

2016 CAPITAL BOND FEASIBILITY & DEVELOPMENT COMMITTEE
UNOFFICIAL MINUTES
5/6/2015

The meeting was called to order at 6:10 p.m.

ATTENDANCE

In attendance: Josh Almy, Connor Applegate, Tim Baynes, Paul Bialek, Martin Buckley, Marta Burnet, Stacy Cho, Kim Clarke, Betsy Cohen, Carla Cohen, Daniel Crouner, Laura D'Arcy, Amanda Dorey, John Gorow, Jonathan Grudin, Lance Gyotoku, Kim Hand, Donna Hood, Delaney Huesgen, Mark Jonson, Jonathan Koshar, Kerri Jensen, Erik Landahl, Leslie Lederman, Christie Malchow, Andrea McCormick, Jaimi Messmer, Daniel Miller, Kimberly Montague, Matt Monte, Jason Morse, Andrew Pedersen, Dawn Peschek, Dana Rundle, Ashwani Sirohi, Shawn Skogstad, Erica Stephens, Susanna Stratford, Mitch Tallman, Drew Terry, Lee Thacker, Alicia Veevaert, Madison Willis, Paul Winterstein

Not in attendance: Tricia Barry, Doug Jones, Jody Mull

OPENING

A video recapping the Issaquah School District 2006 and 2012 bond projects was presented prior to the start of the meeting.

Mr. Kuper called the meeting to order and asked members to review the Unofficial Minutes from the previous meeting and provide any changes or corrections. A motion was made and seconded to accept the minutes as written.

A motion was made and seconded to approve the minutes as presented - By a vote of hands the minutes were approved.

Mr. Kuper reviewed the agenda for the meeting. He noted that as with previous Bond Committees, the group would be asked to vote on the package as a whole once the entire package was assembled. Some community members had questions on the Administration remodel which would be addressed in the meeting as well as discussion on the 4th Comprehensive High School.

Mr. Kuper noted that no community comments had been received since the previous meeting. He did receive a question on the price per acre used for calculating the land acquisition values. He answered that the District estimated an acre to be \$750K to \$2M depending on location. A question was also asked regarding the results of the Enumclaw Bond on the April 28, 2015 ballot. Mr. Kuper responded that as of 5/6/15 they had a 40% turnout and the bond was passing by 1 vote. Mr. Kuper added that 60% is a tough threshold to meet. Voter turnout of 40% for a special election in the spring is considered a good turnout; Enumclaw is very conservative and a vote of 60% is a good sign. A Committee member asked if there was anything that we could learn from the Enumclaw Bond vote. Mr. Kuper responded that it demonstrates that politics are local. Enumclaw had not run a bond since the 90's; Maple Valley or Tahoma ran a bond several times before it passed. Mr. Kuper felt that Enumclaw probably could have gone out sooner bond and that their bond package was too small as they have several buildings to build. He said while they are limited due to a smaller tax base, their tax rate is flat and they qualify for state match funds because they have not built in some time.

A Committee member noted that there was still project management costs remaining from the previous bond and asked how those costs would mesh with the amount proposed for the 2016 bond. Mr. Kuper responded that although \$6M is allocated for the next Bond, it may not come out to exactly \$1M per year. Staff can be ramped up or reduced depending on the build-out schedule. He felt that the amount spread out over \$750M in construction is reasonable as a project management percentage; it is actually pretty low in his opinion.

A Committee member asked if there was a draft concept plan for the proposed addition to the Central Administration building. Mr. Kuper said that the technical team had put its efforts into providing drawings of the additions to school buildings and did not have one of the proposed addition to the Admin building; the expansion would essentially be a 3-story box off of the northwest side of the building. He noted that an admin remodel/expansion can turn voters off, but the building has been “chopped up” as much as it can be to accommodate staff. He added during the Superintendent and Board’s review and public work process for the 2016 Bond Proposal, additional schematics may be provided including one of the Central Admin addition.

A Committee member commented that there was feedback from the community asking why land was not purchased in the previous bond when land values were lower and we knew the Highlands and Issaquah core would grow. Mr. Kuper responded that the Committee, Superintendent and Board at that time were sensitive and prudent to the economic climate and did not want to add \$1 more for land purchase. While hindsight is 20/20 the reality was that some committee members at that time were nervous to go above the \$200M mark in the 2012 Bond proposal particularly \$20M-\$30M for land purchases; we weren’t in position to ask for anything speculative at that time.

4th COMPREHENSIVE HIGH SCHOOL DISCUSSION

Mr. Kuper noted that he studied school districts with 16K-20K in enrollment from Kennewick to Kent. He found that every district with enrollment of 20K and above had either 4 high schools or 3 junior high schools; it is not outside the norm to have 4 high schools in a district with 20K kids. Mr. Kuper added that some large districts also have magnet or boutique programs to draw students. However, he believes the only way to get enrollment relief is to open a new high school and “boundary it.” From an operational standpoint, magnets or boutique schools may not attract students where you need them from when overcrowding occurs at other buildings. Mr. Kuper feels this District is more conservative and pragmatic in its approach to magnet programs than other districts.

