



STAFF REPORT

Meeting Date: July 2, 2013
To: Honorable Mayor & City Council
From: Mahdi Aluzri, Assistant City Manager
Subject: Request by Mayor Mirisch for City Council Discussion on the School District's Measure E Tax Rates
Attachments: City Attorney Memo dated June 28, 2013
October 7, 2008 Staff Report and Minutes
BHUSD Measure E Bond Informative

INTRODUCTION

The Mayor has requested Council and public discussion on the change to Measure E's tax rates that was considered and approved by the Beverly Hills Unified School District (BHUSD) Board and the City's role in that process.

The Board, at their meeting on June 25, 2013, adopted a resolution asking the County to increase the tax rates to facilitate the sale of up to \$95m of Measure E bonds for 2013-2014. At the same time, the Board directed their staff to place a new replacement bond measure on the ballot in November or March 2014.

BHUSD Board vice president Noah Margo will be present at the July 2nd meeting after 3:30pm to provide the Council with the update on this matter and respond to questions as appropriate.

DISCUSSION

Concerns over the Board's decision to accelerate the issuance of Measure E bonds and increase the taxes rates were raised by members of the public at the June 18, 2013 City Council meeting. The concerns were primarily related to the Board's upcoming action at their June 25 meeting to raise the tax rates without a vote of the public. In response, the Mayor requested that this item be placed on the Study Session agenda for discussion including an analysis by the City Attorney's Office of the Council's ability to itself put a measure on the ballot to formally address these concerns (see attached memo from the City Attorney's office).

Measure E was passed by the voters in 2008 and it authorized the issuance of up to \$334m in bonds intended for upgrades of school facilities to provide a safe, secure and

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technologically updated environment for the students. When the measure was passed anticipated tax rates were projected to be close \$50 per \$100,000 of assessed value.

Acceleration of bond issuance approved by the Board is expected to increase the rate up \$60 per \$100,000 of assessed value. This rate is in addition to the tax rates previously assessed under Measures K and S.

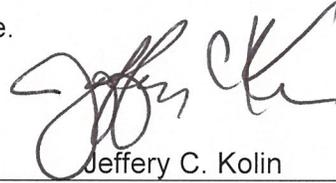
It should be noted the City Council in October of 2008, in response to a request by the City's Health and Safety Commission voted to support Measure E (see attached staff report and minutes)

FISCAL IMPACT

None

RECOMMENDATION

Staff seeks direction on next steps if any, as appropriate.



Jeffery C. Kolin

Approved By

Attachment 1



MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Lolly A. Enriquez, Assistant City Attorney

DATE: June 28, 2013

SUBJECT: Beverly Hills Unified School District Measure E Bonds

INTRODUCTION

In November 2008, voters in the Beverly Hills Unified School District (the “School District”) approved Measure E, which authorized the School District to issue up to “\$334 million in bonds at legal interest rates subject to mandatory audits, independent citizens’ oversight without an estimated increase in tax rates”. In 2009, the School District issued its first series of bonds under the Measure E authorization in the amount of \$72,044,664, leaving \$261,955,336 authorized but unissued. Subject to a future vote of the Board of Education of the School District (the “Board”), the School District intends to issue a second series of Measure E bonds during fiscal year 2013-14 in an estimated amount of \$95 million.

At its recent June 25, 2013 meeting, the Board adopted a resolution requesting the County to adopt a tax rate sufficient to pay the debt service on up to \$95 million additional Measure E bonds expected to be issued in Fiscal Year 2013-14.¹ The tax rate is expected to increase to approximately \$60 per \$100,000 of assessed value. This rate is in addition to the tax rates currently assessed for Measure K and Measure S indebtedness. In addition, the School District Board directed staff to place a new bond measure on the ballot to replace the Measure E authorization in the upcoming November or March elections.

At the June 18, 2013 City Council meeting, some residents expressed concern over the Board’s proposal to accelerate the issuance of additional series of Measure E bonds and increase property taxes. This memorandum analyzes the City’s ability to place an item on the ballot to formally address concerns raised by residents.

¹ The Education Code requires the Board of Supervisors of each county to annually, at the time of making the levy of taxes for county purposes, estimate the amount of money required to meet the debt service payments on bonds authorized but not yet issued, which the School District informs the county is likely to be issued before the next tax levy, and further provides that the county shall levy a tax sufficient to pay the estimated debt service. Educ. Code §§ 14220 et seq.

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QUESTION PRESENTED

- I. May the City submit to the voters a binding initiative preventing the School District from accelerating the issuance of additional series of Measure E bonds that would have the effect of increasing property tax rates?
- II. May the City put an advisory measure on the ballot addressing its concerns?

SHORT ANSWER

- I. *Most likely not.* The City is most likely preempted by State law from putting an initiative on the ballot preventing the School District from accelerating the issuance of additional series of Measure E bonds that would have the effect of increasing property tax rates.
- II. *Yes.* The City may hold an advisory election addressing its concerns. The Elections Code allows cities to hold advisory elections for the purposes of allowing voters to voice their opinion on substantive issues, or to indicate the approval or disapproval of a ballot proposal.

ANALYSIS

I. BINDING INITIATIVE

Article II, Sections 8-11 of the California Constitution provide the basis for the powers of initiative and referenda in California. An initiative is defined as “the power of the electors to propose statutes and amendments to the Constitution and to adopt or reject them.” Cal Const Article II, § 8(a). Referendum is “the power of the electors to approve or reject statutes or parts of statutes except urgency statutes, statutes calling elections, and statutes providing for tax levies or appropriations for usual current expenses of the State.” Cal. Const. art II, § 9(a). A referendum measure must be proposed to the Secretary of State by a signed petition within 90 days after the enactment date of the statute. The City Council may on its own submit an initiative or referendum for voter approval without a petition signed by the requisite number of voters. Elec. Code § 9222.

The powers of initiative and referendum extend only to legislative acts, as opposed to adjudicatory or administrative acts of a city. *DeVita v. County of Napa*, 9 C.4th 763 (1995), *Dye v. Council of the City of Compton*, 80 Cal. App. 2d 486 (1947). Legislative acts generally involve the formulation of rules to be applied in all future cases, whereas adjudicatory acts

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generally involve the application of a fixed rule to a specific set of existing facts. Examples of legislative acts include zoning and rezoning ordinances, general and specific plans, road abandonment and fixing compensation of local officials. Examples of adjudicatory and administrative acts include conditional use permits, variances, employee discipline and appeals and subdivision map approvals.

An initiative may not regulate matters that have been preempted by the State. *See, e.g., Voters for Responsible Retirement v. Board of Supervisors*, 8 Cal. 4th 765 (1994); *Wiltshire v. Superior Court*, 172 Cal. App. 3d 296 (1985). Further, a city may not enact local laws that conflict with “general” or state laws. Cal. Const. art XI, § 7. Local legislation that conflicts with general laws of the state is void. A local law conflicts with state law if it either duplicates, contradicts, or enters a field which has been fully occupied by state law, whether expressly or by legislative implication. A local law contradicts state law when its purpose is inimical to the purpose of the state law, or prohibits what the legislature intends to authorize. *Sherwin-Williams Co. v. City of Los Angeles*, 4 Cal. 4th 893 (1993); *Northern Cal. Psychiatric Society v. City of Berkeley*, 178 Cal. App. 3d 90 (1986); *Big Creek Lumber Co. v. County of Santa Cruz*, 38 Cal. 4th 1139 (2006).

Article XIII A, Section 1 and Article XVI, Section 19 of the California Constitution provide the constitutional basis for the issuance of voter-approved general obligation bonds. Sections 15000 et seq. of the Education Code and Sections 53506 et seq. of the Government Code provide the statutory authority for the issuance of general obligation bonds by a school district. The California Constitution provides that the maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. However, there is no limit on ad valorem taxes levied to pay bonded indebtedness incurred for the acquisition or improvement of real property approved on or after July 1, 1978, if approved by two-thirds of the voters. In addition, Proposition 39, which amended the Constitution in 2000, provides an additional exception to the 1% ad valorem tax limit for bonded indebtedness of a school district “incurred for the construction, reconstruction, rehabilitation or replacement of school facilities, ... or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district” if certain conditions are met. Cal. Const. art XIII A, § 1.

The Government Code provides that the School District can issue general obligation bonds secured by ad valorem property taxes. Gov’t. Code § 53506. In addition, the State legislature created the Strict Accountability in Local School Construction Bonds Act of 2000 which imposed additional requirements for School District general obligation bonds authorized by a 55% vote. Educ. Code §§ 15234 et seq. The Constitution read in conjunction with the State law allows school district indebtedness approved by a minimum of 55% of the voters to be

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payable from ad valorem property taxes up to \$60 per year per \$100,000 of assessed value. Any local law preventing the School District from issuing additional series of bonds or attempting to prevent an increase in property taxes securing bonds is likely to be in conflict with such federal and state authorization because it would prohibit what the legislature intended to authorize.² *Northern Cal. Psychiatric Society v. City of Berkeley*, 178 Cal. App. 3d 90 (1986).

In addition, a local law is preempted by state law if state law occupies the field, either expressly or by legislative implication. *Sherwin-Williams*, supra. In determining whether the legislature has impliedly occupied or preempted a field to the exclusion of local regulation, the court looks at the whole purpose and scope of the legislative scheme. *Candid Enterprises, Inc. v. Grossmont Union High School District*, 39 Cal. 3d 878 (1985). An intent to occupy the field will be found if: “(1) the subject matter has been so fully and completely covered by general law as to clearly indicate that it has become exclusively a matter of state concern; (2) the subject matter has been partially covered by general law couched in such terms as to indicate clearly that a paramount state concern will not tolerate further or additional local action; or (3) the subject matter has been partially covered by general law, and the subject is of such a nature that the adverse effect of a local ordinance on the transient citizens of the state outweighs the possible benefit to the municipality.” See *Western Oil & Gas Association v. Monterey Bay Unified Air Pollution Control District*, 49 Cal. 3d 408, 423 (1989).

The Government Code and the Education Code contain very specific terms regarding the issuance of school district bonds (i.e., the maximum interest rate, the security, the term, the form of the resolution authorizing the bonds, as well as the process involved in the issuance of bonds). It appears that the subject matter regarding school district bonds has been fully and completely covered by general law as to indicate it has become exclusively a matter of state concern. Therefore, it is likely that state law occupies the field of school district bonds by legislative implication.

Because a local initiative preventing an increase in property tax rates or preventing the issuance of additional bonds is likely to be in conflict with State law, and State law appears to fully occupy the field, the city cannot place such an initiative on the ballot.

² One series of Measure E bonds has already been issued and is secured by ad valorem property taxes up to \$60 per \$100,000 of assessed value. If there were to be a large dip in assessed values of property in the School District and property taxes needed to be increased to pay debt service on the outstanding Measure E bonds, there is nothing that can be done to prevent an increase so long as the \$60 per \$100,000 of assessed value is not exceeded. Otherwise, existing bondholders may deem it to be a default.

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II. ADVISORY ELECTIONS

Section 9603 of the California Elections Code allows cities to hold an advisory election for the purposes of allowing voters to voice their opinions on substantive issues, or to indicate to the local legislative body approval or disapproval of a ballot proposal. In contrast to initiatives and referenda, such an advisory ballot is not limited to legislative matters. In addition, the results of an advisory election are not binding and do not change any law.

An advisory election may be held within the City's jurisdiction, or a portion thereof. If there is a ballot proposal that also affects residents outside of the City, an advisory election may be held in such territory outside of the City's jurisdiction if all the following conditions are met:

- (1) A regular election or special election is to be held in that territory;
- (2) The advisory election would be consolidated with it; and
- (3) The board of supervisors of the county in which the outside territory is located approves the consolidation.³

Since the School District Board has already voted and adopted a resolution directing the County to increase ad valorem taxes to pay debt service on an estimated future issuance of \$95 million of Measure E bonds, it may be too late to put an advisory measure on the ballot regarding whether or not to increase property taxes above the current levels. However, depending upon the timing of when the Board votes on whether to issue an additional \$95 million in Measure E bonds, there may be an opportunity for the City to hold an advisory election regarding such matter.⁴

CONCLUSION

As described in this memorandum, the City is most likely preempted from putting an initiative on the ballot preventing the School District from issuing additional Measure E bonds and increasing taxes above current levels. Constitutional and State law provisions govern the issuance of School District bonds and the levy of ad valorem taxes necessary to pay debt service on such bonds. An initiative to prevent the issuance of additional Measure E bonds that would have the effect of increasing ad valorem taxes above current levels is likely to be in conflict with

³ An advisory election cannot be consolidated with an election if the ballot's capacity will be exceeded because of the addition of the advisory election. Elec. Code §9603.

⁴ If the School District decides not to issue additional Measure E bonds, the revenues from the increased taxes would go towards paying principal on current outstanding School District bonds coming due in fiscal year 2013-14.

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Constitutional and State law provisions. Further, State law appears to fully occupy the field regarding School District bonds.

The Elections Code allows cities to hold advisory elections for the purposes of allowing voters to voice their opinion on substantive issues, or to indicate the approval or disapproval of a ballot proposal. The City may hold an advisory election addressing its concerns.

If you have any questions, please feel free to contact me or Larry Wiener.

Attachment 2



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: October 7, 2008
To: Honorable Mayor & City Council
From: Pamela Mottice Muller, Staff Liaison to the Health of Safety Commission
Subject: Support of Bond Measure E
Attachments: 1. FAQ Sheet Measure E

INTRODUCTION

On September 22, 2008, during the monthly Health and Safety Commission meeting, the Commission discussed Beverly Hills United School District Bond Measure E. A Commissioner requested the item be agenzized to discuss their roles as individuals and as a Commission regarding the involvement of this Measure on the November ballot. Staff researched the question and it was determined that although the ordinance clearly states the Health and Safety Commission shall not become involved with School safety issues, because of the Joint Powers Agreement and the City contracting with the school district to use the buildings, the safety and security of the buildings becomes a community issue therefore allowing Commission involvement.

During the meeting, Board of Education member and School Liaison to the Health and Safety Commission, Myrie Lurie, provided a summary of the Bond Measure. A community member also spoke and provided additional information, requesting the Commission's support of this Measure. After discussion, the Commission voted 5-0-2 to recommend the City Council support Measure E. Two members abstained as they felt they did not have enough information on the Measure to vote. The Commission is recommending the City Council support the measure based on the need to ensure the buildings are safe and secure and since these facilities are a part of the City's emergency operations plan.

DISCUSSION

Measure E is a \$334 million general obligation bond measure that poses to provide students and the community with improved and upgraded facilities that are safe, secure and technologically updated.

The Health and Safety Commission supports this Measure because the safety studies that have been conducted for the Beverly Hills Unified School District have identified hazards related to the life safety and security of those using the buildings and facilities. According to the School's Facilities Master Plan, each campus has either seismic safety

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and/or site security deficiencies. The Commission feels the district has data that indicates that several structures fall below the recommended threshold for protecting lives and property should a quake occur.

District studies have also identified security issues regarding the ability to lock down campuses and control access in and out of areas. The hazard involves the potential of an individual or group targeting the facility or those using the facilities to commit violence or terrorize the community.

The Health and Safety Commission believes the City has a vested interest in these facilities. In the event of a major disaster the school sites are primary evacuation and shelter locations. This includes but is not limited to earthquake, wildfire, pandemic and civil unrest. The school facilities must remain intact to provide critical services. They must also be secure to maintain public order and the distribution of supplies and resources.

Bond Measure "E" will provide funds to modify, adapt or replace facilities across the district. The Commission believes this may be the only near-term opportunity that includes both the funds and the plan of action to remediate these problems expeditiously. The Health and Safety Commission has no view or opinion on portions of the bond not related to Health and Safety issues. The position of the Health and Safety Commission is that this is an issue that warrants the recommendation for City Council action in the form of support for Measure E.

Frequently Asked Questions on Measure E, which was provided by the Board of Education School Liaison to the Commission at the Sept. 22, 2008, meeting are attached

FISCAL IMPACT

There are no fiscal impacts to the City.

RECOMMENDATION

The Health and Safety Commission recommends the City Council support Bond Measure E.

Pamela Mottice Muller 
Director of Emergency Management

Frequently Asked Questions
Measure E
Ensuring our LEgacy of Excellence

What is Measure E?

Measure E is a \$334 million general obligation bond measure that will provide our students and community with improved and upgraded facilities that are safe, secure and technologically updated. Improvements will be made to provide safe and modernized school facilities, make necessary structural seismic safety repairs, upgrade, repair, and reconstruct aging classrooms, infrastructure, multi-use rooms, gymnasiums, libraries, science, technology and labs, roofing, plumbing, heating, ventilation and electrical systems. Funds will also be used for safety and security upgrades.

How did the District determine the dollar amount of Measure E?

This amount was selected because it strikes an important balance, it will not raise the present tax rate to resident property owners but it will provide sufficient funds to make much needed upgrades for seismic, safety, premise security and deteriorated infrastructure such as plumbing, electrical, fire alarms and roofing. It will also allow us to remodel or replace campus buildings that are unsafe or not compliant with current building codes. Although these buildings are technically code compliant, there are elements or areas that are unsafe and need immediate attention. Additionally, once we begin the safety improvements, the State will require that we bring these buildings up to all current building and safety codes.

Did the Board of Education vote in favor of Measure E?

Yes. On July 9, 2008 after several study sessions regarding facilities' needs over a 1.5+ year period, the Board of Education unanimously approved a resolution to place this measure on the November 4, 2008 general election ballot.

Will Measure E increase property tax rates?

No –Measure E is structured to keep the property tax rate for all bonds (Measure S, K and E) at the current rate of \$49.87 per \$100,000 of assessed value. As the existing bonds are paid off and the tax base grows, a greater proportion of the total rate will be used to repay Measure E bonds. The bond program also assumes that the District's assessed value grows at an average annual rate of 4.5%. This assumption is based on the District's assessed value history. Since 1992, the District's average annual assessed value increase has been 5.0% and the five-year average is 8.56%.

How long will Measure E obligate property owners to pay the tax?

Measure E is currently projected to be sold in four series of bonds with the last sale in 2018. The existing bonds will be repaid in 2030 and Measure E bonds will be repaid in 2058. This scenario recognizes that the upgrades will benefit our schools for decades to come and spreads the cost of these benefits to those future residents who will enjoy them.

What is assessed valuation?

Assessed value is determined by the Los Angeles County Assessor's office. Assessed valuations are typically much lower than "market value" (the price at which you could sell a property). To determine your property's assessed value you can review your current tax bill, visit the County Assessor's website at <http://assessormap.co.la.ca.us/mapping/viewer.asp> or call the County Assessor's office at 213-974-3211.

How do all Beverly Hills residents benefit from Measure E?

In the event of any disaster, our schools are the emergency shelters for the community. Our schools are also the cornerstone of the community and with excellent schools come increased property values. Through the JPA agreement with the City of Beverly Hills, BHUSD facilities are used by our community for a variety of after-school and recreation programs. Our entire community will enjoy the recreational benefits of upgraded play-fields, tennis courts, multi-purpose rooms and other facilities that are shared with and enjoyed by residents for decades to come.

What kind of oversight is there for taxpayer money?

A Citizens Oversight Committee will meet monthly to review all expenditures and construction projects to ensure accountability. The composition of the committee is defined by state law to ensure broad based community participation. Annual independent audits will be conducted and reviewed in public. These reports and minutes from the COC meetings are available on the BHUSD website.

Does the State pay for school facilities?

For the past twenty years, the State has historically under-funded school district's general operating and facilities funds. Beverly Hills schools were built between 78 and 94 years ago. They have reached the age at which additional major overhaul and modernization is required. While the District has received State funding for facility repairs in the past and continues to make every attempt to secure funding from the State for facility modernization and upgrades, BHUSD's small class sizes and large facilities hamper the District's ability to qualify for State funds in the amount needed to make the necessary critical improvements.

How much money will the District receive from the State if Measure E passes?

Passage of Measure E will qualify the Beverly Hills Unified School District for up to an additional \$21 million in State funding. These are tax dollars that we have already paid to the State. If Measure E fails, these tax dollars will go other school districts to modernize and repair their schools.

Why do we need another bond after Measure K?

The majority of funds from Measure K were used to build our new state-of-the-art Science and Technology Building at the High School, our historic reconstruction of Beverly Vista's Building B, which was nearly destroyed in the 1993 earthquake and the heating and cooling system at the High School. These projects were completed on time and on budget. In addition, auditoriums, playgrounds and restrooms at Horace Mann, Hawthorne and El Rodeo were remodeled. This bond addresses important seismic and safety issues that have arisen as building codes have been upgraded and facility needs that were not within the voter approved purview of Measure K.

Are our school facilities really below current seismic standards?

An in-depth study by professional experts of our High School buildings and Horace Mann reveal significant seismic and life safety issues that require immediate attention. Some of the buildings and/or elements of buildings have been rated level "1" on a scale of 1- 5 (1 being the worst for life safety issues). A similar evaluation will be conducted for all K-8 campuses.

Didn't we already do seismic upgrades to our schools?

Yes. Seismic upgrades were performed as part of the Measure S bond program approximately 6-10 years ago. While that work was beneficial, many of our facilities are still deficient for seismic safety according to current building codes. There was no seismic upgrade work completed under the Measure K program.

**CITY OF BEVERLY HILLS
ACTION MINUTES - STUDY SESSION
October 7, 2008
Council Chambers
2:30 P.M.**

PRESENT: Mayor Brucker
Councilmembers Fenton, Briskman, Delshad and Krasne
City Treasurer Finkel
City Manager Wood
Assistant City Manager Lichtig
Deputy City Manager Friedling
City Attorney Wiener
Assistant City Attorney Diaz
City Clerk Pope
Director of Economic Development and Marketing Maxwell
Director of Emergency Management Mottice-Muller
City Planner Lait
Community & Cultural Services Administrator Grable

ABSENT:

A - DIRECTION

1. Portfolio Report - Quarter Ending June 30, 2008

Provides Council a summary of portfolio balances and activities for quarter ending June 30, 2008.

