rate coordination
- Ability to provide for the needs of the existing school before and during construction
- Contractor/Architect/District coordination of SWPPP with City
- Eased the process of relocation of buildings prior to start of and during construction

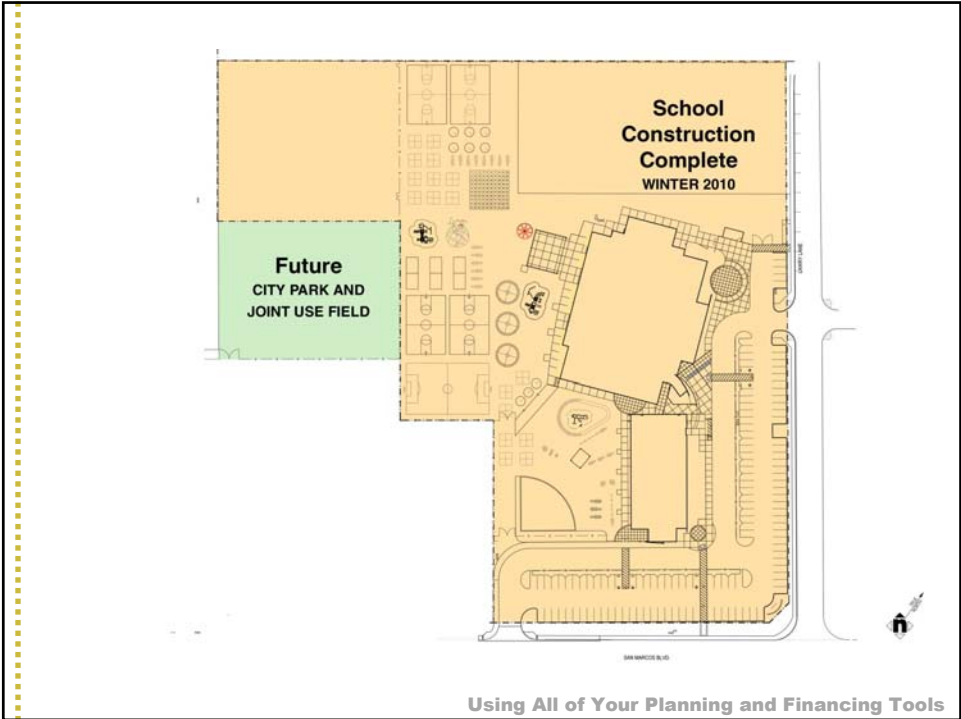
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Project Schedule

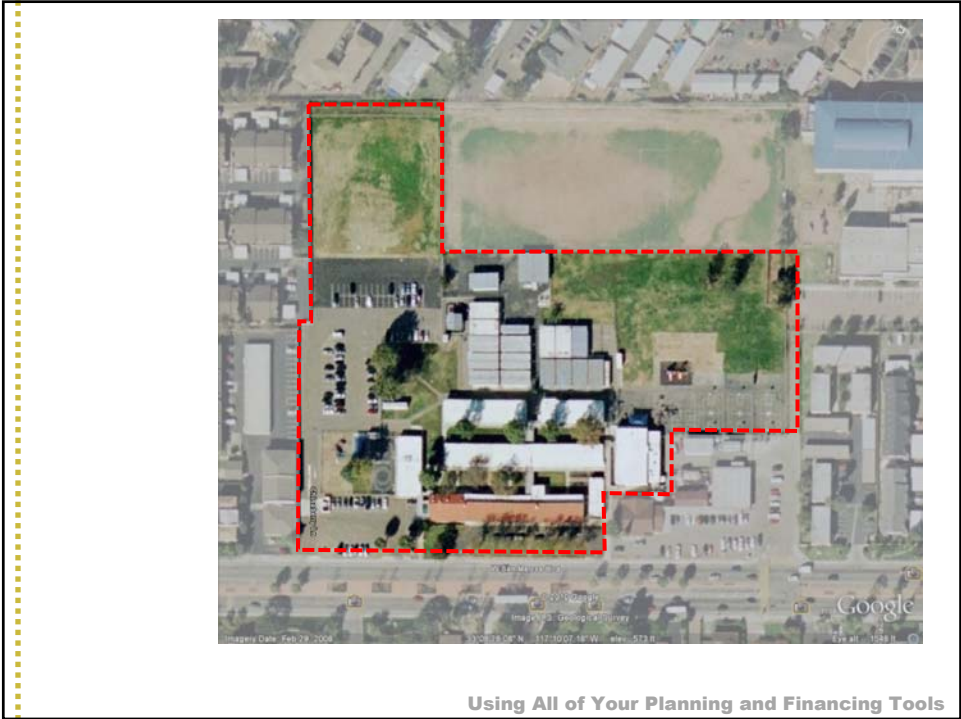


TOTAL AREA: 78,500 SF
 TEACHING STATIONS: 45
 TOTAL COST: \$20.2 MILLION (\$258/SF)
 SITE SIZE: 7.5 ACRES

TOTAL PROJECT TIME: 22 MONTHS
 TOTAL CHANGE ORDERS: 0



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