Mr. Kuper wanted to address the question as to why we do not add onto Liberty and boundary more students to the south. He noted that the District has geographic challenges including mountains, streams, lakes, a plateau and a freeway. Mr. Kuper said a reboundary that has students traveling a long way to their home school is not ideal and a reboundary for just 300 students in this situation would not add enough capacity needed.

A Committee member asked why in the case of the Highlands, the District is making elementary students go farther away from home, but it is not doing the same with high school students. Mr. Kuper answered that to grow enrollment for Liberty by 500+ the building would require an expansion and students would need to travel down SR900, over Cougar Mountain or across Issaquah-Hobart Road which are not great transportation corridors. Students at Sunset and Cougar Ridge would travel over a hill to get to Liberty which is built for 1400. A 4th comprehensive high school would be built closest to growth. While there are pockets of growth in the south end near Apollo and Newcastle, most of the growth is located in the Plateau or Corridor.

A Committee member asked if there was opportunity to expand Skyline beyond 24 classrooms as previously discussed. Mr. Kuper responded that the core facilities are not meant for more than 2500 students and there are parking limitations as well. Mr. Crawford added that the elementary capacity increases included in the bond are meant to alleviate crowding where kindergarteners from Grand Ridge, for example, are sent to other sites. The Committee member commented that historically the District runs its high schools at 2000 or less but other districts run them with more students and do so successfully; has the option of bigger high schools been explored?

Mr. Kuper responded that this was touched on in Option 2 of the Springboard Proposal where it was noted that if we don't buy the land and bond the HS, we will be limited to our current number of facilities. Long term, if the land is not purchased or the 4th high school is not bonded you place yourself in a box. I don't want to have to condemn a significant amount of property to site a 4th HS.

A Committee member noted that the baseline forecast for growth is 6% between now and 4 years out; this is similar to what was projected in the previous bond but actual growth was 14.5% in this case wouldn't Option 2 of the Springboard Proposal meet current needs or are we building a new high school for more capacity than we are projecting?

Mr. Kuper responded that if Option 1 is executed, the District would potentially "boundary out" 500-600 students from each high school and build the 4th high school for 1500 students opening with 1000-1200 students. He added if projections were wrong, more students could be funneled into SHS and IHS and an additional 200 students could be added to the new high school. There would be an excess capacity of 1000 students in the near term. Long term, there is not the right number of buildings for this District which will continue to grow. If growth were to plateau as it has in Bellevue, we can close facilities but keep them in inventory and repurpose them when growth returns. Mr. Kuper noted that the Growth Management Act requires city partners to take a percentage of growth and projections for King County support the fact that the area will continue to grow.

A Committee member asked if the design for the new high school would be similar in design to previous buildings. Mr. Kuper answered that the design would be shaped by the site and property. A plan and budget is in place for a building with 1500 core capacity looking similar to Liberty HS rather than Issaquah HS which was built for 2000. He envisions a multi-story building with concrete deck construction and natural light; the \$120M plan includes costs for the building, site work, stadium and athletic complex. Mr. Kuper added that equity is always considered; we would not build a new high school that was not equitable to the others. He added if we disrupt high school feeder patterns it is more palatable to families if they have an equal facility.

A Committee member asked about the discussions that took place when Skyline was originally constructed. Mr. Kuper responded that at that time Issaquah HS was housing over 2000 students with many portables in a California-style structure. When Skyline opened in 1997 it immediately relieved enrollment at IHS. Mr. Kuper said that although growth at both high schools has been slow, the crowding is becoming more apparent each year; adding just 50 students a year affects parking and adds portables. He acknowledged that there is no right size for a high school but it must be able to deliver the program it was designed to provide. A 4th high school will provide the most relief and if we believe it will take 4-5 years to build, a reboundary will be welcome by the community.

A Committee member asked if there was consideration to build the 4th HS for 2000 students rather than the proposed 1500. Mr. Kuper responded that the design of the new building would be scalable with ability for expansion in the future. He estimated that an addition of approximately 24 classrooms would be approximately \$30M more, but added opening a building too big is not good from operational standpoint.

A Committee member asked about the feeder patterns from the middle schools, if a 6th middle school was added. Mr. Kuper responded that while boundary discussion is outside the parameters of this Committee, he anticipated a large community discussion which would depend on acquisition and location of new properties and timing of construction. He said new facilities on the feeder patterns will create challenges adding that the district's goal is to have clean longitude feeder patterns. While district-wide boundaries were last adjusted in 2010, Mr. Kuper said that the Grand Ridge boundaries were adjusted recently due to continual heavy growth.