City Treasurer Eliot Finkel reported that the City's portfolio is safely invested in government agency and commercial papers which are all highly rated. The City holdings may be viewed by the public in the City's website. Councilmember Briskman requested Mr. Finkel to provide a financial update on a regular basis at each Council meeting at least until the financial crisis passes. Mayor Brucker asked Mr. Finkel to work with Chief Financial Officer Dr. Scott Miller to make sure that all City vendors are able to support their contract with the City. In response to Councilmember Delshad's question, Mr. Finkel explained that the negative figures for the last three months were due to last year's rate decline but the investment returns have not been affected. Councilmember Krasne encouraged the residents to go to the City's website to see how well managed the City finances are. Mayor Brucker encouraged residents to support local businesses.

2. Update and Presentation by JT Brands of Product Development in Relation to JT Brands' License of the Beverly Hills Shield Logo

This item provides an update and presentation to Council by JT Brands relating to JT Brands' license of the Beverly Hills shield logo for the development of branded perfumes and cosmetics.

Director of Economic Development and Marketing Alison Maxwell provided a brief background on the City's efforts to promote and market the City's brand. The City entered into an agreement with the Chamber of Commerce, and Bradford Licensing Associates (BLA) in 2007 to market the Beverly Hills shield to potential licensees. The first major license agreement is with JT Brands to develop products in Category 3 that includes cosmetics, make-up, and perfume.

Geoffrey Thompson, co-founder of Jivago, Inc. and JT Brands, presented the beauty license's scope, his beauty/licensing/distribution experiences, marketing strategy, product development, and launch plan.

Council asked questions regarding aspects that are important in introducing a product, how well Beverly Hills is marketing its name, definition of "guaranteed minimum" and percentage of BLA revenue, other cities that have used their shield or name on perfumes, and possibility of a celebrity endorsement. Beverly Hills Chamber of Commerce CEO Dan Walsh explained that 35% of the royalty revenue for sales in the United States (and 45% for international sales) goes to BLA and the remaining 65% is evenly split between the City and the Chamber.

3. Human Relations Commission Re-appointments

Transmits letters of request for reappointment from Human Relations Commissioners Yar Meshkaty and Carol Goldsmith, and the City Council Liaison recommendation for both reappointments.

City Clerk Byron Pope presented Councilmember liaisons Brucker and Krasne's recommendation to reappoint Yar Meshkaty and Carol Goldsmith to the Human Relations Commission. Council unanimously approved the recommendation.

4. 'Green' Community Initiatives

Provides detailed information regarding proposed 'Green Team' community outreach initiatives.

Deputy City Manager Cheryl Friedling introduced Community Outreach Manager Huma Ahmed, and discussed the various strategies and items that the City is currently promoting in support of the "green" initiatives.

Councilmember Briskman requested staff to explore the possibility of partnering with Southern California Edison on energy-efficient light bulbs and night lights. Councilmember Delshad asked staff to research materials that may be health risks and not include items that have these materials in the City's promotional items. Mayor Brucker acknowledged the presence of Beverly Hills Unified School District Boardmembers Myra Lurie and Nooshin Meshkaty, and thanked them for displaying the banners in the schools. Council indicated their approval to proceed with the "green" programs.

5. Support of Bond Measure E

The Health and Safety Commission recommends the City Council support Bond Measure E, the \$334 million General Obligation Bond Measure to support facility improvements to Beverly Hills Unified School District buildings.

Director of Emergency Management Pamela Mottice-Muller introduced Health and Safety Commission (HSC) Chair Sandra Aronberg and Commissioner Gail Millan who spoke about the Commission's support of the Beverly Hills Unified School District (BHUSD) Measure E. HSC recommended that the Council support the measure.

Mr. Rudy Cole spoke in favor of Measure E and requested that the Council put forth a resolution indicating HSC's recommendation and Council's support of the measure. City Attorney Wiener clarified that the Council can vote to support the measure without a resolution. Councilmember Briskman recommended that the Council support the Commission's recommendation with emphasis on safety upgrades ahead of other upgrades. Councilmember Krasne indicated her support and recommended that the HSC be part of the committee providing oversight.

BHUSD Boardmember Myra Lurie clarified that there will be two committees providing before- and after-the-fact monitoring: a Citizens' Oversight Committee and a Facilities Advisory Committee, that

will look at all projects and submit prioritized recommendations to the School Board. Ms. Lurie assured the Council that seismic and premise safety issues will be top priorities. Councilmember Krasne requested that the Council and School Board make each other aware of activities so there will be no duplication of efforts.

Council indicated its support of the HSC recommendation with emphasis on health and safety aspect of the measure.

6. General Plan and Entertainment Business District Schedule Update

This item provides a public hearing schedule update for the General Plan and Entertainment Business District projects.

City Planner Jonathan Lait reported on staff's request to remove some upcoming public hearing dates scheduled for the General Plan and the Entertainment Business District. Staff will return to Council in November with the revised schedule.

Council requested staff to add a residential impact analysis on the General Plan. Councilmember Krasne also requested staff to present to Council an accounting of what has been spent so far on the General Plan from its onset as well as what will be spent to implement the plan.

7. Special Event and Street Closure Request from Spago Beverly Hills

Provides information regarding street closure request for a special event in the 100 block of North Canon Drive on Saturday, November 8, 2008.

Cultural and Community Services Administrator Gisele Grable requested Council approval on the request by Spago to close the 100 and 200 blocks of North Canon Drive and Clifton Way between Canon Drive and Crescent Drive on November 8, 2008 beginning at 1:00 p.m. Councilmember Krasne requested staff to come back to Council at the next meeting with a report showing that the businesses on and around the affected streets were notified and have consented. Spago's Director of Special Events Alexandra Pribuss assured the Council that she will personally speak to the businesses and that Spago's valet parking will cover parking for nearby businesses. Council indicated its support and will approve the request at its next meeting after obtaining the report and seeing that there are no major objections from neighboring businesses.

Mayor Brucker congratulated Ms. Grable on the successful 13th Team Beverly Hills event held on October 6.

B - INFORMATION

8. List of Scheduled Public Hearing Dates

Provides the City Council with a list of upcoming public hearings set at both the City Council and staff level.

This item was not discussed.

The Study Session adjourned at 4:07 p.m. to the Closed Session to discuss items that are identified on the agenda that has been prepared for the meeting. The Closed Session concluded at 7:00 p.m.

City Clerk's office/lsr

THESE INFORMATIONAL NOTES ARE PREPARED BY THE CITY CLERK'S OFFICE AND ARE NOT APPROVED BY THE CITY COUNCIL.

This meeting was televised on City of Beverly Hills Municipal Government Television Access, BHN/10, Time Warner Cable.

Attachment 3

Measure E Bond Informative

June 2013



To the voters of Beverly Hills:

Your Board of Education faces a tough financial question – what to do about the bad deal that voters adopted with Measure E?

Not one member of your current school board likes this situation, and none of us like the upcoming vote on June 25th. Rather than asking you to take our word for it, here are the documents that we have. If you wonder why any of us may vote like we do, we ask you to study the facts we have studied. We ask you to confront the same problems we have confronted. What course do we follow?

Some of the problems documented in this package include: (1) our current tax rates cannot support enough of the bonds with the lower property values of the last few years to correct dilapidated safety-compromised structures that are no longer up to code on our campuses; and (2) construction costs are now poised to skyrocket, reducing even more the “bang for the buck” we thought we could get. Put simply, with today’s tax rates we cannot raise the money that the earlier board thought we could, the money we could get will be much more expensive, and it will buy much less.

Following is the information we have studied and the proposals we are considering to deal with this situation. The solution under the most serious consideration is to raise our property tax rates – that means real money out of your pockets and our pockets (we are property taxpayers, too). We do not like that solution, not one bit. But the alternative is a bad one, from many viewpoints much worse.

We ask you to read this material and consider what we as board members face – if we do nothing, we have a bad situation: we will postpone work on the safety, required code and conditions upgrades of our public school facilities and the costs will be much more than planned five years ago. To make it even worse, we’re still out the money. On the other hand, if we try to create a better outcome, we cost you more money in the near term (even if it will bring savings long term) and we may anger many who believed what they were told by our predecessors.

Please let us know your thoughts. We’re open to suggestions. And if you have questions, come to our last public meeting on Tuesday, June 18th at 7 p.m. in the El Rodeo auditorium.

Sincerely,

Jake Manaster, President
Beverly Hills Unified School District Board of Education

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Measure E Ballot Language

Measure E: To provide safe and modernized school facilities, make necessary structural seismic safety repairs, upgrade, repair, and reconstruct aging classrooms, infrastructure, multiuse, gyms, libraries, science, technology & labs; roofing, plumbing, heating, ventilation and electrical systems; renovate Beverly Hills Unified School District schools to better protect student/staff from unauthorized entry, security risks and natural disasters; shall Beverly Hills Unified School District issue \$334 million in bonds at legal interest rates subject to mandatory audits, independent citizens' oversight without an estimated increase in tax rates?

Objectives for the Measure E funds:

1. Building improvements in fire, life-safety, and seismic systems at all school sites
2. Enhance security at all sites
3. Retention and renovation of older buildings
4. Address major building defects
5. Upgrade mechanical, electrical, plumbing, and HVAC systems
6. Bring the learning environments in line with current 21st Century standards
7. Make the schools attractive to students and staff
8. Create a BHHS campus that is cohesive, collegiate, pedestrian focused, with clear zoning and evenly distributed parking
9. Phase the construction to minimize disruptions

The MTA Subway

The project is the so-called Los Angeles MTA Subway to the Sea. The original alignment had a Santa Monica station with a traditional, middle of the street alignment. Then a new alignment study was ordered by the Metro Board to move the station from Santa Monica to Constellation.

The new alignment is a disaster for the Beverly Hills High School. The MTA Constellation alignment is very shallow crossing the Beverly Hills High School to get to the Constellation station - so shallow that it will strictly limit future high school buildings and raise all kinds of environmental issues. MTA simply expects the school district to accommodate the subway. It cannot: there is only one high school in the school district; the high school is landlocked and undersized; there is nowhere else to move the high school; and the buildings are a century old and near the end of their useful lives.

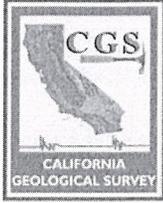
Then Metro produced a seismic “study” that opined there were major active faults under Santa Monica that prohibited construction of the Santa Monica station and that the only station alternative left was Constellation. The “study” also concluded that the same active faults cross the high school.

Perhaps MTA did not think through their strategy carefully enough because by questioning the safety of an occupied school they triggered a mandatory massive and expensive geotechnical investigation by the Beverly Hills School District under the regulatory control of the independent California Geological Survey. To build at the high school, the Department of State Architects always requires geotechnical work, but not anywhere close to what was required here.

The investigation has now refuted all of the Metro seismic claims and has been verified by the CGS: it is perfectly safe to expand the high school. The School District spent over \$1.5 million to refute the MTA unsupported allegations.

Unless MTA changes the subway alignment, litigation will delay the project for many years. It is very likely that MTA will have to do supplemental studies and revise the FEIS/EIR. Once that hurdle is passed, MTA will have to use eminent domain power to acquire the high school easement. It is not at all certain that MTA can acquire the interests it needs through condemnation, which would cause a major restart of the entire subway project. Meanwhile, development of the high school continues.

Obviously, it would be better for all concerned if this matter were quickly resolved. Following is the complete letter from the California Geological Survey:



DEPARTMENT OF CONSERVATION

CALIFORNIA GEOLOGICAL SURVEY

SCHOOL REVIEW UNIT • 801 K STREET, MS 12-32 • SACRAMENTO, CALIFORNIA 95814

PHONE 916 / 324-7324 • FAX 916 / 322-4765 • TDD 916 / 324-2555 • WEB SITE conservation.ca.gov/cgs

Mr. Nelson Cayabyab
Chief Facilities Official
Beverly Hills Unified School District
255 S. Laskey Drive
Beverly Hills, CA 90212

March 15, 2013

**Subject: Second Fault Rupture Hazard Review
Beverly Hills High School
241 S. Moreno Drive, Beverly Hills, CA
CGS Application No. 03-CGS0960**

Dear Mr. Cayabyab:

In accordance with your request and transmittal of additional documents, the California Geological Survey (CGS) performed a second review of the fault rupture study reports prepared for Beverly Hills High School. We reviewed the following consulting report, which we received on June 14, 2012, as a reply to our request for additional information:

- 2. Initial Response to California Geological Survey Review Comments, Fault Rupture Hazard Review, Beverly Hills High School, 241 South Moreno Drive, Beverly Hills, CA:** Leighton Consulting, Inc., 10532 Acacia Street, #B-6, Rancho Cucamonga, CA, 91730, dated June 8, 2012, Project No. 603314-007, 6 pages, figures attached.

Subsequent to receiving Report 2, we also reviewed the following consulting reports that we received on December 31, 2012 and February 20, 2013, respectively, as additional replies to our original request for additional information:

- 3. Second Response to California Geological Survey Review Comments, Fault Rupture Hazard Review, Beverly Hills High School, 241 South Moreno Drive, Beverly Hills, CA:** Leighton Consulting, Inc., 10532 Acacia Street, #B-6, Rancho Cucamonga, CA, 91730, dated December 28, 2012, Project No. 603314-008, 45 pages, appendices and figures attached.
- 4. Addendum to Second Response to California Geological Survey Review Comments, Fault Rupture Hazard Review, Beverly Hills High School, 241 South Moreno Drive, Beverly Hills, CA:** Leighton Consulting, Inc., 10532 Acacia Street, #B-6, Rancho Cucamonga, CA, 91730, dated February 20, 2013, Project No. 603314-008, 4 pages, 1 attachment.

Previously, we reviewed the following report:

- 1. Fault Hazard Assessment of the West Beverly Hills Lineament, Beverly Hills High School, 241 South Moreno Drive, Beverly Hills, CA:** Leighton Consulting, Inc., 10532 Acacia Street, #B-6, Rancho Cucamonga, CA, 91730, dated April 22, 2012, Project No. 603314-002, 23 pages, appendices and figures attached.

CGS initially reviewed Report 1 and submitted our findings regarding this project in our review letter dated May 21, 2012. Based on our first review, additional information was required regarding significant marker bed and geologic contact elevation changes noted in borings below trenches and spanning trench gaps, which might be evidence of faulting at the site.

For Report 1 the consultants had reviewed published geologic maps, literature, aerial photos, and a recent fault investigation report for the proposed MTA Westside Subway Extension, and performed a subsurface fault investigation to evaluate the potential for active faulting and fault rupture hazards associated with the West Beverly Hills Lineament (WBHL) at the school site. Their investigation consisted of 12 CPTs and 21 borings drilled on the school property. They also excavated and geologically logged four fault trenches.

CGS representatives met with the consultants and other members of the project team on July 5, 2012. Several issues related to our review comments and the general plans for the consultants' supplemental investigation were discussed.

Supplemental Fault Investigation and Discussion

Subsequent to this meeting the consultants drilled five additional borings (CB-22 through CB-26) in a linear transect along the northwestern perimeter of the site. CGS representatives visited the school site on July 12 and August 21, 2012 to review rock core samples taken from these borings. Based on the subsurface data collected from the borings, the consultants excavated a fault trench (FT-5) along the same transect. Detailed observations were made of the soil types, textures, and colors, as well as any fractures or other discontinuities. The consultants also provide estimated ages of the sedimentary deposits and paleosols exposed in the trenches and recovered core samples of the alluvium and underlying bedrock. Representatives from CGS visited the fault trench on September 13 and September 19, 2012.

The consultants also responded to other requests for additional information by CGS.

In addition to the subsurface data provided by the consultants, CGS reviewed a fault trench excavated by others on the commercial property immediately offsite to the north of the school. The district's consultants also reviewed this trench separately. This trench was oriented subparallel to the district consultants' profile B-B' and exposed Pleistocene alluvium that was visibly unfaulted. This trench is referred to as the "Feffer/Geocon" trench in Report 3.

A-A' (central transect)

In the previous review letter, CGS noted an elevation change of three to five feet between marker beds in borings CB-8 and CB-9. Above this elevation change, in the vicinity of station 2+20 in FT-2, pedogenic features in the paleosols indicate tilting or folding. CGS commented these two observations are compatible with an interpretation of fault offset at depth and requested the consultants provide additional detailed logging or subsurface data to demonstrate an unbroken horizontal stratigraphic sequence below the fractures and tilted ped surfaces. Additionally, several fractures with up to one inch of apparent east-side down vertical offset were noted between stations 1+40 and 1+80.

To address CGS' concern that the tilted ped faces observed in the MB-1 argillic horizon may indicate fault-related folding, the consultants note sand layers above and below MB-1 are "still horizontal out to where it is terminated by the slope." Also, they state there is no similar folding in the younger alluvial sediments (i.e. Units 2 and 3 in FT-2) higher in the trench. Between stations 1+40 and 1+80 the consultants state the lack of evident offset of units and contacts between borings across this interval suggests the fractures observed in the trench along this interval are not related to active faulting. They interpret these fractures as surficial features related to slope extension and gravitational movement during strong seismic shaking.

CGS also visited the site to review the core samples from CB-8 and CB-9. Based on review of the boring and trench logs and our field observations it appears reasonable to conclude faulting does not affect the upper soils between these borings. Furthermore, the observed fractures to the west may also be reasonably ascribed to slope movement unrelated to faulting.

CGS was also concerned with the gaps between the fault trenches at the site. Particularly, we noted discrepancies in some sedimentary unit elevations in the core samples we reviewed from borings within the FT-1 and FT-2 gap, specifically, between CB-3 and CB-4. Based on additional field review of the core samples with the consultants, it appears reasonable to conclude faulting does not impact the upper soils, interpreted as late Pleistocene, between these borings.

The consultants conclude there are no active faults along transect A-A'. This interpretation appears reasonable based on the data and explanations provided in the referenced reports and no additional information is requested.

B-B' (northern transect)

Based on our review of the core samples and the data provided in the boring logs and cross section B-B' from Report 1, it appeared there were some anomalous vertical separations of the marker beds between borings. Various marker beds and the San Pedro Formation (Qsp₁) contact appeared to be offset between borings T-4 B-10 and CB-13, as well as between CB-17 and CB-18. In Report 3 the consultants note the alluvium-bedrock contact drops approximately 14 feet between borings CB-17 and CB-18. However, they state the marker beds identified above the bedrock are continuous and do not exhibit anomalous changes in elevation between borings. Instead they indicate these units dip gently to the east similar to strata in areas where no

faulting was observed. Also, the consultants note the Feffer/Geocon trench, in which no faulting was observed, is located immediately north and perpendicular to any potential fault that might exist between T-4 B-10 and CB-13. For these reasons, the consultants conclude the observed elevation changes in marker beds between these two borings are not related to active faulting. CGS observed the core samples and the Feffer/Geocon trench in the field and reviewed the boring logs from Report 1. The consultants' conclusion that the marker units above the San Pedro Formation contact between borings T-4 B-10 and CB-13 as well as CB-17 and CB-18 do not show evidence of active faulting seems reasonable. No additional information is requested.

C-C' (northwestern transect)

Along the northwestern perimeter of the campus, the consultants drilled five new continuous core borings and excavated a new fault trench (FT-5), which was approximately 125 feet long, along a northwest-southeast trending profile.

Section C-C' depicts the graphic log of FT-5, as well as the subsurface data and interpreted correlations from the core borings. According to the boring logs, going north from the south end of the profile, the elevation of the bedrock surface was relatively constant until it dropped approximately 34 feet between borings CB-26 and CB-23 and another 45 feet between CB-23 and CB-24. Fault trench FT-5 was excavated parallel to the boring transect between CB-24 and CB-26 to investigate the potential for faulting in near surface soils above this anomalous elevation drop.

Based on soil-stratigraphic age estimates, the consultants concluded the youngest sediments exposed in FT-5 (Unit 1) range from approximately 30,000 to 60,000 years old. The oldest unit (Unit 6) was estimated at 143,000 to 335,000 years old. Thus it appears this portion of the campus is underlain by late Pleistocene sediments, similar to some other areas explored onsite. The consultants also collected samples for optically stimulated luminescence (OSL) dating. The results of this testing and analysis indicate the youngest sediments in FT-5 (Unit 1) are approximately 59,000 years old, which is in general agreement with the soil-stratigraphic estimates and corresponding late Pleistocene age for this sedimentary package.

Based on geologic observations and logging of FT-5 it was determined the bedrock elevation change noted in the borings is due to faulting. Several faults were observed in the trench exposures between CB-26 and CB-23. These faults are related to the southern strand of the fault zone depicted on Profile C-C' (Plate 4 of Report 3). These faults were "expressed as an upwardly flowering and stepping zone of faults and fractures about 20 feet wide and having a cumulative ± 3 feet of north side down displacement, and some undetermined lateral offset." Attitudes on the faults ranged from N35°E to N43°E with dips between 65° to 75° north. Based on their detailed logging the consultants interpret at least two, and possibly three, distinct rupture events recorded in the trench exposures. The most recently active strand in the fault zone extends up from the bottom of the trench and appears to offset the base of Unit 2, although much of Unit 2 and presumably Unit 1 was previously removed due to erosion and/or grading making it difficult to determine how high the original rupture extended. The consultants state within Unit 2, the fault is expressed not as a distinct plane or aligned zone of fractures, but as "a series of discontinuous gleyed cracks...that all contain a dense matrix with no orientation of fabric or

sheared grains." Additionally, the consultants note the fault "loses expression within [Unit 2] interpreted as a lack of renewal of displacements and progressive destruction of the old fault fabric by weathering and time." Consequently, they conclude the most recent event "occurred when Unit 2 was the ground surface but before the development of the strong B_t that caps it, because the fault traces are only readily visible within the C horizon [Unit 3] beneath the B_t ."

No clear fault plane was observed in the trench exposures above the northerly fault strand (i.e. between CB-23 and CB-24). The consultants note this area was characterized by numerous fractures within Units 2 and 3 with inconsistent attitudes. According to the consultants, these fractures did not offset Unit 1, which is dated between 30,000 and 60,000 years old and therefore these features, should they be considered faults, "are not active per the State's current definition." Correlations of units 1 and 2 to CB-13 to the north provide no indication of faulting beyond the trench.

The consultants provide a new soil microfabric analysis (Appendix D of Report 3), which consisted of collecting nine samples from the two distinct faults exposed in FT-5 and examining the material between the fault planes with a petrographic microscope. The consultants state the faults and fractures between stations 0+37 and 0+55, which are part of the southern fault strand, are lined with laminated clay, up to 0.3mm thick. This clay also lines the voids between sand grains and completely plugs tubular pores. The laminated nature of the clay suggests this material was deposited as water migrated down the fault plane and therefore, the consultants state it indicates the fault has not moved in any direction since clay deposition, otherwise the laminations would not be present and the clay would show evidence of shearing, which they note it does not. The consultants conclude these moderately thick to thick clay films take "tens of thousands of years to form" and therefore, the faults are not active by current State standards.

These conclusions appear reasonable based on the data provided in the referenced reports. No additional information is necessary.

Trenches FT-3 and FT-4 (southern transect)

No additional information was requested with respect to trench FT-3, but CGS previously noted several clay-filled fractures with apparent vertical offset were observed between stations 0+58 and 0+68 in FT-4. The consultants note while these features did offset gravel beds within Unit 6, they did not offset the contact with the unit below Unit 6. Since these fractures have apparent east-side up displacement and are found near a pre-existing slopeface, the consultants postulate they formed as a result of dilation and downslope movement associated with strong seismic shaking, similar to their model for those fractures near the pre-existing slope in FT-2. Based on lithologic characteristics and similarities to other dated soils at the site, the consultants infer Unit 4, which overlies Unit 6, is on the order of 100,000 years old. Thus they conclude the fractures observed in FT-4 are not active faults. This conclusion appears reasonable based on the data provided in the reports.

General

Various offset layers observed in the fault trenches appeared to have thickness variations on either side of the fault/fracture. CGS commented this may be indicative of lateral offset and

therefore, requested the consultants provide additional data to address the potential for strike-slip faulting at the site. The consultants calculated the strike and dip of the Qsp₁/Qsp₂ contact as approximately N71°W with a dip of 2° northeast. They note the alluvial marker beds above the bedrock show similar dips to the east-northeast and the postulated faults in the MTA study and those measured in FT-3 all trend obliquely to this general strike, which would result in vertical separation of strata if strike-slip faulting occurred. The consultants reviewed the core log data and conclude it is consistent enough they are able "to correlate strata across the site with vertical resolution to within a foot or two, and at this scale, there is no geological evidence from which to interpret a fault." No additional information is requested.

With regard to the observations in FT-2 specifically, the consultants state the noted thickness variations across the trench could reasonably be related to fluvial sedimentary features (i.e. bar deposits, incised channel geomorphology, migrating channel deposits, etc.), which by nature are laterally variable in thickness and continuity. To explain the noted thickness variations across the faults/fractures in FT-2 they suggest these fractures formed as the result of downslope movement possibly associated with strong seismic shaking. They note fractures related to this type of slope extension are rarely perfectly parallel to the slope and typically form arcuate fractures on the slopeface. They posit the lateral slip observed in FT-2 is reasonably explained by this arcuate morphology. In light of other evidence of slope movement, this conclusion appears reasonable and no additional information is needed.

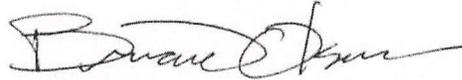
CGS also commented that the fault investigation by the consultants focused on the central and northern portions of the school property only and further studies should be performed, which include the southern portion of the school if the purpose of the investigation is to address the fault hazard potential for the entire campus. On Plate 1 of Report 3, the consultants provide a line that delineates the area covered by this investigation, which excludes the athletic fields to the south and limits the focus of the fault study to the classroom buildings in the northern portion of the campus. No additional information is requested.

Conclusion

The consultants performed a thorough fault investigation program at the subject site and it appears evidence for active faulting related to the West Beverly Hills Lineament or the Santa Monica Fault Zone was not encountered within the limits of this investigation as shown in Report 3. CGS has reviewed the interpretations and much of the original data provided by the consultants and finds that their conclusions are consistent with the available data.

In conclusion, *the fault rupture hazard issues in the area covered by this investigation are adequately addressed in the referenced reports prepared by the consultants*, and no additional information is requested at this time. If you have any questions about this review letter, please telephone the reviewer at (213) 239-0876.

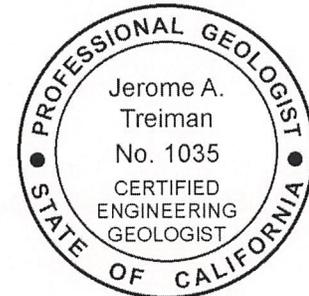
Respectfully submitted,



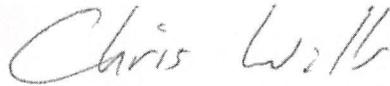
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David Sakaguchi, *Architect in General Responsible Charge*
DLR Group WWCOT, 3130 Wilshire Blvd., 6th Floor, Santa Monica, CA 90403

Measure E Cost and Scope Targets

Approximately \$303 million in Measure E funds remain for school renovation and upgrades. The Board has made general budget allocations per school as listed below. These budget allocations are insufficient to completely modernize or replace all buildings on all campuses. Ongoing cost escalation and continued building deterioration will erode the purchasing power of the remaining balance.

Measure E language and prudence give first priority to building improvements in fire, life, safety and seismic systems. The greatest District-wide safety issue relates to its 1930's era structures that have an inherent seismic risk of major building failure during a severe earthquake. This issue is present at El Rodeo C and D, Hawthorne A, Horace Mann A, and BHHS B and E buildings. Although these structures have withstood numerous small earthquakes with little damage for many decades, they have yet to face a serious seismic event. Several major fault systems in the area that have a high probability of eruption in the coming decades with energy magnitudes greater than the buildings have experienced. Staff will focus on best engineering practice to address weaknesses at the best cost with an acceptable risk level. Acceptable risk level is presumed to be preservation of life while accepting substantial building damage. For example, instead of reattaching entire masonry facades, the focus may be to only protect exit pathways.

The scope of work for each site is described briefly below:

- Horace Mann - continue with plans to construct a new classroom building, including underground parking, plus renovation of main building A, followed by demolition and removal of 1960's era structures. The renovation of the existing auditorium has just been completed.
- Beverly Vista – drop plans for building expansion or remodeling and limit work to safety-related issues and major building defects.
- El Rodeo – current campus has enough space for the student population and the older buildings are popular with the community; drop plans for building expansion or new additions; focus on auditorium ceiling and classroom area seismic upgrades, relocation of administration space to front of campus, selected area renovations (food service, multipurpose), and sitewide safety, electrical and plumbing upgrades.
- Hawthorne – current campus has enough space for the student population and older buildings are popular with the community; drop plans for wholesale building replacement or major renovation of 1970's era additions; focus on auditorium and Building A seismic upgrades, and sitewide safety and electrical system upgrades.

- BHHS – the biggest design challenge at BHHS was to determine the best mixture of renovation/replacement across the campus and how to accommodate changing instruction requirements. The spine portion of Building B, Building A, Peters Auditorium, the Salter Wing, Science and Technology and the Swim/Gym will be renovated and preserved; a new gymnasium is added with parking underneath and the old gymnasium demolished, allowing for expansion of the field to bring it up to CIF standards.

The budget allocations are driven by the relative importance of the high school compared to the other schools. The budget presumes retention and renovation of older buildings at the high school and acceptance of certain site compromises.

Horace Mann - \$62 million

Beverly Vista - \$4 million

El Rodeo - \$25 million

Hawthorne - \$25 million

BHHS - \$170 million

Contingency - \$17 million

Total - \$303 million

Here is the projected **construction schedule**:

Horace Mann Auditorium Completed

Horace Mann Building B Begin new construction Feb 2014

Horace Mann Building A Begin modernization Feb 2016

Hawthorne Building A Begin modernization Summer 2016

Beverly Vista Correct minor defects Summer 2013

Beverly Vista Correct major defects Summer 2015

El Rodeo Replacement projects Summer 2013

El Rodeo Begin modernization Summer 2015

BHHS Begin new Building E Summer 2015

BHHS Begin Swim/Gym modernization 2015

BHHS Begin Building B modernization 2017

BHHS Begin Building A modernization 2016

BHHS Athletic fields/pool Summer 2017

All construction completed Dec 2018

Beverly Vista School – Scope of Work

Beverly Vista is the newest of all District schools. General renovation is not necessary. During project reviews with the school community several expansion projects were proposed and considered. However, additional space is not needed as badly as at other schools. There are several design defects and systems failures that require correction.

Staff recommends that the following projects be done under Measure E:

- Install shade structure on the playground. (Project already authorized by the Board.)
- Correct site and roof drainage that is causing flooding and water damage at the intersection of the two buildings. (Project already authorized by the Board.)
- Correct leaking seismic joint at roof of multi-purpose room to reduce room flooding water intrusion and damage to building interior. (Project already authorized by the Board.)
- Replace failing chilled water pumps and leaking valves. (Project already authorized by the Board.)
- Repaint exposed metal – The metal roof flashing on the parapets and at all roof and wall openings and exposed structural steel elements were improperly painted. That paint coating is faded and is bleeding off the metal and onto adjacent stucco and concrete. If not repaired, the bleeding will continue and expand ruining the stucco and the unprotected metal will soon corrode allow water intrusion and require replacement. Replacement will be substantially more expensive than repainting now. Staff recommends that all exposed metal be fully stripped, prepped and repainted with an appropriate coating system. Staff is not recommending that the discolored stucco be repainted at this time: let's see how much dissipates on its own. Rough estimate of cost: \$500,000.
- Add gates at trash yard – The trash yard is a point of vulnerability. The trash yard gate is frequently open for deliveries. The gate/fence is low and relatively easy to climb. Once passed it gives access to the interior campus. Staff recommends adding gates on the interior side that will isolate the trash yard from the balance of the interior. Tough estimate of cost: \$5,000.
- Add guardrail at Central Sunken Courtyard – There is no barrier between the depressed courtyard concrete benches and surrounding sidewalk. This creates a serious fall hazard for pedestrians that are unwary or who mistake the benches for stairs. The recommendation is to add handrail that matches the adjacent stair railing around the exterior of the courtyard. This will have the collateral benefit of making the courtyard more defined and usable. Rough order of cost: \$20,000.

- Add noise depression at Central Sunken Courtyard – The courtyard is very noisy. It is used extensively on rainy days and would be used more often at other times if it were not as noisy. The recommendation is to add tackable sound panels on flat wall surfaces in the area. These panels will reduce echo and overall noise plus provide a display surface for student work. In addition, it is recommended that the local PTA sponsor seat cushions with the school logo to make the concrete benches more comfortable and further suppress sound. Rough order of cost: \$15,000.

- Fencing on bridge to nowhere – A temporary chain link fence has been installed at the aborted connector bridge between the two buildings. The recommendation is to install permanent fencing at the end of the bridge that matches surrounding fencing. Rough order of cost: \$2,000

Staff recommends that the following projects be dropped from further consideration:

- Relocation of library from second to first floor – The rationale for this change was to meet a new State requirement that libraries serving younger children be on the first floor or have a separate stairwell dedicated to smaller children. The new building was constructed before this code went into effect. The existing school is “grandfathered in” and not required to make changes to meet the code. Since the library seems to be working just fine where it is and small children are having no issues reaching the library, relocation of the library or adding a new stairwell is not warranted.

- Conversion of multi-purpose room to full gymnasium – The rationale for this change was to provide an inclement weather activities area. However, the other k-8 schools have multi-purpose rooms and no gymnasiums. There are no plans to add gymnasiums to the other schools. Given the small number of inclement weather days and ample playground space on campus, this conversion is not warranted.

- Rearrangement of main entrance – The existing entrance layout is somewhat convoluted. The main gate is only used during drop-off and pick-up hours when it is staffed. During other hours, access is through a side gate that leads directly to the administrative area. This is somewhat confusing and inefficient. A new enclosed reception area at the main gate was proposed. However, the existing layout is workable and is considerably better than at Hawthorne or El Rodeo; this change is not warranted.

- Fencing and security changes to control skateboarders – Skating the central court has become an internet sensation among visiting skateboarders who sneak over the fence and then post videos on You Tube. Adding wrought iron fencing at the main entrance and side entrance was requested to block entry. Unfortunately, the adjacent playground fencing is only slightly less accessible to determined trespassers. Adding these fencing changes would have no practical benefit. Instead, staff is working with the Beverly Hills Police Department begin issuing tickets to trespassers instead of their prior practice of repeated warnings.

- Reset toilet fixtures to meet current ADA requirements - Current ADA requirements require a different spacing between toilets and partitions/walls than was allowed when the building was completed. Although the size of the adjustments would be small, the collateral implications of

cost and complexity are very large. The existing spacing is “grandfathered in” under the State code. The total adjustment is minor, less than an inch per fixture. Given the very minor benefit proportionate to cost, this change is not warranted.

Revised Scope Cost –

Prior budget estimates for the full list of items requested for Beverly Vista were over \$12 million. The list of recommended items (including above items already authorized by the Board) will be less than \$4 million.

El Rodeo School Modernization

The design approach for El Rodeo School differs from previous execution plans for El Rodeo in that there is no new structure planned for the campus, either in the long or short term. Instead, the effort will be directed toward improving existing spaces.

The greatest safety hazard at the site remains the seismic vulnerability at the auditorium ceiling and multi-story classroom buildings. These issues will be addressed with minimal associated rework or renovation of the surrounding structure.

Major renovation of spaces will be limited to the following areas:

- a. The administration area will be relocated to the first floor of Building E. This will consolidate all administrative functions on one central location that is closer to the main entrance and give administrators sight lines that cover the front (street-side) half of the campus.
- b. The existing multi-purpose physical education space will be consolidated into a single room with that is more spacious, better ventilated and that adds ambient exterior lighting (from the west side).
- c. The existing dining room and adjacent smaller room spaces will be consolidated into a single room that allows cross ventilation, ambient lighting from both sides, higher ceilings, direct access to outdoor dining in the courtyard area and true multi-purpose functionality to the space. Code compliant bathrooms will be located adjacent to the space.
- d. Bathrooms will be brought up to code, except the two existing tiny bathrooms at the entrance, which will be converted to storage space.

Systems renovation (already begun under the summer surge program) will continue. Major electrical and technology work remains. Staff also recommends replacing fire sprinkler coverage with a system that fully covers the building (District-wide policy recommendation).

Auditorium renovation will be limited to minimal scope based on reinforcement of existing ceiling system in place (see: District-wide auditorium renovation policy).

Food preparation area of the building will not be upgraded. Existing food preparation equipment will be deactivated and limited to minimal prep, re-heat, chilled food transfer, service, and cleaning (see: District-wide food service policy).

Security upgrades include gate and fencing modifications to staff parking and the visitors' entrance including adding a security kiosk at the main entrance.

1 SAFETY & SECURITY (MANDATORY ADA UPGRADES, FIRE-LIFE SAFETY, SEISMIC UPGRADES)

- Site Access & Security Improvements
- Accessibility Enhancements (Ramps, Walkways, Doors, Restrooms)
- Fire/ Life Safety System Improvements (Fire Alarm Upgrade, Fire Sprinkler System, etc.)
- Building Structural / Seismic Upgrades (Level II) and Finish Restoration (Walls/ Floors)

2 INFRASTRUCTURE (MECHANICAL, PLUMBING, ELECTRICAL, SITE)

- Mechanical System Repairs/ Upgrades
- Plumbing System Repairs / Upgrades
- Electrical System Repairs / Upgrades
- Site Utility Infrastructure Improvements

3 TECHNOLOGY

- Technology Enhancements (Campus-Wide Wireless System)

4 PROGRAM (ITEMS THAT AFFECT THE WAY WE TEACH)

- 4A - Administration Area Relocation
- 4B - Food Service And Dining Modifications
- 4C - Physical Education Spatial Improvements
- 4D - Instrumental Music Program Upgrades
- 4E - Auditorium Spatial / System Upgrades
- 4F - Eliminate Relocatable Classrooms

5 ENERGY EFFICIENCY

- Building Envelope / Windows / Insulation Upgrades

6 AESTHETIC (PAINT, FINISHES, ETC.)

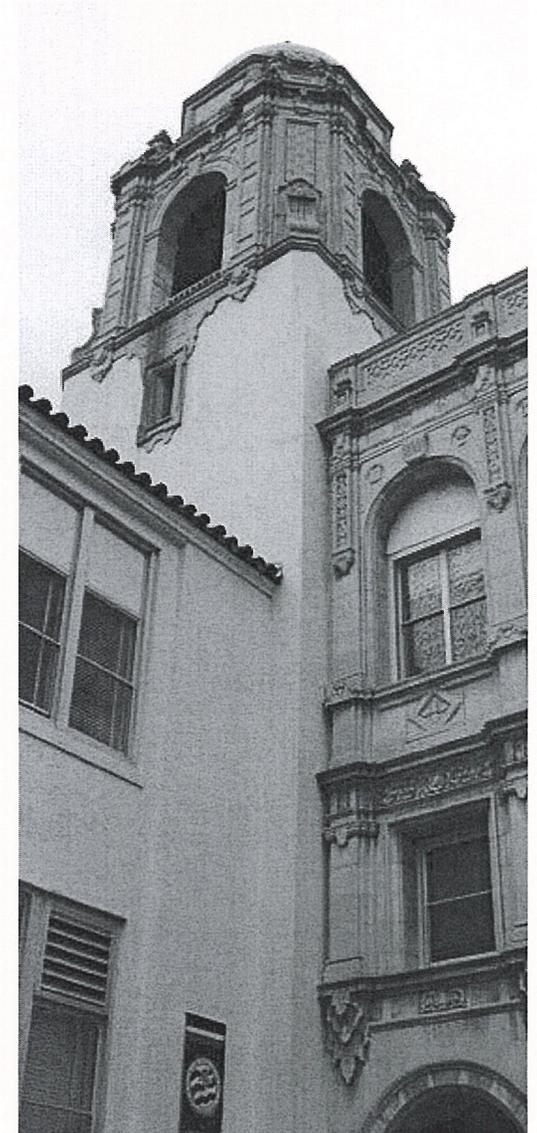
- Exterior Building Painting
- Interior Building Painting
- Interior Finish Ceiling Enhancements / Replacements

7 INTERIM HOUSING

- Sitework and Utilities

8 MATERIAL ABATEMENT

- Limited Removal and/or Encapsulation of Materials



VERTICAL SHEAR TRANSFER ELEMENT

MAY NEED TO REMOVE PORTION OF ROOF TO FACILITATE ROOF / WALL ANCHORAGE

RE-ANCHOR STONE PANELS

1 STRUCTURAL UPGRADE SCOPES

Building A - Auditorium

- Replace or retrofit existing plastered ceiling
- Install new steel diaphragm chords at roof along east & west sides
- Remove & re-install existing stone work anchored to current code requirements or replace in kind with new material to match
- Re-anchor existing MEP equipment 400 lbs. & larger

Building B - Kindergarten / First Grades

- Install or strengthen wall ties to roof diaphragm
- Replace diagonal sheathing with plywood at roof
- Retrofit south canopy framing including support columns
- Remove & re-install existing stone work anchored to current code requirements or replace in kind with new material to match
- Re-anchor existing MEP equipment 400 lbs. & larger