A Committee member asked if a 5th high school would be needed in the near future. Mr. Kuper answered he does not see a need for more than 4 high schools for at least 30 years. Growth of 6000 students would mean an additional 30K-40K people to the District; the District population is currently 105K. Mr. Kuper said this represents a 40% increase in population which is significant but acknowledged that the City of Issaquah and Highlands have grown considerably in the last 15 years.

A Committee member commented that the City of Issaquah's long range plan particularly in the central area for growth and planning accommodates density by "building-up" to preserve existing neighborhoods. He said the community will feel more urban and asked if our new buildings would reflect an urban style considering this is more acceptable and fits into the trend that is happening in the Puget Sound. Mr. Kuper responded that we are seeing this in buildings we construct now as we condense the overall footprint. Elementary schools are built 2-story rather than the "rambler" style when land was more plentiful; secondary schools are 3-story. He said that there will be a consideration if not in this round of work but the next buildings due for redevelopment. We may be one cycle away from 3-story urban elementary buildings as we are limited by fire code but we do talk about design and character wherever we build. Mr. Kuper commented there may be some interesting partnerships due to necessity between private and public entities as they relate to multi-use facilities.

A Committee member asked if the new high school is sited in an area growth can we identify the general location. Mr. Kuper replied that talking about this openly does not safeguard taxpayer money. When property is secured and a purchase and sale agreement is reached, it will be public record. The discussion of land acquisition is one issue subject to executive session.

A Committee member asked if there was any chance that the state or county would consider schools a critical resource so districts could avoid bidding wars for land. Mr. Kuper said to his knowledge we have not been gifted property and must compete with developers to acquire property. He added that under state law we are not deemed an essential public service such as fire stations and Community Colleges and there is no school concurrency. He said that per state law, population growth does not necessitate a school as it would roads or fire stations; a school district and its voters must fund their own construction. Mr. Kuper added that the state does not provide funds for land acquisition and given the current state of politics, unraveling the Growth Management Act is not likely.

A Committee member asked if the District had a policy on condemnation. Mr. Kuper replied that the District does not have a condemnation policy but state statute allows us to enter into eminent domain. In that arena most of our sales have been friendly. Mr. Kuper explained that the District will reach out to owners to acquire their property; there are advantages for sellers as the District pays fair market value, there is no excise tax to the seller and we pay cash. He added that eminent domain is a Board of Directors decision and they are the only part of organization that can approve surplus and acquisition of property.

A motion was made and seconded to approve \$120M for a 4th Comprehensive High School. By a vote of hands the motion was approved unanimously.

Mr. Kuper commented that the Committee's decision should not be taken lightly. While this potential bond issue is far from final he noted it will be important for the long-term stability of the community. A Committee member asked if this decision could be so divisive it would cause the bond not to pass. Mr. Kuper responded that the campaign committee would be working on the details of this bond and they may ask members of the Bond Committee to volunteer to support the measure. In his opinion, Mr. Kuper felt that there was a rational case for a 4th high school; growth is clearly apparent. He acknowledged some voters may be concerned if they don't know where that building will be located, but typically

the community has been supportive of previous bonds (there was 70% approval with the 2012 Bond). He added that it will come down to communication, transparency and voter turnout to meet the 60% threshold for passage.

ADMINISTRATION FACILITY ADDITION

Before having the Committee vote on the entire package, Mr. Kuper asked for further discussion on the Administration building expansion. He reminded the Committee that the District has the lowest overhead costs in King County (2.5% below the average) and 1.6% (lower than any other district). While the District is lean by overhead standards, the growth of the community has caused us to outstrip this facility. He noted that there are 6 portables housing staff and the Board room is the only large meeting space in the District that can house an entire grade span of teachers (currently 65-80 teachers). He commented that there are logistical issues when providing professional development at the school buildings. Mr. Kuper explained that the District would like to remove the 6 portables (representing 13,000 sf) and provide a smaller footprint. An expansion to the building would add 400-500 sf of office space and some new meeting spaces. He noted that the Teaching and Learning Department is housed at the Admin building but we are one of the only districts without a curriculum library for teachers. Assistant Superintendent Emilie Hard commented that the department has limited storage and must encroach on schools such as IVE and IMS to provide professional development trainings. She added that as the schools' enrollments grow, less space will be available at the buildings for trainings. Mr. Kuper commented that this summer the District computer training lab would be moved from an Admin portable to Issaquah Valley to create more offices noting the District has maxed out its administration space from a usage standpoint.