Building C - Cafeteria / Middle Grades

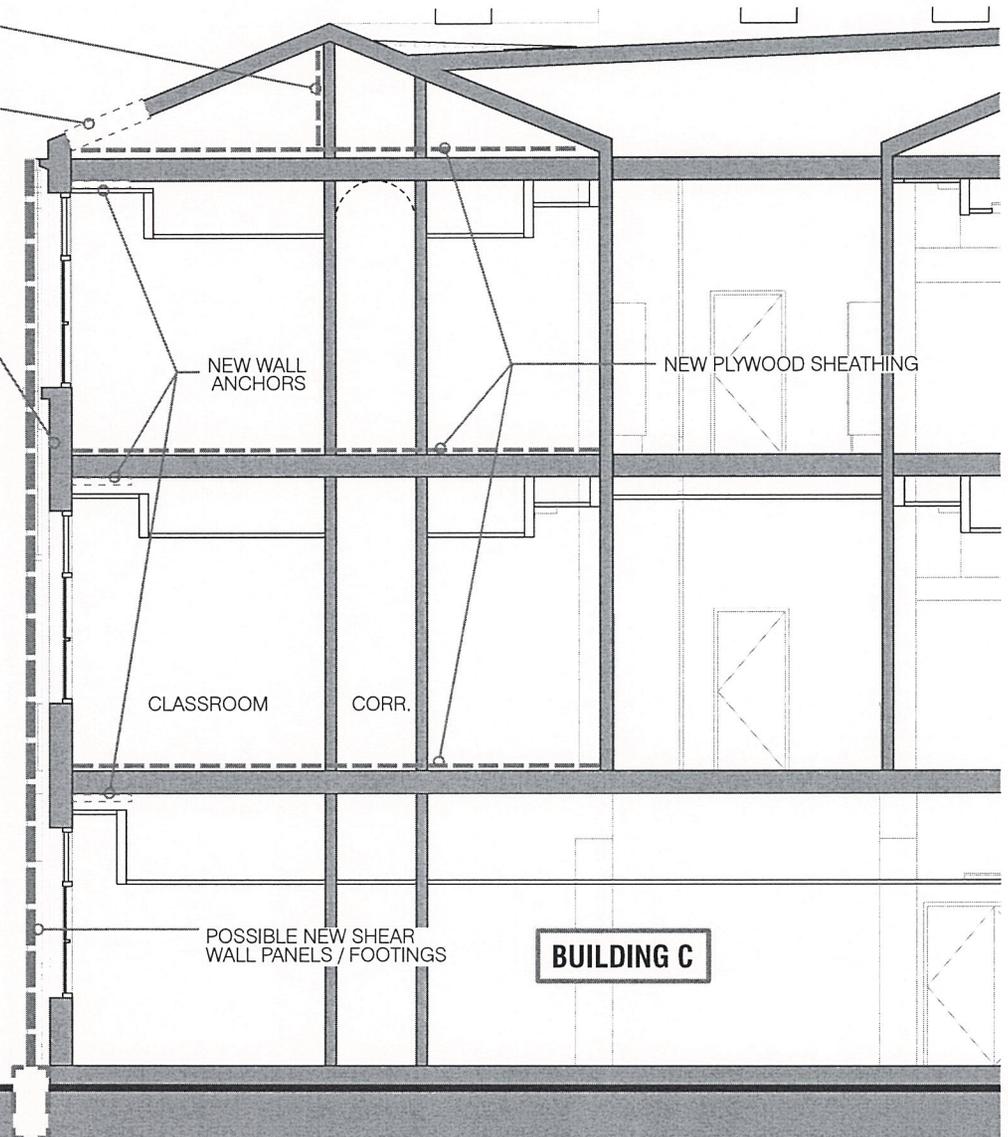
- Strengthen or add limited shear walls where needed
- Reinforce concrete walls for out of plane loads
- Install or strengthen wall ties to roof & floor diaphragms
- Replace diagonal sheathing with plywood at roof & floors
- Remove & re-install existing stone work anchored to current code requirements or replace in kind with new material to match
- Re-anchor existing MEP equipment 400 lbs. & larger

Building D - Physical Education / Art / Upper Grades

- Strengthen or add plywood shear walls for current code forces
- Install or strengthen wall ties to roof & floor diaphragms
- Strengthen plywood diaphragms & drag struts at roof & floors at isolated locations
- Re-anchor existing MEP equipment 400 lbs. & larger

Building E - Library / Specialized Labs / Electives

- Retrofit not required for structural frame
- Re-anchor existing MEP equipment 400 lbs. & larger



*** CIVIL / SITE**

- Replace the entirety or segments or components of the sewer, storm water, and water piping systems to upgrade from old deteriorating pipes to new pipes with extended useful life

*** MECHANICAL**

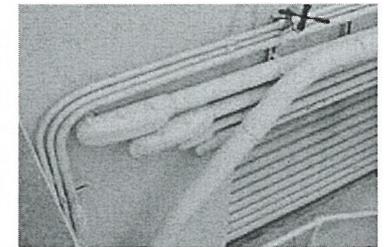
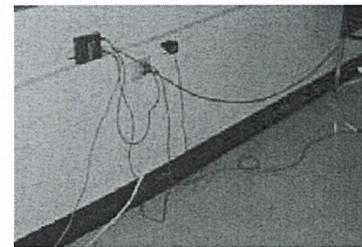
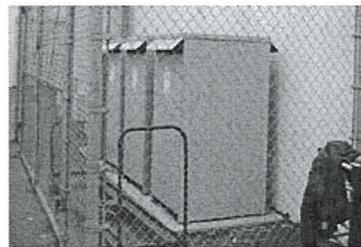
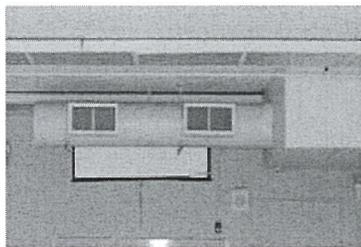
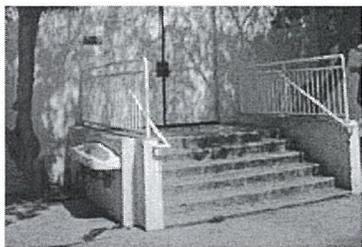
- Modernize the HVAC and central plant systems
- Improve space comfort and air quality throughout the buildings
- Improve HVAC and central plant systems energy efficiency
- Increase the ease of trouble-shooting and operation and maintenance
- Enhance and extend EMS coverage and capabilities

*** ELECTRICAL**

- Modernize electrical equipment and systems
- Provide proper lighting levels for interior spaces, exterior areas, and path of egress
- Upgrade to energy efficiency lighting
- Develop consistent and widespread voice, data/ telecom, security, clock/bell/ PA, audio-visual, and other low voltage systems
- Implement automatic, fully addressable, DSA-compliant fire alarm systems

*** PLUMBING**

- Modernize plumbing fixtures and piping systems
- Achieve ADA compliance and modernization for plumbing
- Implement proper fire protection sprinkler systems



DISTRICT-WIDE INFORMATION TECHNOLOGY DESIGN STANDARDS

* BHUSD IT DEPARTMENT PARTNERSHIP WITH CITY OF BEVERLY HILLS

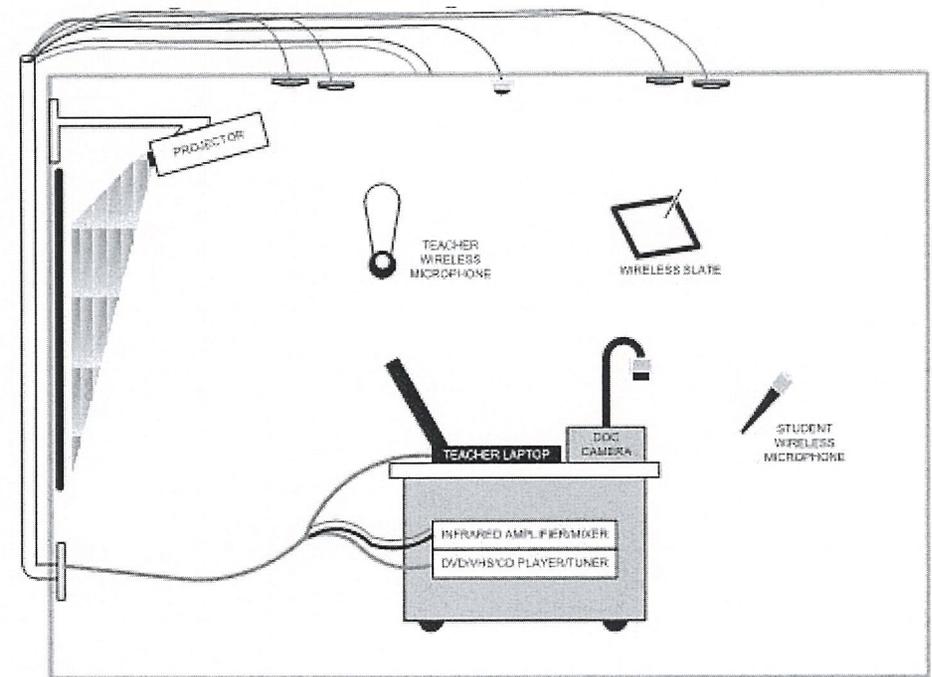
- Broadband connection to Internet
- Fiber optic connection between school sites / District Office and City

* BHUSD IT DEPARTMENT TECHNOLOGY DESIGN STANDARDS (DECEMBER 2011)

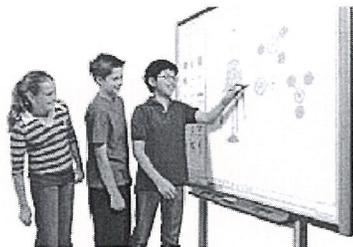
- Establish wireless Local Area Network (LAN) for entire campus
- Introduce Voice over Internet Protocol (VoIP) wired / wireless phones
- Retrofit all classrooms to become Technology Classrooms

TECHNOLOGY CLASSROOMS

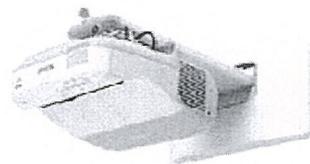
- Technology Classrooms shall provide the teacher with projection, voice amplification, and the ability to project computer, document camera, DVDs, VHS videos, CDs, as well as play music from the computer or the DVD / VHS / CD / tuner / player through the installed sound system.
- The Technology Classroom shall have the following devices installed:
 - Interactive White Board (IWB)
 - Wall-mounted short-throw projector
 - Integrated wiring for XGA (computer), composite (video), and speakers (4)
 - Wireless infrared, multi-channel mixer/ amplifier with infrared microphone(s)
 - Document camera
 - DVD/ VHS/ CD player/ tuner
 - Wireless "Slate" remote control device
 - A wheeled computer desk (primary) or integrated lectern (secondary)



Classroom Diagram



Interactive White Board



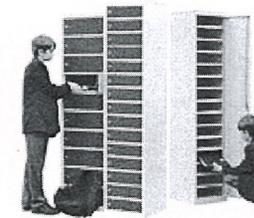
Wall Mounted Projector



Integrated Teacher Lectern



Computer Cart

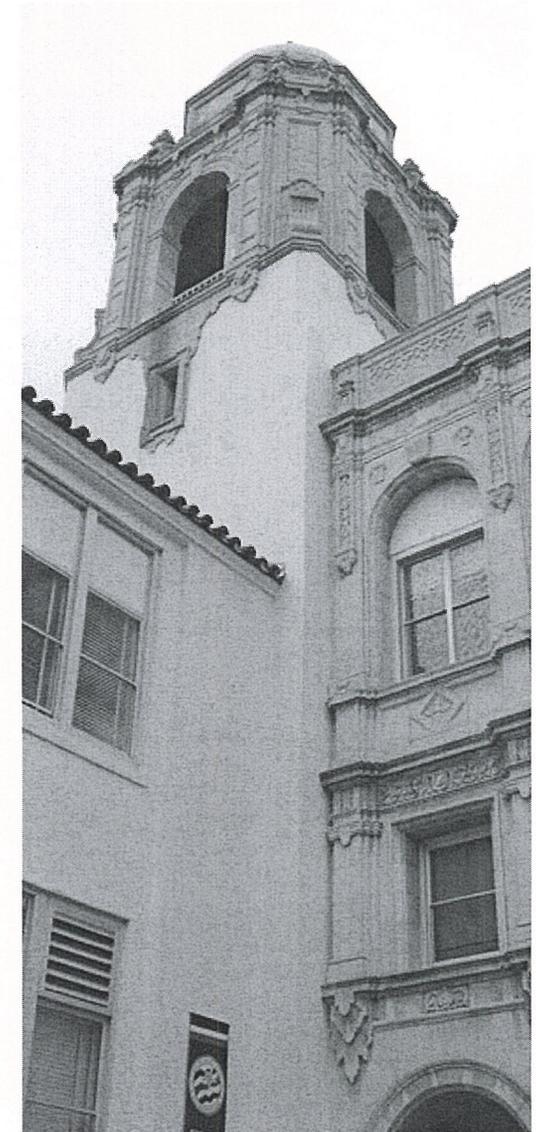


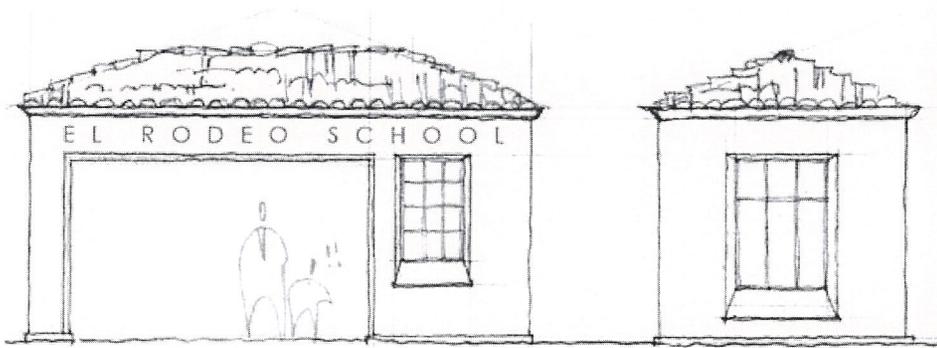
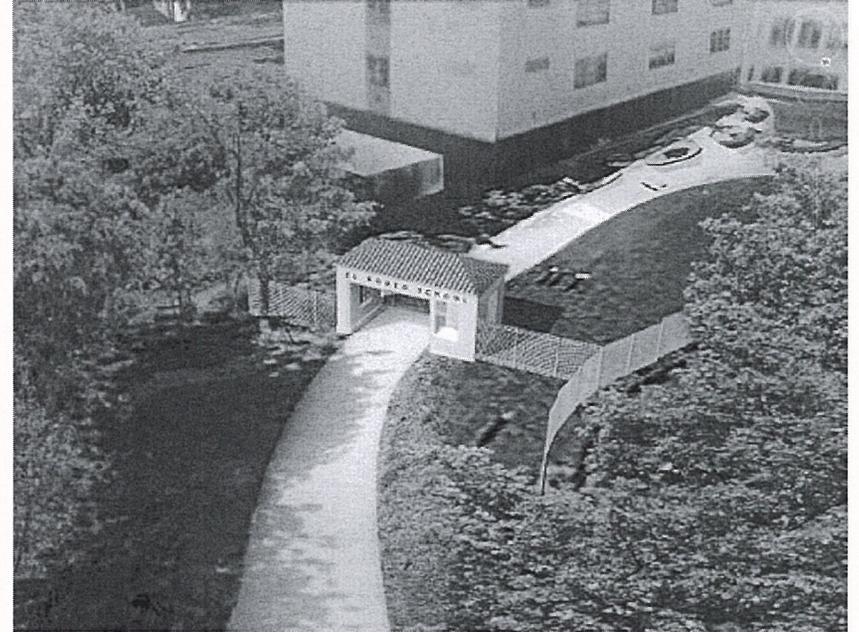
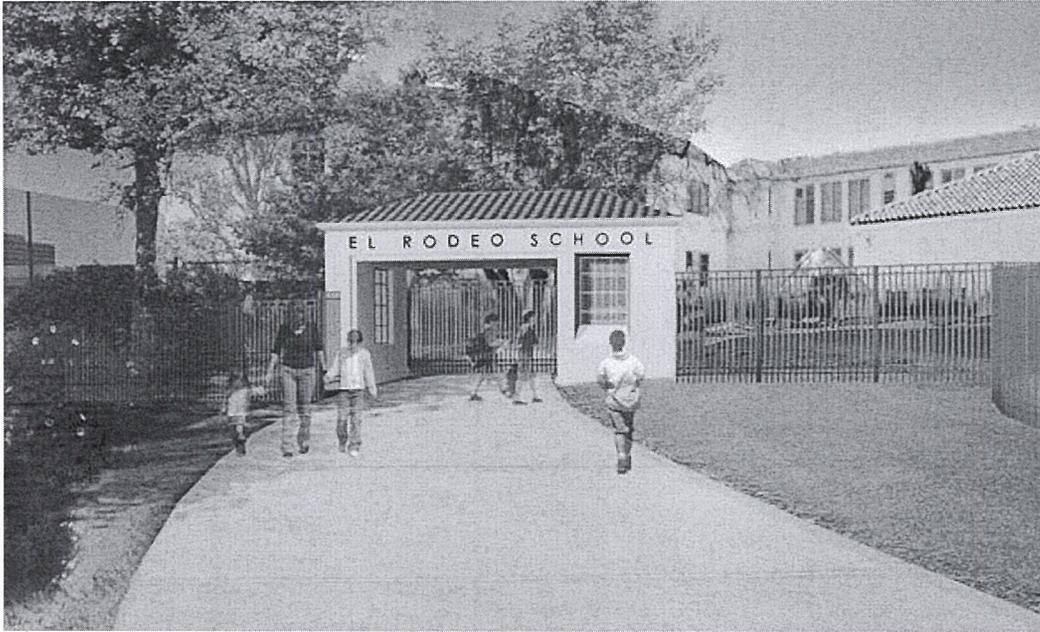
Laptop Storage Locker



Document Camera

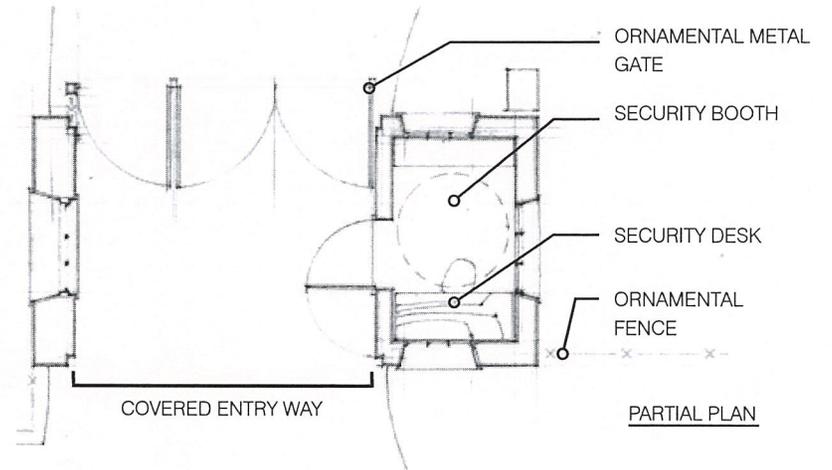
1	SAFETY & SECURITY (MANDATORY ADA UPGRADES, FIRE-LIFE SAFETY, SEISMIC UPGRADES)			
	• Site Access & Security Improvements		\$	93,000
	• Accessibility Enhancements (Ramps, Walkways, Doors, Restrooms)		\$	585,750
	• Fire/ Life Safety System Improvements (Fire Alarm Upgrade, Fire Sprinkler System, etc.)		\$	830,000
	• Building Structural / Seismic Upgrades (Level II) and Finish Restoration (Walls/ Floors)		\$	5,725,000
	Subtotal:	\$	7,233,750	(ROM)
2	INFRASTRUCTURE (MECHANICAL, PLUMBING, ELECTRICAL, SITE)			
	• Mechanical System Repairs/ Upgrades		\$	1,354,125
	• Plumbing System Repairs / Upgrades		\$	760,500
	• Electrical System Repairs / Upgrades		\$	3,863,030
	• Site Utility Infrastructure Improvements		\$	225,000
	Subtotal:	\$	6,202,655	(ROM)
3	TECHNOLOGY			
	• Technology Enhancements (Campus-Wide Wireless System)		Subtotal: \$	1,000,000 (ROM)
4	PROGRAM (ITEMS THAT AFFECT THE WAY WE TEACH)			
	• 4A - Administration Area Relocation	(4,850 s.f. x \$200 s.f.)	\$	960,000
	• 4B - Food Service And Dining Modifications	(6,800 s.f. x \$190 s.f.)	\$	1,292,000
	• 4C - Physical Education Spatial Improvements	(6,305 s.f. x \$225 s.f.)	\$	1,418,625
	• 4D - Instrumental Music Program Upgrades	(2,225 s.f. x \$225 s.f.)	\$	500,625
	• 4E - Auditorium Spatial / System Upgrades	(7,448 s.f. x \$210 s.f.)	\$	1,564,080
	• 4F - Eliminate Relocatable Classrooms		\$	25,000
		Subtotal:	\$	960,000 (ROM)
5	ENERGY EFFICIENCY			
	• Building Envelope / Windows / Insulation Upgrades		Subtotal: \$	525,000 (ROM)
6	AESTHETIC (PAINT, FINISHES, ETC.)			
	• Exterior Building Painting		\$	225,000
	• Interior Building Painting		\$	207,750
	• Interior Finish Ceiling Enhancements / Replacements		\$	196,800
		Subtotal:	\$	629,550 (ROM)
7	INTERIM HOUSING			
	• Sitework and Utilities (14 units x \$40,000 / unit)		Subtotal: \$	560,000 (ROM)
8	MATERIAL ABATEMENT			
	• Limited Removal and/or Encapsulation of Materials		Subtotal: \$	400,000 (ROM)
	Construction Subtotal	\$	16,356,405	(ROM)
	Construction Contingency (10%)	\$	1,635,640	
	Total Construction Cost	\$	17,992,045	
	Total Soft Costs (5% Project Contingency)	\$	7,250,000	
	TOTAL PROJECT COST	\$	25,242,045	





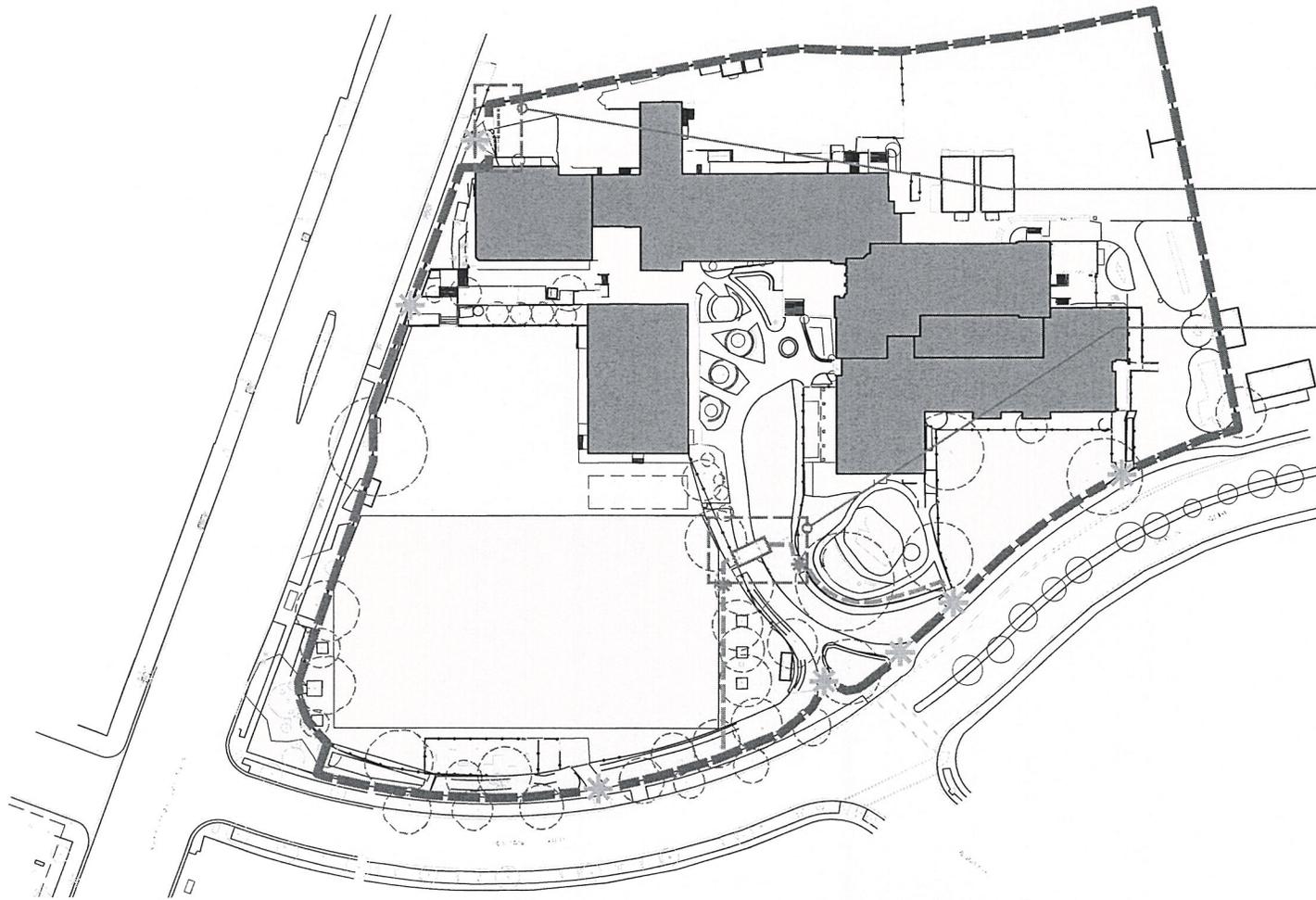
SOUTH ELEVATION

EAST ELEVATION



COVERED ENTRY WAY

PARTIAL PLAN



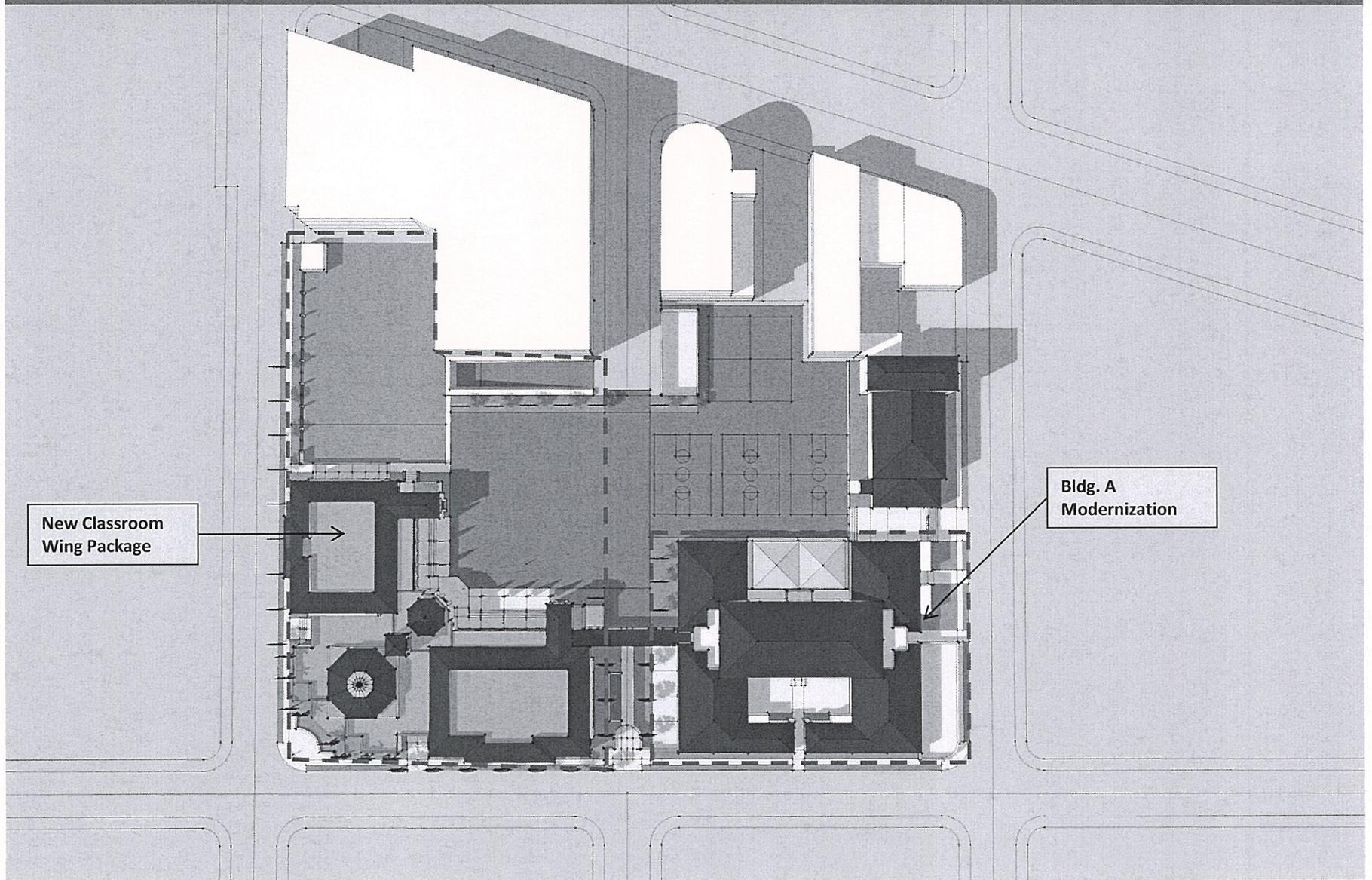
FACULTY PARKING LOT
FENCING UPGRADE

(N) ENTRY PORTAL

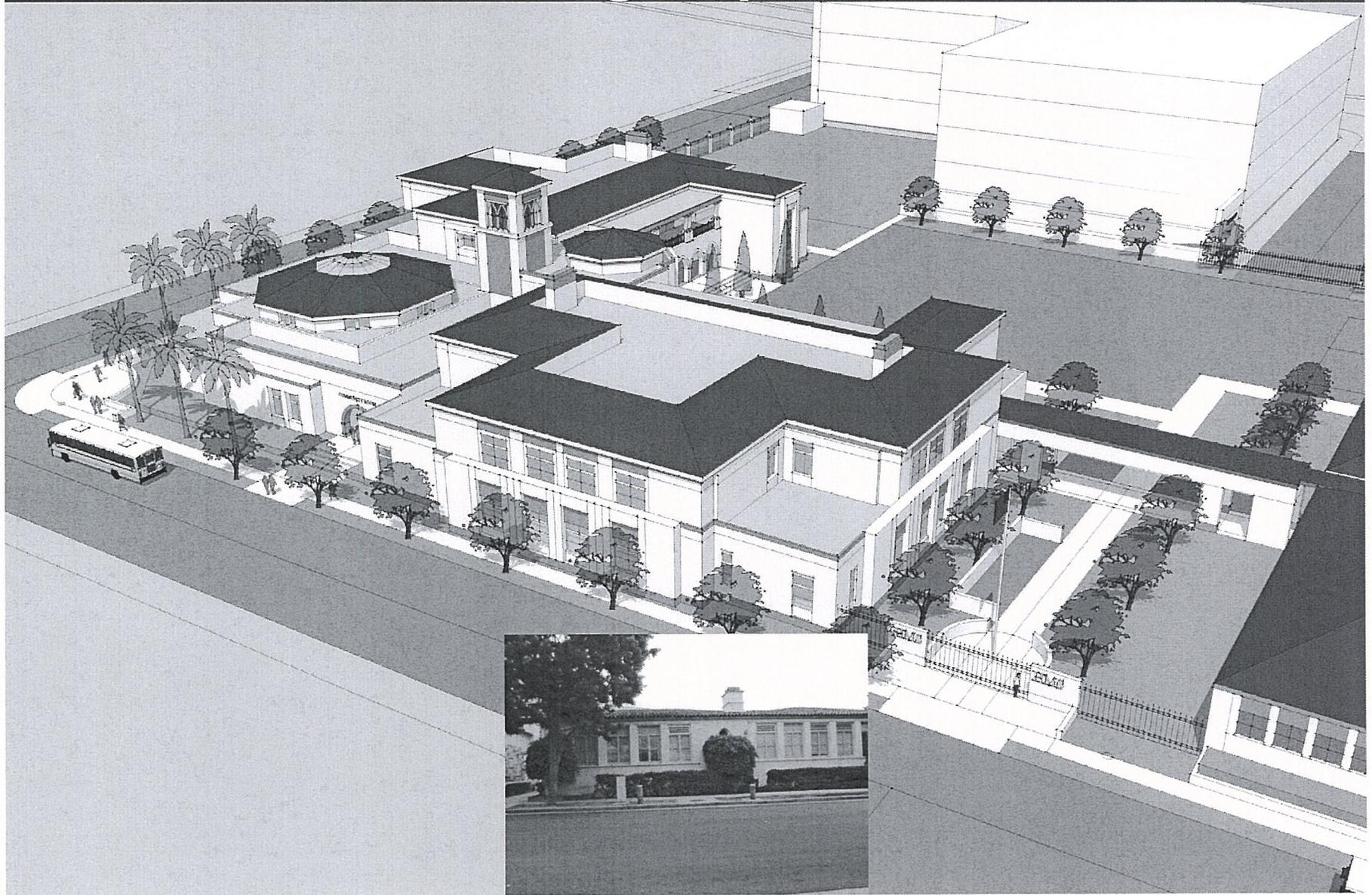
-  PRIMARY LINE OF EXISTING SECURITY FEATURE
-  SECONDARY LINE OF EXISTING SECURITY FEATURE
-  EXISTING GATES TO REMAIN
-  PROPOSED GATES



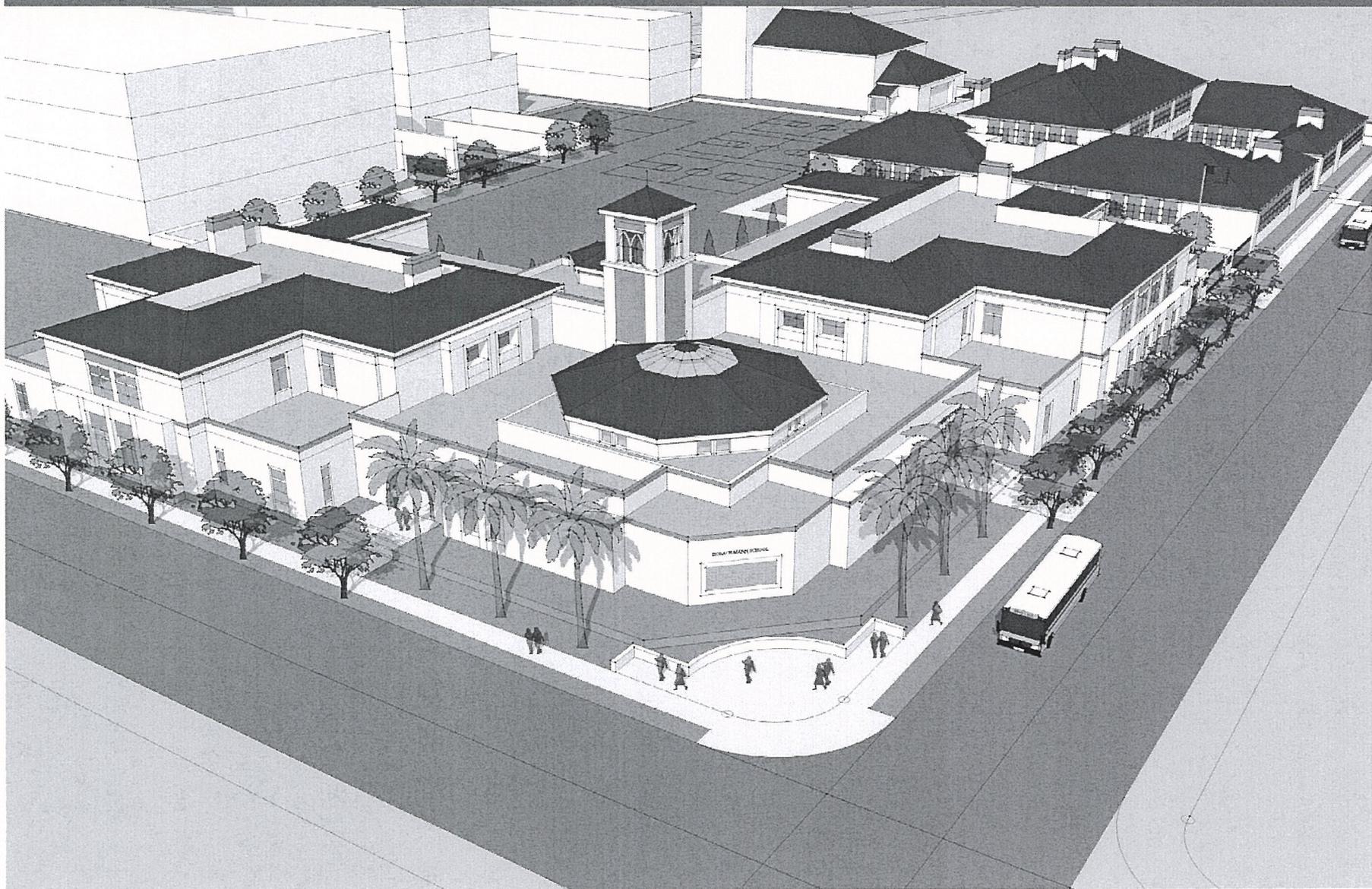
Horace Mann School Modernization / Addition



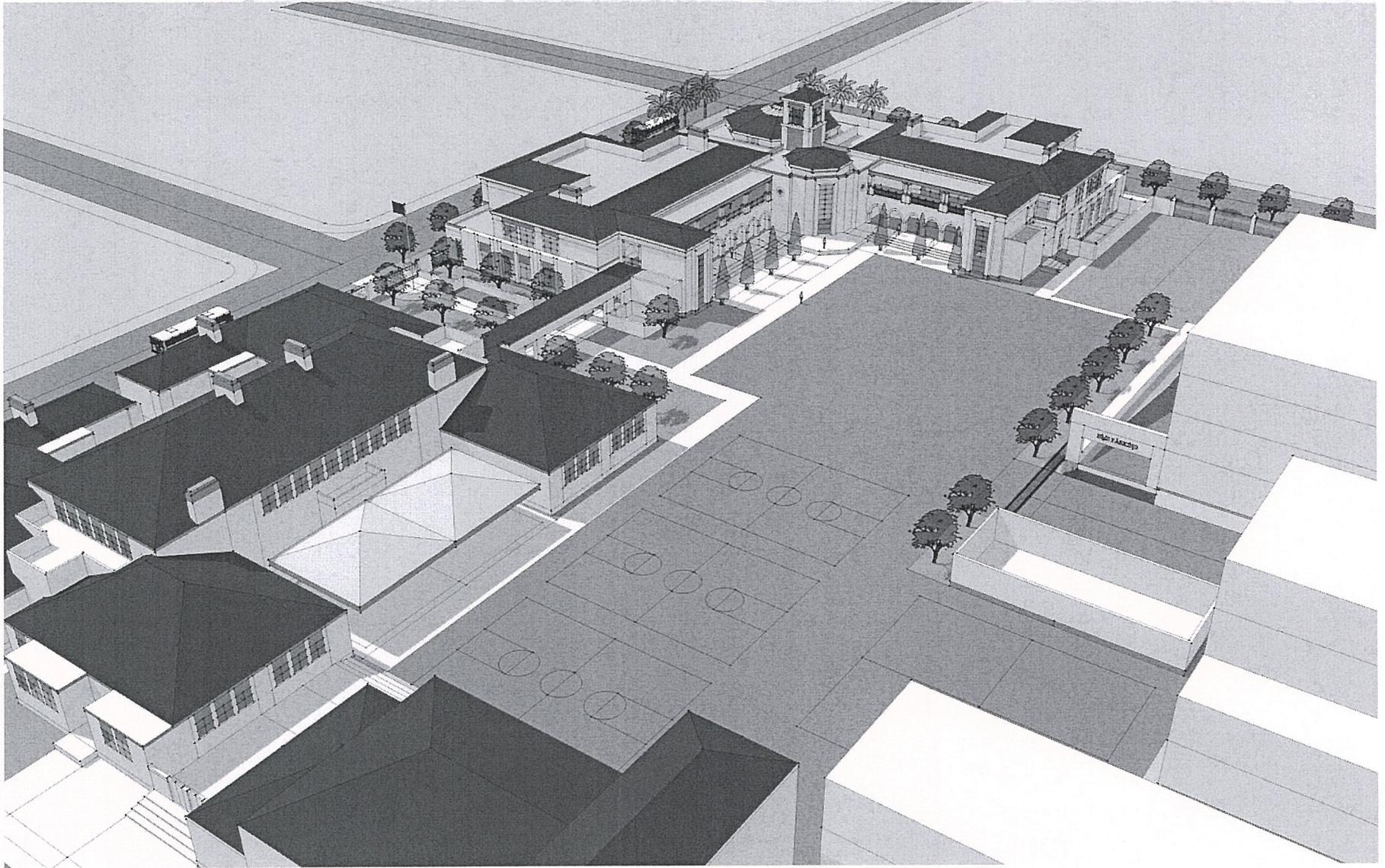
Horace Mann School Design Update



Horace Mann School Design Update



Horace Mann School Design Update



Design Narrative for Beverly Hills High School

The original Beverly Hills High School (BHHS) Building B has gracefully stood the test of time in all its classic beauty, waiting to be made whole by a modernization that honors its architectural and cultural heritage. Our guiding principles have been to create a cohesive, collegiate, future ready campus; evenly distributed parking; clear zoning; enhanced access to parking, service, and emergency vehicles; a pedestrian focused campus; and a safe campus. A pedestrian friendly, student focused campus should connect the various buildings and spaces, which in turn will define the site and enhance the students' high school experience.

The interior environments will be designed to support 21st Century Learning with flexible learning models. Food service and library functions will be re-defined and re-distributed to create student friendly, convenient use. The BHHS Master Plan will be implemented through a series of planned and coordinated phases designed to minimize campus disruption and maintain a positive student experience, minimize construction cost, and construct the campus renovation as efficiently as possible. The phasing goals are to minimize temporary housing and ensure that every graduating class can hold their graduation ceremonies on the front lawn. The fully implemented Master Plan includes the demolition of the south structure of Building B known as Domestic Science, Building H, and Building E through the various phases. All of the new and renovated buildings will be fitted with technology upgrades. The attributes of the BHHS Master Plan Concept include the following:

Renovation of Building B

Regarded as the most architecturally and culturally significant building on the campus, Building B, built in 1927, is an architectural resource. The Master Plan calls for a major renovation of Building B including a seismic upgrade and new mechanical, plumbing and electrical systems. The interiors will be gutted and redesigned to accommodate new common areas such as administrative offices, library, career center, peer counseling, and circulation spaces. Care will be taken to preserve the exterior façade and significant interior spaces.

Light Renovation of Salter Theater

The Salter Theater will undergo a light renovation including paint and carpet.

Light Renovation of Peters Auditorium

The renovation of the Peters Auditorium includes a seismic upgrade to the ceiling and improvements to public access of the lobby and balcony, as well as the creation of a box office and concession area.

Renovation of Building A

The largest building on the campus, Building A, built in 1968, will undergo a major renovation including the removal or reduction of the three bridges connecting to Building B. The building will be seismically upgraded and the mechanical, plumbing, electrical systems, and technology infrastructure will be replaced. All interior spaces will be renovated including new ceilings, lighting, and flooring, some areas of the plan will be reconfigured, and all educational spaces will be enhanced with new equipment and technology. The primary function of building A will be core academics with renovated classroom facilities and a light renovation of the performing arts areas. The 364 existing parking spaces on the lower levels will be preserved and re-used with vehicular access reworked to provide ingress and egress from the service road along the west side of the building. The sunken courtyard on the upper levels will be enhanced with a new skylight cover to provide an interior multi-use atrium. The exterior facades will be re-clad to better complement the colors, materials, and proportions of Building B.