A Committee member asked if the Issaquah Schools Foundation is in consideration for meeting space in the new Admin expansion and Mr. Kuper responded that this will be kept in mind. He said that the District wrestles with the need for an Admin expansion, but acknowledged it is an awkward to ask for it in a bond. A Committee member asked what would happen if it was not included in the bond. Mr. Kuper responded that the District would continue to add portables and ask for traffic concurrency from the City. He noted that there was no interest from the owner of the office building across the street to sell to the property and said that a condemnation for admin space would not be popular. He added that there are times when we delay staffing needs with this facility affecting our ability to support buildings. A Committee member asked if there was any consideration to leasing commercial office space. Mr. Kuper responded that a lease must come from the general fund and not capital money per state law. This would create an operating drag and the District prefers to leverage capital funds to lower operating costs. While leasing could be cheaper over a decade, Mr. Kuper felt that over the long term expanding District-owned buildings is best for the taxpayer. He also said that leases would create a satellite admin or split facility making it difficult to manage centrally.

A Committee member asked if there was anything to learn from other districts who were targeted by a "No Campaign". Mr. Kuper said that the best defense is transparency and logic; politics are local. Ultimately the voter must decide if it is worthwhile; he did not believe there was any single line item that could cause failure. Mr. Burton commented that the Auburn School District made a purposeful decision not to include a remodel of their Admin facility in their bond although needed. They felt it would have a negative impact on support of their bond which included building Auburn Mountain View High School. It took 5 votes before community passed the measure and in hindsight the negativity of an Admin facility had no impact on the vote. In the case of the Sumner SD, a new Admin building was included which was a higher percentage of the total bond package. Mr. Burton suggested that discussions regarding Admin facilities should be kept strictly to the data and pivot to the strengths: tie it to the current space needs and shortage of square footage, how we run professional development, why leasing doesn't work from an operating fund. In his opinion, requests for Admin facility improvements tend to be a red herring in bond packages. Mr. Kuper reminded the Committee that we are asking

for just an addition not an entire new admin facility (approximately \$30M-\$40M) which is an entirely different discussion.

A Committee member commented that the Admin building is one of the oldest buildings in the District with just one remodel since its construction in 1969. Mr. Kuper noted that some cosmetic work was done to the building in 2000 including an expansion to house the new board room. Ms. Hard reminded the Committee that there are times in August when professional development must run at multiple sites to accommodate all staff which demonstrates the need for more meeting space. For example when secondary staff meets as a building, the District cannot use their facilities for trainings. Libraries can be too small or custodians may also be preparing the facility for the start of school. Locations such as Swedish Hospital, the police station and buildings on the Plateau are rented for meeting space. Mr. Kuper also said that adding office space did not mean that Admin will grow exponentially noting staff is hired because we need them not just because we have the space to hire them.

APPROVAL OF THE 2016 BOND PROPOSAL – OPTION 1

Mr. Kuper recommended the Committee vote the package up or down as whole. He noted that the Committee has been building the package but ultimately the Superintendent and Board would review the Committee's process and minutes to shape their own process. He felt it would be good for the group to tell the Superintendent, Board and their stakeholders that it endorses the package.

A motion was made and seconded that the 2016 Bond Proposal - Option 1 be approved in the amount of \$518,500,000.00 and be recommended to the Superintendent. By a show of hands the motion was approved unanimously.

CLOSING

Mr. Kuper summarized the next steps in the Bond process: the Superintendent would review the package and present it to the Board which would then develop its own process. At that time, Mr. Kuper said Committee members would be invited to be part of the process when the package was presented to the Board. He stated the Bond proposal was a long way from finality.

Superintendent Thiele thanked the members for serving on the Committee. He encouraged them to contact Mr. Kuper and members of the Tech Team if they had more questions or had received comments from the community. He asked the Committee members to take the information they had learned and share it with their stakeholders. The Superintendent noted that the recommendation to add a new high school is historic saying it is an action that has occurred just 3 times in the last 100 years. He stated that this decision could transform the shape of the school system and transform the community. He reminded the Committee that the District does not manage or conduct campaigns; it relies on the community and a Committee of citizens to carry the message forward. The Superintendent said while it is frustrating that developers don't provide land for school districts, we must work within this reality. He thanked the Committee again and asked the members to direct their stakeholders to the web site as a resource. He hoped there would be many questions and believes it is healthy to have these conversations as he and the Board move forward in making a good decision as a community. He said while there may be scary discussions in the process, it is exciting to be in a vibrant growing community.

Dawn Peschek and Alicia Veevaert, co-chairs of the Volunteers For Issaquah Schools Campaign Committee, encouraged Bond Committee members to sign up to participate in the upcoming Bond campaign and communicate with the community on the importance of the Bond proposal.

Mr. Kuper concluded the meeting by stating the District does not take the work of the Bond Committee members for granted as not every school district is fortunate to have a community such as Issaquah. On behalf of the Tech Team, he thanked the members for their participation on the 2016 Bond Committee.

The meeting was adjourned at 7:36 p.m.