Painting of Building L

As the newest building on the campus built in 2006, Building L has adequate classrooms and will remain a core academic facility housing the math and science departments. The plan includes the painting of the exterior to complement the warm colors of the existing architecturally significant buildings.

New P.E./Administration/Welcome Center Building

Making room for the new fitness facility, the Building B Domestic Science wing will be demolished and replaced by a new gym building including 4 indoor basketball courts, locker rooms, a fitness center, classrooms, and offices. A new welcome center will be located at the east side of the building to provide a new main entrance for the campus housing administrative services including the attendance office and the nurse's office. This new facility will be located on the site of the existing tennis courts south of the front lawn. On the west portion of the new building at the upper elevation of the site, a new kitchen and servery will provide a central dining experience with indoor and outdoor seating along

Norman Walk. Within Building B a new Dining Hall/Student Union will be created.

New Underground Parking Structure Under P.E. Building

Located below the new P.E. and Administration building, a 350-car one-level underground parking garage will be accessible from Moreno Drive. An additional vehicular access ramp may be considered near the Swim Gym. This structure will provide centrally located parking evenly distributed across the campus. Stairs and an elevator will be strategically located to provide vertical circulation from the lower level parking to the main pedestrian plaza level and the upper site level providing universal access from the east to the west portion of the site, which has an elevation differential of approximately 35 feet.

Renovation of Swim Gym

A culturally significant and iconic building, the Swim Gym is loved and respected by the community. The Swim Gym will undergo a renovation to bring the building up to current ADA/accessibility standards, and improve the ventilation system.

Regulation Sports Fields

The new sports fields will be regulation size to allow for CIF regulation competitions. The new sports fields include a Football/Soccer/Track and Field stadium with sports lighting, scoreboards, spectator bleachers, restrooms, and concessions in the new P.E. Building. The new baseball and softball Fields will also include sports lighting and spectator bleachers with restrooms and concessions nearby in the new P.E. Building.

New Pool

A new outdoor 25 meter 8-lane pool will be built on the new fitness plaza at the Moreno Street level. The pool will provide the school with a state-of-the-art swimming facility adjacent to the Swim Gym and new locker rooms.

New Tennis Courts

Six new tennis courts will be located on the upper level of the west side of the site as a terminus to the fitness zone axis from Moreno Drive. Primarily supporting the BHHS tennis team and P.E. program, the tennis courts will allow for CIF regulation competitions and also provide tennis facilities for the community.

Secure Campus Perimeter

In order to better secure the campus, the building edges and carefully planned fences will create a secure zone during school hours. A new main entrance located at the Administration/Welcome Center will require screening of guests before they gain access onto the campus.

New Drop-Off Zones

Three new vehicular drop-off zones will be located along Moreno Drive at the front lawn, new main entrance Welcome Center, and east of the new Football/Soccer/Track and Field stadium. The main entrance drop-off will also provide for limited short-term visitor parking. The new drop-off zones will be coordinated with the City of Beverly Hills traffic department and will incorporate two one-way lanes to allow for passing and minimize congestion.

New Campus-Wide Pedestrian Connections

A new pedestrian main entrance will be located at the east side of the campus along Moreno Drive near Lasky Drive. This entrance will be the start of a new east/west pedestrian access providing for a pleasant walk from one side of the campus to the other, while traversing the site's 35-foot slope up to the west. Highlighting the experience, grand steps adjacent to the new Baseball Field to the south and new P.E. Building to the north will not only provide vertical access but also an exciting student gathering space with great views towards the east. An elevator located adjacent to the grand steps will connect all of the levels together to provide universal access from the underground parking garage to the main plaza/street level to the upper campus level at Norman Walk. Norman Walk will provide a new pedestrian tree-lined walk from the south end of the campus to the north end. Limited to service and emergency vehicles only, this transformed walk will be designed to accommodate multiple uses for students and staff with a variety of hardscape and softscape opportunities.

New Vehicular/Service and Emergency Circulation

Vehicular circulation on the campus will be limited to the existing service road beginning at the intersection of Moreno Drive and Durant Avenue and continuing along the west portion of the site along Building A, around the south end of the Tennis Courts, and exiting along Heath Avenue south to Olympic Boulevard. This service drive will be a two-lane, two-way drive which will allow for the separation of administration, staff and student parking. The current street (Heath

Avenue) between Buildings A and B will be vacated and a pedestrian only tree-lined and landscaped walkway will be known as Norman Walk. Norman Walk will be accessible to service and emergency vehicles only.

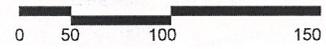
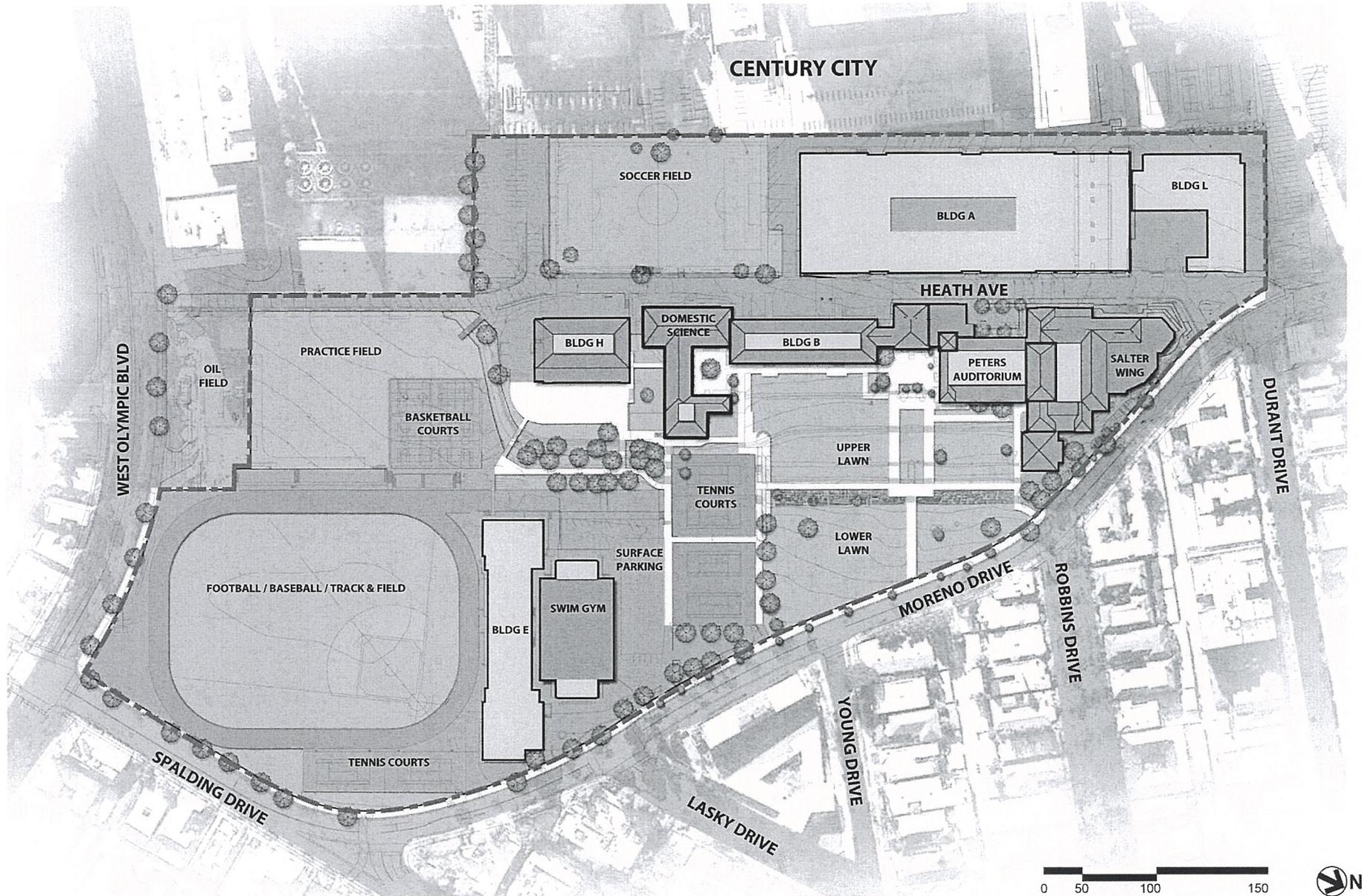
Site and Infrastructure

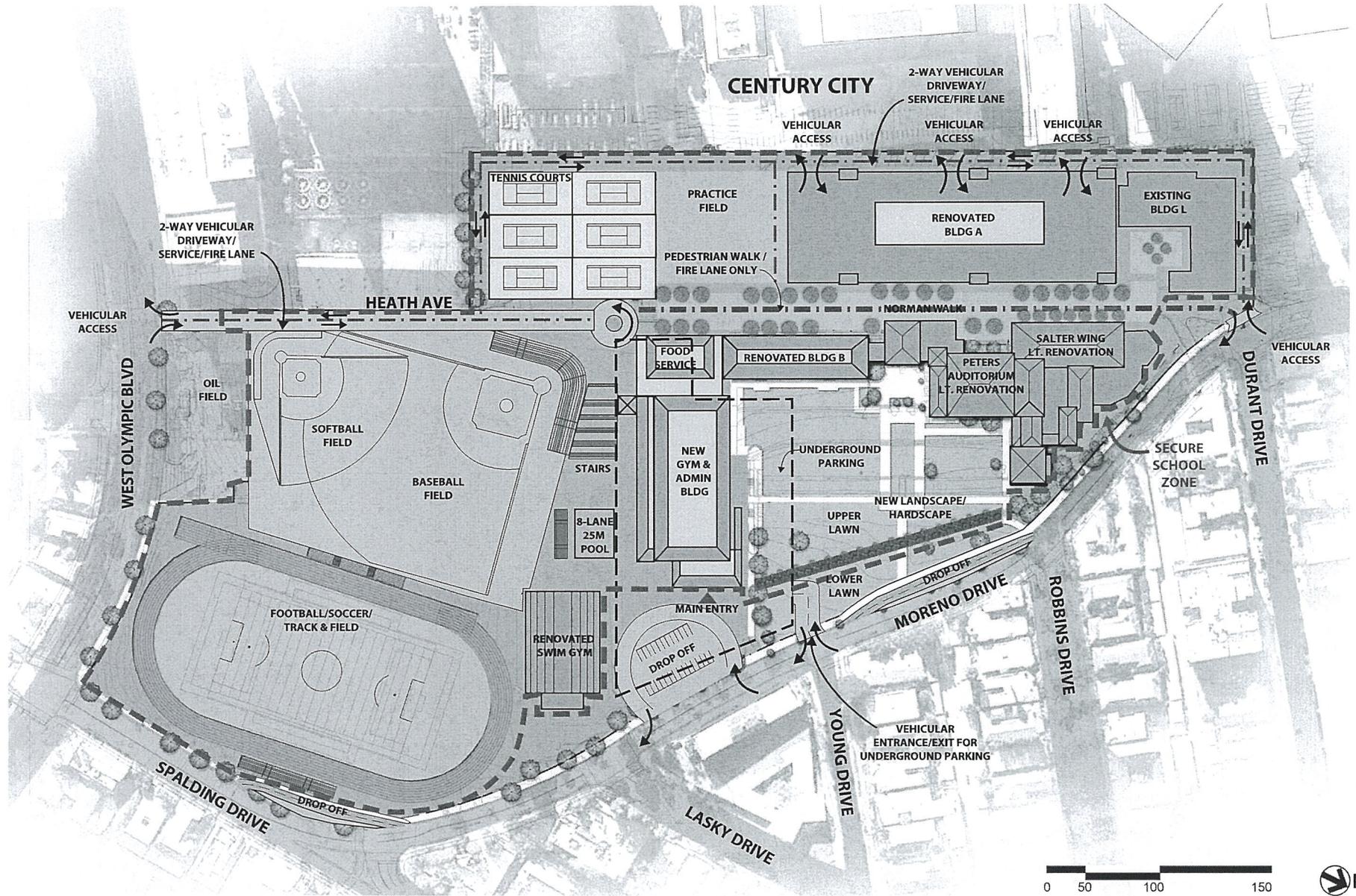
The Master Plan Concept provides for all new landscape and hardscape on the campus including: the front lawn, Norman Walk, Building L courtyard, the new entry plaza and steps in the P.E. zone, and along the street edge at Moreno Drive. Hardscape concepts include a variety of paving designs, outdoor seating arrangements, and softscape elements such as lawn, grasses, shrubs, and trees. Care will be taken to provide for a low maintenance, sustainable landscape palette of materials. The goal is to provide the students, teachers, and staff with a variety of exterior experiences that support the enjoyment of the outdoors. The new front lawn configuration will provide a more usable upper lawn with a secure separation from the lower lawn that will remain accessible to the community.

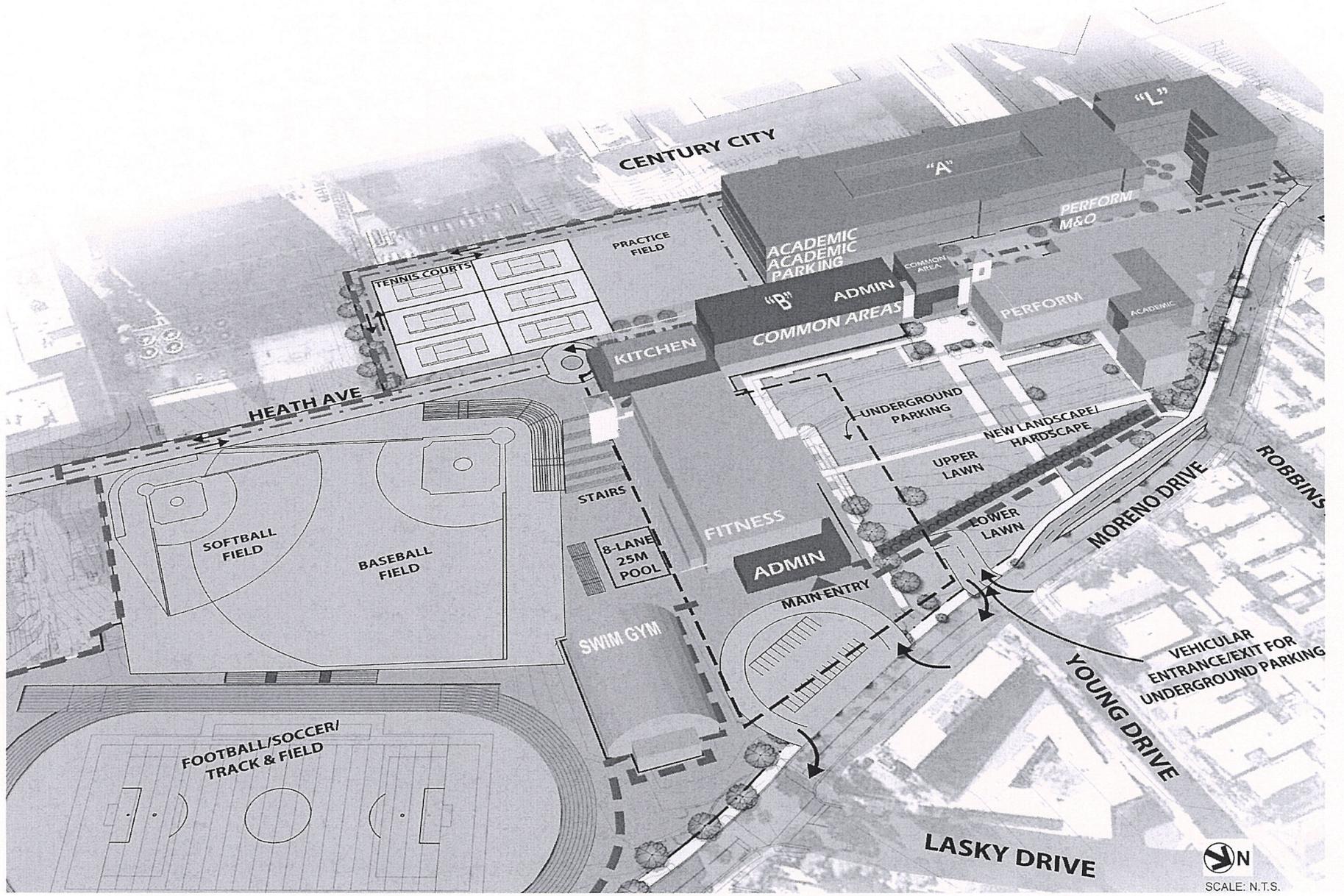
Summary

The BHHS Master Plan Concept will create an environment for 21st Century Learning with a blend of traditional and complementary contemporary architecture in a collegiate, pedestrian oriented campus, celebrating the past and shaping the future of Beverly Hills High School.

CENTURY CITY







SCALE: N.T.S.

Auditorium Ceiling Modernization

District auditoriums at all schools were built with a very heavy plaster ceiling system. These ceilings are particularly vulnerable in a seismic event and are at risk of catastrophic progressive failure and extensive damage. The plaster ceiling is supported by numerous galvanized wire supports. Although there has been some degradation in the wire supports in the last 80 years, they are sufficient for a normal gravity load. During an earthquake though the plaster ceiling will rise and fall in accordance with the wave motion of the earthquake. The sudden dropping of the ceiling onto slack wire supports creates an added load that most of the wire supports could not withstand; the plaster would be heavily damaged and could collapse in whole or part. If an earthquake were to occur while the auditorium is occupied, substantial injury would occur. The age of these ceilings has given a false sense of security: they have never been subjected to the kind of seismic loading that is long overdue for Southern California.

The risk has long been recognized. Prior District planning assumed that the ceilings could not be renovated in place and must be replaced. Accordingly, the auditorium renovation at Horace Mann removed the existing ceiling system and replaced it with a much lighter GFRF/drywall system which is the current industry standard. A total ceiling replacement has numerous issues: it is very expensive, the high cost triggers mandatory compliance costs with other portions of the auditoriums (e.g. ADA compliance for access), and the auditorium must be taken off-line for a long period of time. There are numerous ADA issues among the auditoriums. The associated mandatory upgrade costs are close to, and in the case of Hawthorne, exceeds the ceiling costs. The current cost estimates for the auditoriums range from \$2 to \$4 million per auditorium – a lot of money for facilities that are simply not used that often but which present a significant risk of injury.

Staff has been seeking a less expensive approach to the auditoriums. A multi-disciplinary design team was assembled to review the various auditoriums in detail. This team concluded that the existing ceilings could be renovated without replacement. The required renovation entails the addition of closely spaced compression posts (to prevent the ceiling lifting up), replacement of a substantial portion of the vertical support wires, the addition of splay wires (to control side to side motion) , and possibly the creation of an expansion joint at the perimeter of the ceiling. The cost of this approach is somewhat less expensive than a complete replacement, but it is still significant because of the cramped work conditions in the above ceiling attic space.

The real cost benefit is that by doing a voluntary structural upgrade of the existing plaster ceiling versus a replacement, the District can reduce the mandatory ADA upgrades and other code improvement triggers that have ballooned costs. Rather than the complete renovation and upgrade followed at Horrace Mann and recommended for the other schools, **staff recommends that the bare minimum scope of renovation and improvement be implemented at the remaining auditoriums:**

1. The plaster ceilings should remain and be retrofitted in place with compression posts, splay wires and suspension wires; the ceiling will still crack and be heavily damaged in an earthquake, but will not fall down.
2. New roof openings should be created at two ends of the attic to allow construction access, and then be filled with permanent attic fans to reduce heat buildup or moisture buildup in the attic space.
3. Existing room lighting fixtures and bulb types should remain in place; new support wires and splay bracing should be added. These fixtures are difficult to maintain, but they are serviceable and are not used for many hours per year.
4. It appears that most of the ductwork has already been replaced with insulated duct; where insulation is missing or damaged, it should be replaced to reduce cooling costs. Ductwork should be cleaned to improve air quality.
5. The upper balcony of Hawthorn is not ADA accessible: there is no elevator, the stairs are not compliant, and restrooms are at an inaccessible landing. Costs to make the balcony ADA accessible are close to \$2 million. Staff recommends not doing anything to the balcony, which will avoid the mandatory ADA trigger. This is not a problem at Peters and El Rodeo.
6. The edge rail at several of the balconies is too low; staff recommends adding to the posts to raise the balcony guardrail to Code height (this self-correction does not trigger ADA compliance).
7. One of the exit doors at Hawthorn has a non-code compliant ramp that is poorly built; the ramp should be removed and the original stairs restored.
8. The balcony exit doors at Peters exit about 24" below an exterior walkway – that is why there are steps in the walkway. The exits should be relocated so that the steps can be removed; this is safer, and allows ADA access to the second story classrooms at the north end of Building B that are currently inaccessible without the addition of another elevator.
9. The El Rodeo auditorium needs restrooms that are ADA accessible; the plan is to relocate administration elsewhere, and use the vacated space for ADA compliant restrooms.
10. The dressing rooms at Peters are not ADA compliant, and there is no simple fix. If an ADA upgrade is triggered by the adjacent renovation Salter or adjoin areas, the least expensive solution would be to convert an existing classroom into dressing rooms. DSA has indicated that

11. The fire alarm system in the auditoriums should be replaced as part of the campus-wide fire alarm upgrade planned for each campus.
12. Various doors have broken hardware; all door hardware should be repaired or replaced.
13. The stage light bar attached to the front of several balconies is not safely accessible; they should be relocated to be reachable from the balcony.
14. Strip exit lighting should be installed at the aisles. This addresses a basic safety factor, and makes the auditorium more convenient.
15. The lobbies at Hawthorn, El Rodeo and possibly Peters are historically significant. The only renovation recommended in these areas is the replacement of light fixtures (which do not appear to be original), new fire sprinklers, new fire alarm system and door hardware repair or replacement. None of this work should impact the historic elements.

No change to the theatrical elements of the auditoriums is recommended at this time. The above scope revisions will reduce overall auditorium renovation costs by half. The majority of this renovation work can be accomplished while school is in session.

BHHS Parking Demand

How much parking is needed at BHHS? No other planning decision will receive as much community criticism. No school can afford to have 100% of its daily and event parking completely on school grounds. The Board must consider how much neighborhood spillover (either in parking or extra trip generation) is acceptable. The tight site conditions will force virtually all parking into parking structures. Regardless of the size parking chosen, it will attract criticism for the expense entailed.

Unfortunately, there is no single standard used for this decision. Instead the size selection should consider current usage, relevant standards being used elsewhere in education and municipal planning, possible demand mitigation, and a demand estimate based on peculiarities at the site.

What is the current usage?

This is what BHHS is living with today:

- a. Upper level Building A garage – staff - 180 slots
- b. Lower level Building A garage – students - 186 slots
- c. M&O area Building A – staff - 10 slots
- d. Heath Avenue – “visitors” - 30 slots
- e. Lacrosse Field N end – now students - 11 slots
- f. Lacrosse field S end – now students - 46 slots
- g. M&O – staff - 10 slots + 6 District vehicles
- h. Swim/Gym – brick wall lot for staff – 10 slots
- i. Swim/Gym – asphalt lot – now students – 56 slots
- j. Gymnasium – now staff – 11 slots

Total parking supply today: 556 slots

There are issues with the current supply: parking is too far from athletic events, parking garages are too crowded or seen as unsafe so drivers avoid them, there are not enough student passes to go around, lots are not available on weekends and some nights, and so on. The net result is spillover parking into the adjacent neighborhood, which is already crowded due to the prevalence of rental housing.

What are the standards used in other locations?

There is a broad range of parking ratios used by other organizations. These are not controlling, but may be useful in selecting the best ratio for BHHS.

State Department of Education planning and funding guidelines allow parking equal to 50% of the planned high school student enrollment. The State goal is to make sure that the State funded parking facilities are fully used. It is understood that this ratio is less than demand, especially for more suburban schools without extensive school bus service or more affluent schools with higher than normal car availability to students. The result is spillover parking in the neighborhood and drop-off and pick-up congestion. **State DOE standard – 1100 slots**

Many urban schools struggle to provide school parking. LAUSD has taken the extreme position of limiting parking to the total school staffing plus 10%. (LAUSD modifies the formula slightly by using a 1:8 staff to student ratio for this calculation.) This policy only works for LAUSD where schools are located in the center of their attendance areas, where most students are within walking distance of the schools, and in neighborhoods with very low car to population ratios. It breaks down everywhere else resulting in excessive neighborhood congestion and complaints. It is not appropriate for BHHS which is at the edge of the attendance area, where most students are out of walking distance (generally 1 mile or less), where the majority of staff commutes by car, and where the population has a higher than average ratio of students with access to cars. **LAUSD standard - 275 slots**

The City of Beverly Hills has adopted parking standards that apply to private educational facilities and also to the non-educational functions at the campus:

- Performance space – 1 slot per 4 fixed seats (Peters, Salter, Swim/Gym – 600 slots)
- Fitness facilities – 1 slot per 100 square feet (Gymnasium interior only – 540 slots)
- Elementary schools – 1 slot per classroom (roughly one per every 1500 square feet – at least 160 slots)
- Commercial space – 1 slot per 350 square feet (exclude performance and fitness space – 1171 slots)
- Overall minimum parking for mixture of spaces – 1 slot per 500 square feet (1,000 slots)

The City of Beverly Hills ordinances are not controlling. However, they do establish a community standard and expectation. **City of Beverly Hills standards – 1200 to 1300 slots**

The City of Los Angeles utilizes lower parking ratios in accordance with its stated policy of restricting parking in order to shift users toward public transit.

- Performance space – 1 slot per 10 fixed seats (Peters, Salter, Swim/Gym – 200 slots)
- Fitness facilities – 1 slot per 200 square feet (Gymnasium interior only – 270 slots)
- Elementary schools – 1 slot per classroom (roughly one per every 1500 square feet – at least 160 slots)
- Commercial space – 1 slot per 1000 square feet (exclude performance and fitness – 400 slots)

The City of Los Angeles' standards provide a reference point for a community that is less friendly towards parking. **City of Los Angeles – 630 to 870 slots**

Can the demand be mitigated?

The actual number of people who commute to and from the school every day is relatively fixed. A large fraction of the staff lives outside of Beverly Hills; it is unlikely that many staff will be diverted from driving to school. The vast majority of students arrive each day by car – either driven by themselves or by parents. Parent drivers do not require parking, but the tradeoff is that the number of neighborhood trips is almost doubled (morning home-school-home + afternoon home-school-home versus morning home-school + afternoon school-home). The result is the extensive neighborhood gridlock that occurs every day. If the City of Beverly Hills implements its plan to further reduce cross traffic on Charleville, the level of congestion will rise in the immediate neighborhood.

Some of our students ride bikes when they are young and will resume riding bikes in college where bike travel is commonplace and the only alternative is to walk. It may be possible to increase the share of students who walk or bike to school, but it requires a serious and sustained effort to be meaningful.

Part of the effort required is to change attitudes to make walking or biking as “cool” as driving. Another part of the effort required is to make area streets safe and convenient for walking and biking. For example, Charleville is an ideal connector street between BHHS, Beverly Vista and Horace Mann and extends the width of the City. If Charleville can be reconfigured to accept bike lanes or otherwise protect bike riders from cars it would have a significant impact on bike safety and bike attractiveness. The City of Beverly Hills is required to have a bike travel component as part of its overall transportation planning. It may be possible to modify the City's plan to encourage bike riding to school. The FTA administers a safe school access program that sponsors grants for this type of improvement. The extent of possible mitigation is unknown.

What is the real parking demand today?

- BHHS Staffing – the current full time teaching, admin, and custodial staff – is 163. Budget restrictions have reduced staffing. As a general rule, plan on a 1:10 staffing to student ratio for design student population. **220 slots**
- Some District operations will also be based at BHHS – **30 slots**
- Operations – M&O, Support – currently 10 staff + 6 District vehicles
- Food service - if a full prep kitchen, assume up to 10 people
- Special Education - most specialty teachers should work out of BHHS
- Students – 2200 total BHHS students – all freshmen and most sophomores are too young for licenses; most juniors and seniors are old enough. Some fraction of junior and senior students lives close enough to walk, some fraction of students do not get license + car, some fraction of students ride a bus. **700-900 slots**
- Visitors – school business – average visitor count coming and going all day – **20 slots?**
- Visitors – performances – max attendance at normal theatrical and music events is less than 400 at specialty theaters. Peters attendance is infrequent, but could easily exceed 1,000; festival attendance can exceed 1,000 – half by bus, half by car. Most performance events will be at night or on weekends and able to share daytime parking.
- Visitors – athletics – current evening attendance of non-BHHS people using facilities often 30 or more; event attendance can be +400 for major games, +200 for average games; tournament attendance can exceed 1,000 athletes and spectators – half by bus, half by car. The vast majority of athletics visitors will be in the evening or on weekends and would share parking devoted to daytime uses if that parking is convenient to the athletics area of the campus.
- Buses – there are currently three school buses serving special education students daily; athletic events can frequently have seven or more buses; there are no public buses on Moreno or near the school.

It appears that the school demand, unless substantially constrained or mitigated, is between 1,000 and 1,200 slots.

What is the real cost of parking?

The general rule of thumb is that parking garage space costs between \$40,000 and \$50,000 per slot. The main alternatives are: (1) completely underground multi-story parking with buildings or hardscape overhead; (2) partially underground single story parking with athletics or light use overhead. Either arrangement will have access directly to Olympic and Moreno in order to direct and smooth out traffic flows. The thrust of the effort is to reduce the cost per slot by \$10,000.

Fire Sprinkler Design Guideline

The District does not have a standard policy regarding the use of fire sprinklers in the schools. Staff recommends that all new construction be fully covered, and that as major renovation occurs, existing building also be fully sprinkled.

Fire remains the most common and serious safety hazard in schools. There are hundreds of school fires and dozens of school buildings lost every year to fire. Most of those losses would have been preventable if the buildings had been installed with modern fire sprinkler systems. Fires also injure staff and students, primarily through smoke inhalation.

Previous District modernizations installed partial sprinkler systems, generally in corridors only. These sprinkler systems appear intended to support corridor fire ratings. Most fires do not begin in corridors. While these systems are useful in ensuring safe exiting by occupants, they are unlikely to do much toward preserving property and limiting fire spread and damage. More important, they do nothing to reduce or limit smoke, the most common cause of injury. Staff recommends that all new construction be fully sprinkled, and that all major renovation projects replace existing systems with modern full coverage systems. There are multiple rationales for this recommendation:

- Fire sprinklers by themselves will put out the vast majority of fires faster than buildings can be evacuated and even before the fire department can arrive.
- Fire sprinklers reduce smoke migration out of the room where the fire is occurring.
- A substantial portion of school fires are caused by arson that occurs after hours. By the time the interior fire alarm system is triggered and the fire department responds structures are often lost. Fire sprinklers will protect the school even while unoccupied.
- The cost of fire sprinkler systems is modest, about \$5/SF in construction costs.
- The cost of a fire sprinkler system is partially offset by simplifications in total building design particularly regarding rated wall and door assemblies and exit corridor requirements.
- Fire sprinklers will reduce district insurance costs.
- The District is moving toward more open and visible instruction space which requires the increased usage of windows between corridors and classrooms; it is difficult to do this well without fire sprinklers.
- The existing systems are very old and their efficacy is questionable. It would be less expensive to replace rather than renovate these systems.
- The existing systems were installed with little consideration for aesthetics: pipes are running everywhere and are unsightly.

Staff recommends uniform implementation of this policy.

BHHS Central Plant

There has been a concern raised over a remark that rooftop HVAC units were being considered as part of the modernization. The District does not have a good history with rooftop units because of maintenance issues, because of poor performance, or because of general ugliness as in the installation at the District Administration Building. This remark, coupled with the fact that there is no central plant building called out on the latest concept drawings, raised a concern that a design decision had been made prematurely regarding the best way to heat and cool the buildings. That is not the case.

The design package for the modernization of BHHS does not include a new central plant building. Because Building A remains with the existing central plant area intact there is no reason to have a new stand-alone central plant building. The cost estimate includes sufficient funds for the renovation of the HVAC systems in Buildings A, B and the Swim/Gym, plus a new system in the new building.

There is a concern that the design team has already pre-selected solutions to the numerous architectural and engineering decisions that must be made to turn the design concept presented to the Board into reality. Again, that is not the case. The design team has done sufficient work to make sure that there is at least one possible and practical solution set to the major problem areas. That work was sufficient to have confidence that the design concept presented to the Board could in fact be executed within the cost estimate, schedule and phasing plan attached to the design concept. However, that work is no replacement for the standard evaluation process that must be performed during the schematic and detailed design phases of the project. As that process unfolds, the design team will make a series of specific design recommendations for Board consideration.

It is simply premature to pre-determine what those recommendations may be. There has been a lot of research and more brainstorming on the HVAC question than other engineering questions. That process is hardly complete, but the following contains some relevant observations.

There is a design decision to be made concerning the most cost-effective way to heat and cool the various buildings and locations. There are generally two major alternatives: a central plant or stand-alone rooftop units. There are pros and cons to each alternative: rooftop units are generally less expensive to build, but more expensive to operate and maintain; rooftop units take up roof area and can be ugly, central plants take up building area and footprint. The existing building design

uses the central plant to provide chilled and hot water to the entire campus. Given that the campus is already being served by a central plant and the fact that the total cooling and heating load will not increase substantially (with improved building efficiency offsetting increased building volume), it is most likely that the design team will recommend a modernization and hybrid use of the existing central plant and distribution system.

The current design uses the rooftop cooling tower and basement chillers in Building A to generate chilled water. Service to the north end of Building B is through piping on the underside of the northernmost bridge between Buildings A and B. Service to the spine portion of Building B is through piping that runs to the roof of Building A then over the roof of the southernmost bridge between Buildings A and B and then down and over to the basement mechanical equipment in Building B. The existing piping system layout is very inefficient, plus must be relocated for the removal of the northern and southern pedestrian bridges between Buildings A and B.

A better (shorter, straighter, more accessible) arrangement would be to run the piping underground between Buildings A and B roughly between the M&O driveway at Building A and the stage/auditorium intersection at Building B. In Building B there is a basement utility chase that runs the length of the building. Lines placed in this utility chase would connect to the rooftop equipment at the north end, the basement equipment in the spine portion, and the new building at the south end. From there, new lines would pass across the new building and extend to the Swim/Gym. The benefit of this approach is that almost all buildings would be on a single loop which would have the capacity to accommodate localized peak heating loads (e.g. a big crowd in Peters, or a big crowd in the gymnasium) without oversizing individual areas or the system as a whole. There is a concern regarding underground piping and its longevity or ease of replacement. A simple solution is to install the piping in oversized reinforced concrete pipe (probably 72" pipe) that would extend from the pump room in Building B basement to the basement level utility chase in Building B. Under this approach, the pipe remains visible and accessible for maintenance and replacement.

The current chillers and cooling tower will be near their effective life by the time renovation commences and will require replacement. Any adjustment in size or type could be made at that time. The cooling tower may need to be increased in size, but will remain the same type. The chillers should be changed to frictionless type chillers which are substantially quieter and about 30% more energy efficient. Three chillers should be adequate to accommodate the load variations, although their sizes may change. The pump room would require a complete renovation and equipment replacement.

The current plant arrangement combines heating hot water with domestic hot water; this is not very efficient. Heating hot water is a seasonal requirement and domestic hot water is required year round. Combining both systems efficiently is difficult. Many school building owners have determined that domestic hot water service to the restrooms is unnecessary because the volume is small and because most users will not wait for the hot water lines to become warm; they provide cold water service only and avoid the expense altogether. Domestic hot water is still required at specialty locations such as food service, showers, and laundry facilities. Instead of the current arrangement of a set of central boilers serving a campus wide loop, modern design tends toward installing localized boiler and domestic hot water loops that are sized solely to meet those functions and placed as close to them as practical.

Similarly, many designs are rejecting a single bank of central plant boilers for heating hot water in favor of smaller localized boilers and hot water loops. The air movement system in Building A does not work well for a variety of reasons (beginning with the windows and poor envelope insulation). Even with improvements to the building envelope, it is likely that modifications to the ductwork arrangement and replacement of the 40-year old air handling units will be required. The air movement system in Building B –north also does not work well despite its relatively young age. The problem may be as simple as undersized water loops or main ducts: more research is required. Peters tends to become overheated with a large crowd. The best solution may entail restoring the original passive ventilation system that used lower level windows to provide fresh air and upper level windows to vent hot air from the auditorium during peak cooling events. The Building B-spine area will have a completely new system reflecting the changes in room layout and function. Given that there is such a large basement mechanical room available for use, the equipment will probably continue to be located in the basement. The air design in athletic spaces differs from the design of study areas. The dominant challenge in athletic areas is air movement, air freshness, and humidity control more than temperature control. The final solution may well incorporate passive or almost passive cooling. For example, restoring the various air louvers and adding mechanical roof vents may well correct the Swim/Gym humidity and air freshness problem better than any kind of air conditioning system.

Food Service Requirements

District policy is that all students remain at their campuses through lunch period and not be released to return home or go to outside providers for lunch. The District food service policy is to offer to all students a meal at lunch in accordance with national nutrition standards. As a condition of various federal funding programs, the District is obligated to participate in the “free and reduced” lunch program that provides meals to qualified applicants. This establishes a mandatory requirement to provide a minimum quantity of meals at all schools. Participation in District food service is voluntary and students remain free to bring their own snacks and lunch or to forgo nutrition altogether.

There are a range of operational and facilities options available to the District to meet these overall nutrition goals. Staff requires guidance on which options are to be included in future modernization projects.

Food Service and Prep Requirements – K-8 Sites

All k-8 sites have full preparation kitchens. (Horace Mann is being designed as a reheat kitchen.) The kitchens are of varying quality and capacity; there are significant Code issues especially at El Rodeo. These kitchens are not currently being used for food preparation.

The majority of school districts have moved away from full food preparation at each school: the economics are prohibitive as are the associated food quality and safety issues. Instead, most Districts are opting for the use of “reheat kitchens” capable of accepting and storing hot and cold meal carts from a central kitchen, bulk storage of chilled foodstuffs (e.g. milk, fruit), bulk storage of dry foodstuffs (e.g. cereals), bulk storage of vending machine foodstuffs, food assembly and plating, and cleanup.

Serving areas must be designed to accommodate hot, cold and dry foods (including multiple entrées), and beverages, with the associated trays and paper goods, trash, cleanup, and point of sales support. Serving areas should also include robust vending machine service for off-hours access and for children not taking meals (e.g. milk, fruit, snacks).

Dining requirements – K-8 sites

Standard practice for elementary schools is to stagger lunch and nutrition periods so that only a fraction of the students arrive in the food service and dining areas at a time. For elementary grades, the primary benefit of this approach is to segregate the children by age, which is an important

protection and management issue. This approach allows substantially smaller more efficient facilities. It also allows a smaller food service crew to work a longer period of time to provide the same quantity of meals. This benefits overall net food service labor costs and makes individual food service positions more attractive and easier to fill.

Staggering of lunch periods is more difficult in middle school and high school because of scheduling complexities. Many schools opt for a single lunch period for the operational simplicity; food service operating costs and participation rates normally decline in this arrangement. A common practice is to have two lunch periods that match the standard class schedule; food service operating costs and participation rates normally improve in this arrangement.

The objections to a staggered lunch program include: operational inconvenience in scheduling, requirement for longer lunch period area supervision, impact of noise on adjacent ongoing instruction, cutting class for non-scheduled lunch period, inability of staff to dine together. The response is that scheduling is more complicated, lunch supervision is longer but of a smaller group, dining areas are less noisy with smaller groups and can be separated from instruction areas, classroom management improvements, and the fact that most staff do not dine together regardless.

All District K-8 sites have indoor and outdoor dining areas. Children of all ages clearly prefer to eat outdoors. The recommendation is that K-8 outdoor dining areas be sized to accommodate 80% of the staggered lunch population and that outdoor dining areas be shaded, either by individual table shades or larger structures.

All District K-8 sites have indoor dining areas. The indoor dining areas are in various sizes; none of them can accommodate 100% of the student population on inclement weather days. However, staff recommends that existing indoor dining areas remain the same size.

Food Service and Prep Requirements – BHHS

High school food service is substantially different from K-8 food service reflecting different student requirements and expectations. Students demand a more non-institutional menu, are more likely to skip lunch altogether, are more likely to be food grazers, and are more likely to use vending machines. Younger students tend to eat what is put before them; high school students are much more inclined to eat what they like, federal nutrition guidelines to the contrary. High school students that qualify for free and reduced lunch support are inclined to skip the program altogether because of perceived social stigma. A large fraction of high school students skip breakfast at home and wind up hungry at school; they will use

snack/rapid breakfast if it can be obtained rapidly between class periods. A large fraction of students have extended days on campus; they will use an afternoon snack if it can be obtained rapidly before practice or rehearsal. The high school is also unique on the quantity of evening and weekend programs that require concession support.

It is difficult to develop an integrated high school food service program that meets the primary goal of keeping students fed and which can operate economically. A traditional full service on-site kitchen and cafeteria dining system serving a USDA approved lunch program is doomed to failure: it will actually serve only a small fraction of the students on campus and will never be economical. The hard fact remains that high school students with better nutrition perform better in the classroom and in extra-curricular activities.

The current trend across districts is to downsize the portion of the program devoted to in-house food preparation and cafeteria service to a limited breakfast and lunch menu, use school food carts to allow rapid sales between periods for late breakfast and late afternoon and after school snacks, allow independent food vendors access to food carts at lunch time, and expand vending machine operations. Some schools are using food carts to serve athletic and performing arts events instead of dedicated concession stands. It is also increasingly common to use area high school kitchens as central kitchens serving area K-8 schools.

Food Service Preparation BHHS

BHHS will operate a kitchen for its own needs and act as a central preparation kitchen to all District K-8 schools. It is assumed that BHHS will have a full service kitchen including baking that will supply:

- free and reduced cafeteria lunch service to all District schools via electric hot and cold carts
- free and reduced cafeteria lunch service to BHHS
- non-free and reduced cafeteria service to BHHS
- non-free and reduced breakfast food carts (e.g. cinnamon rolls)
- afternoon snack food carts (e.g. the Norman power bar)
- specialty items for concession food carts at special events (e.g. cookies and deserts)

The population for District-provided food service is estimated at 25% of total student population.

Typical high schools with similar programs normally have their kitchens specialize in an attractive (to students) food item (e.g. pizza, hot grill) in addition to the free and reduced balanced meal line. In addition, they may have four to six

independent food vendors on site selling from licensed carts (e.g. deli sandwiches, Chinese, Mexican, Italian, smoothies); typical vendors are local restaurants that augment their lunch business with school sales. Licenses are required to establish quality control and to ensure food variety.

Some Districts charge a fee for vendor participation (e.g. monthly rental) to cover the cost of cart storage and support. Some Districts require all vendors to use District-supplied beverages, partly to cover overhead costs and partly to ensure compliance with State health beverage requirements. Most Districts do not control vendor pricing: there is usually enough competition between vendors – and the District food - to keep everyone competitive in their costs. Food carts for athletic and performing arts events are typically operated by ASB related organizations' volunteer staff, even where they sell District-produced foods. District policy on the preferred approach will be required.

Vending machines are typically provided under either District master contract or under ASB contract. ASB contracts usually entail student staffing and stocking of machines to maximize revenue generation. It is important that vending machines be in secured areas to curtail vandalism and theft. Vending machines are profitable and can be used in non-traditional areas. In lieu of food carts, some districts use vending machines for food ranging from sandwiches to microwaveable entrées, to smoothies. The District should establish policy in this area.

Dining requirements – BHHS

Today BHHS has a traditional cafeteria designed to seat over a thousand students – and it is grossly underutilized. This is not an efficient use of space, and having two thousand students in one location cannot create a comfortable space. A better approach is to create multiple gathering locations for students (e.g. the front lawn area, Heath Avenue, the Building B atrium) in their break period and to have multiple lunch periods (see above). Students will not carry food very far. If distributed dining locations are established, food carts or satellite vending pools will be required to get the students fed. Outdoor dining will always be preferred by students over indoor dining areas; while temperature is not normally an issue, shade and rain shelter is required.

Not all students will be in the dining areas: some will go off-campus and some will stay in classrooms or project areas. However, the combined gathering places should be able to comfortably accommodate a minimum of 1,000 students standing and 500 students seated with a single lunch period and 500 students standing and 250 students seated with a staggered lunch program.

Lead and Asbestos Treatment Strategy

Prior Planning & Facilities policy and directive to designers has been that all asbestos and lead on campuses would be completely removed during the renovation and modernization process. The bulk of asbestos has already been removed in previous modernizations and staff recommends no change in strategy. Lead abatement to date has been very limited. Achieving 100% lead removal is a very expensive strategy, exceeding several million dollars across the District. There are alternative strategies that achieve the same level of risk reduction and protection at a substantially lower cost. Facilities & Planning recommends an overall strategy of using selective encapsulation of lead as opposed to 100% removal.

Asbestos

The District has undergone several waves of asbestos abatement that have already removed a substantial fraction of the asbestos used throughout the District. The bulk of District asbestos usage was in insulation surrounding mechanical and plumbing systems. A substantial portion of that asbestos has been removed. Standard industry practice is to sample all mechanical and electrical work areas for asbestos prior to construction or heavy maintenance; staff recommends continuing that practice until the District has been fully sampled.

A large fraction of asbestos removal cost is in establishing the quarantine zones and administration. The additional incremental cost to completely clear an area versus doing limited abatement to the minimum necessary is relatively minor. Therefore, staff recommends that as mechanical and plumbing system renovation commences in an area, all remaining asbestos in the work area will be 100% removed.

A small amount of asbestos is embedded in machinery parts and insulation, especially older equipment. New equipment no longer uses asbestos so as equipment is gradually replaced through renovation the asbestos associated with that equipment will also be removed. Staff recommends that no special abatement be required ahead of sequential equipment replacement and modernization. Asbestos also appears in a variety of building materials. The most notorious and widespread use was in the mastic and backing for particular types of vinyl tile (VAT); VAT was used sparingly in the District, and the bulk of this tile has already been removed and abated. If any additional VAT is encountered, staff recommends that it be 100% removed and abated.

Asbestos was sometimes used in glue-up ceiling tile that was glued directly to the ceiling. Note that this problem is unique to only a small portion of the 12" x12" ceiling and sound tiles used in some of the older buildings. All tiles that are visible have been sampled and are not contaminated. However, it is likely that some quantity of contaminated tile remains covered by drywall and other ceiling systems and will be encountered during renovation. Because ceiling tiles containing asbestos are soft and friable, they are particularly dangerous and should always be removed and completely abated. Staff recommends that any asbestos containing ceiling tile encountered be immediately removed and abated. Also note that none of the 2x4 ft. ceiling tiles in the T-bar systems used throughout the District ever contained asbestos.

Asbestos sometimes was used in plaster. If embedded in plaster that will not be disturbed (either by construction, maintenance, or wear and tear) standard practice is to encapsulate the asbestos usually with paint. Staff recommends that the District approach be to continue sample testing and when embedded asbestos is encountered, on a case by case basis to evaluate encapsulation versus abatement.

Lead Paint

Lead paint was widely used throughout the District. Current District practice is to liberally sample all painted surfaces for lead paint and will ultimately fully sample the entire District; staff recommends that this practice be continued.

Where the lead paint coating has failed and is flaking or peeling off it must be completely removed. Where the underlying material (e.g. drywall, plaster, door frames, metal) will be removed or disturbed by renovation, the lead paint must also be removed. If the lead paint is intact and not likely to be disturbed (either by construction, maintenance or wear and tear) industry standard practice is to encapsulate the lead paint with an overlaying non-lead paint coating. Staff recommends that the industry standard practice of selective encapsulation be adopted.

Where the lead paint is located in an area subject to direct contact with students (e.g. lower areas of walls, classroom door frames), some districts use encapsulation and other fully remove the lead paint. Staff recommends that the District practice be to remove all lead paint in areas of potential student contact.

Lead in Building Systems

Lead was commonly used in plumbing waste lines and drainage systems. Modern plumbing systems do not use lead as a seal: as older lines are replaced during renovation, the lead will be incrementally removed. Where the older lines remain untouched, they pose no harm from contact. Staff recommends that they be left in place unless disturbed by other renovation.

Lead was commonly used in the solder in drinking water lines and some plumbing

fixtures at the time that the district buildings were built. Under particular conditions, this lead can leach into the water in levels that exceed health standards and be consumed. The problem is particularly acute in lines that have low volumes or infrequent use. Children are particularly vulnerable to the effects of lead in water. Cleaning and flushing can reduce but not eliminate the lead in these systems; they should be replaced with modern non-lead based systems. The District performed several waves of renovation that replaced a large portion of the older non-acceptable lines. The concern is whether these improvements have replaced 100% of the contaminated pipe and fixtures, particularly in hard to observe areas. The District is in the process of completing a District-wide survey for lead in drinking water. Staff recommends:

1. that a comprehensive lead survey of drinking water sources be completed District-wide to identify any areas of remaining lead contamination;
2. where any lead-based solder water pipe is found, it be fully removed and replaced;
3. where any lead-based solder drinking fountains are found, they be removed and replaced;
4. that M&O be assigned annual random water testing to confirm compliance with major water quality standards (e.g. bacterial county, lead and other metals, chemicals)
5. that water quality sampling records be maintained to establish a compliance baseline.

Lead was also commonly used in roofing flashing and other miscellaneous areas (e.g. window sash weights). This material does not come into contact with children. The quantities remaining are not large and they will decrease further with ongoing renovation; staff recommends no special action for their removal.

The Case for Bond Acceleration

Beverly Hills is full of beautiful public buildings. Our schools are among the most iconic public buildings in the City with a simple and elegant style that has been treasured by the community for almost a century. That beauty belies an ugly reality: our schools are in desperate need of modernization. Behind the beautiful exteriors are structures and systems that are worn out and falling apart.

Should the schools be modernized now or should the improvements be spread over thirty years? Many of the needs cannot wait at all, much less thirty years.

The building systems are aged and falling apart. The ever-growing repair bills are eating into the District's operating budget. Every year we are taking more and more from instruction and spending it on emergency repairs to our buildings. The rate of failure and emergency repair is increasing. The number of things that are being ignored is climbing. This is a vicious cycle: replace the roof now or replace the roof and a lot of water damage later. The longer modernization is delayed, the more will need to be replaced and repaired. Many of the building systems will not last.

Our students may live in beautiful homes, but they are being educated in dilapidated and worn out rooms. Would anyone expect to wait 30 or 40 or 50 years before painting their home or changing a carpet or replacing a light fixture or replacing the water heater? That is what we are doing in our schools. We tell our children that quality education is important to their futures, but send them to worn out buildings that we have ignored. Which message do they hear? What message do we want to send?

Another problem with delaying construction is the \$10 billion wave of school construction already underway in Los Angeles. We have seen that wave before: the last time it occurred, we saw a 25% jump in school construction costs over and above normal construction escalation. A dollar spent tomorrow will buy much less than it can buy today.

Impact of School Cost Escalation on Purchasing Power		
Year	Construction Escalation	Purchasing Power
2013	0%	\$1.00
2014	4%	\$0.96
2015	10%	\$0.86
2016	10%	\$0.78
2017	10%	\$0.70
2018	4%	\$0.67
2019	4%	\$0.64
2020	4%	\$0.62
2021	4%	\$0.59
2022	4%	\$0.57
2023	4%	\$0.55
2024	4%	\$0.53
2025	4%	\$0.50
2026	4%	\$0.48
2027	4%	\$0.47
2028	4%	\$0.45
2029	4%	\$0.43
2030	4%	\$0.41
2031	4%	\$0.40
2032	4%	\$0.38
2033	4%	\$0.36
2034	4%	\$0.35
2035	4%	\$0.34

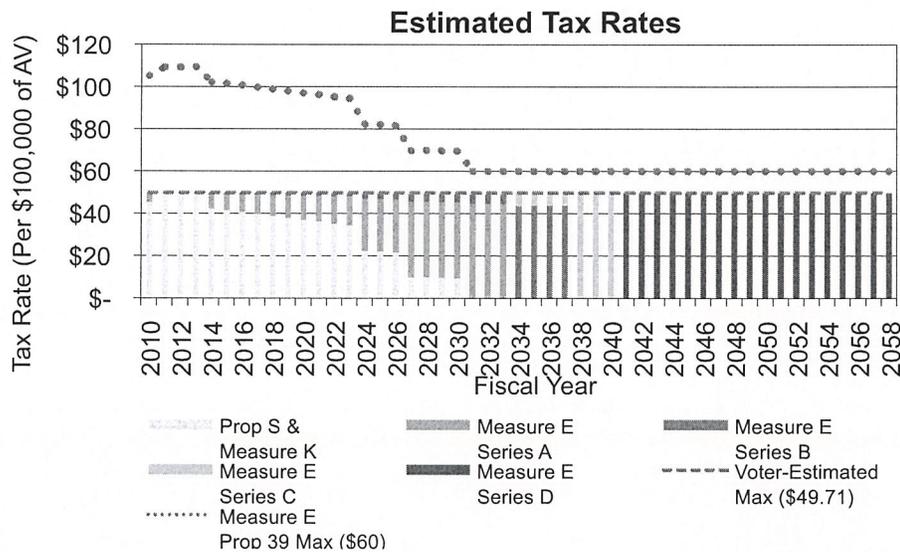
The total amount of taxes that will be spent on Measure E is absolutely fixed and will not change. Construction cost escalation is brutal and inescapable. Without bond acceleration, half the program won't start for another 15-25 years and the purchasing power will be cut by half or more: that is like taking \$50-60 million out of the construction budget. That kind of reduction in purchasing power does more than shrink the program – it will force the abandonment of major renovations as funds are eroded by ongoing and accelerating deterioration of existing facilities. Instead of making improvements that will give immediate and lasting benefit, Measure E will be consumed in making repairs and patches to a building investment that cannot be sustained without gutting the instructional operating budget.

The Measure E program is about more than making school buildings safe and maintained. Measure E allows the reconfiguration of learning spaces to accommodate the programs that today's students need. The classrooms that served us well for the last 100 years are not the classrooms that we need for the next 100 years. Delaying Measure E will hurt instruction. It will hurt our children.

Measure E Bond Financing Discussion

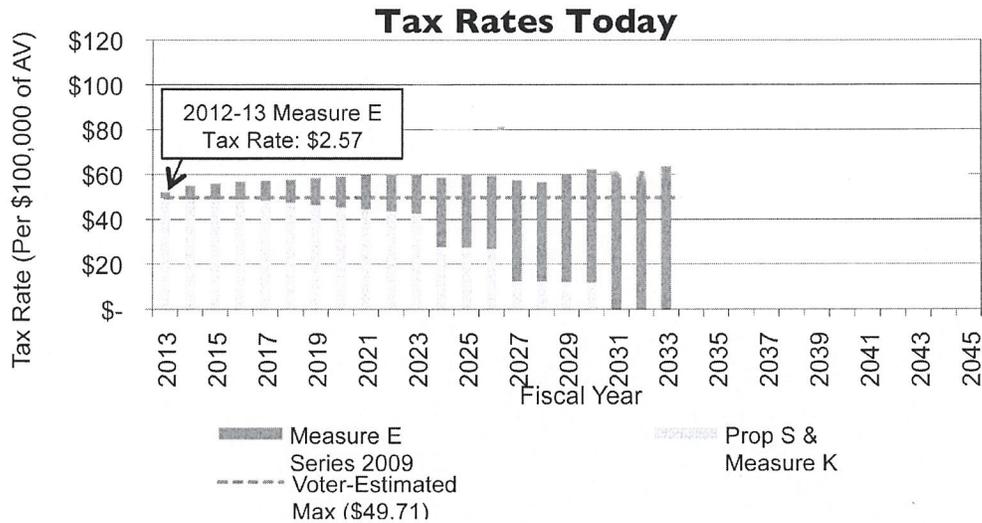
Where is the District Today?

The District has inherited a conflicting package of promises that were made around Measure E, in the language of Measure E, previous bond sales, and state law that are severely constraining the ability of the District to respond to the serious facilities needs that were the impetus for Measure E.



This graph shows the bond issuance and repayment plan promoted in Measure E. It stated that the District's Measure E efforts would be to raise \$334 million while not exceeding current tax rates, which were then approximately \$49.71 per \$100,000 of assessed value (subsequently referred to as "\$49.71"). Measure E passed and the first series of bonds under Measure E were issued in 2009.

The projection of being able to cap tax rates at \$49.71 did not materialize. The graph below shows where the District is today: what are the tax rates required to retire the bonds that have already been issued?



The light gray represents the bond payments for Measures S & K, which the District will be paying off until 2030.

The dark gray represents the bond payments for the Measure E Series A bonds issued in 2009. At the time of passage of Measure E and the sale of the first Measure E bonds, the District estimated that a tax rate of \$49.71 would be adequate to cover all bond repayments. It is important to note that once bonds are sold, their annual repayments are fixed; the tax rate that supports repayment fluctuates annually along with changes in assessed value and tax collections. The County adjusts the actual tax rate annually to cover the required payments. If property values escalate faster than projected, the tax rate goes down; if property values escalate slower than projected, the tax rate goes up. The problem is that the housing crash dropped property values and slowed assessed value growth, causing the tax rate required to cover the fixed bond payments to increase above \$49.71.

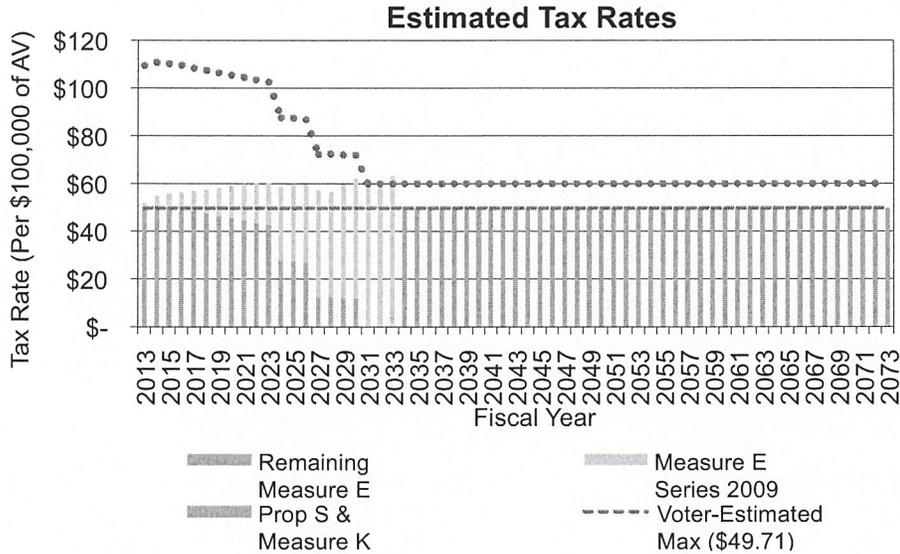
The \$49.71 tax rate projection was exceeded as soon as the housing bubble burst. **It is not possible to achieve a \$49.71 tax rate for the existing bonds unless assessed values increase dramatically.** Tax rates are projected to remain near the \$60 level until the bonds are paid off in 2033.

Future Bond Sale Options and Constraints

The current Board is faced with a number of constraints that impact future Measure E bond sales that have changed since Measure E was passed. The projected tax rate required to support a bond measure must be estimated to be \$60 or less under State law. The \$60 cap applies to that specific bond measure only (e.g. Measure E alone has a \$60 tax rate cap).

Option 1 – Maintain \$49.71 Where Possible

Keeping the tax rate at \$49.71 to service existing bonds is not possible through 2033 as shown in the previous graph. This next graph shows the projected tax rate based on limiting future bond sales to keep the tax rate as close to \$49.71 as possible.



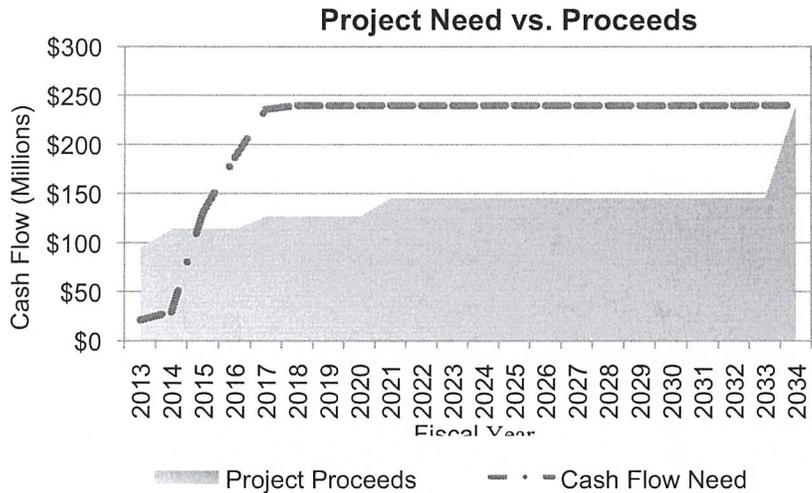
Here is the issuance schedule if the District attempts to maintain \$49.71 after 2033:

Prospective Issuance Schedule

Issue	Issue Date	Proceeds	Financing Term
Series B	June 2013	95,000,000	40 Years
Series C	June 2014	19,000,000	40 Years
Series D	June 2017	12,500,000	40 Years
Series E	June 2021	19,000,000	40 Years
Series F	June 2034	94,260,777	40 Years
Total		\$ 239,760,777	

Bond payments would continue to 2073. The total cost to the taxpayers after paying all principle and interest would be \$2,538,850,385 for a debt service to principal ratio of 8.1:1. The total tax cost of Measure E to the median property owner in Beverly Hills would be \$69,574.

This scenario stays within the existing \$60 legal tax constraint. This scenario meets the \$49.71 estimate after 2033. However, the majority of the Measure E construction program will be delayed until 2034.



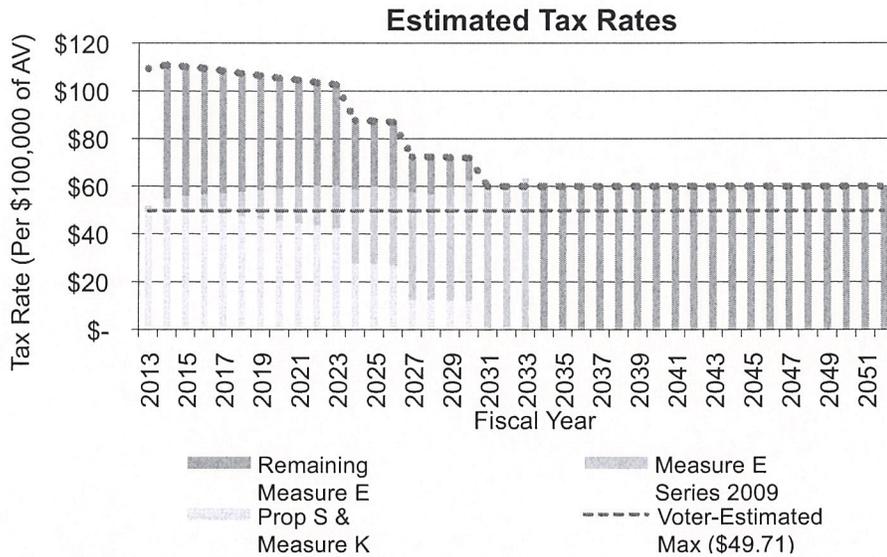
The anticipated construction escalation over that period of time will be significant and would further reduce the buying power of those future funds. Construction that would cost \$1.00 in 2034 would only cost \$0.35 today. The net result is that there would be substantially less construction achieved than promised by Measure E.

The construction impact will cause a lot more than a belt-tightening. Series B will be required to complete the Horace Mann project; there will be no other major school renovation until 2021, when there will be enough for one more elementary school, and the rest of the District will have to wait until 2034. The existing condition of the schools raise serious concerns over their ability to survive that long.

There are other issues that could ruin this plan. When Measure E was passed, the District could sell 40-year bonds and there was no limit on debt service to principal ratios. Legislators this year have introduced AB182 in Sacramento which would limit all school bonds to 25-year maximum periods and require a 4:1 ratio of debt service to principle. If AB182 is passed, the scenario described above will be extended even further. It is impossible to tell if AB 182 will pass or fail; if it passes, it would not come into effect until 2014 and would not apply to any bonds sold this year.

Option 2 – Increase Tax Rate with AB182

The most prudent course of action is to prepare for AB182. AB182 will not come into effect until 2014. The District is allowed to sell 40-year bonds in 2013; thereafter, the remaining bonds must all be 25-year bonds. The graph below shows the tax rate over the life of the bonds.



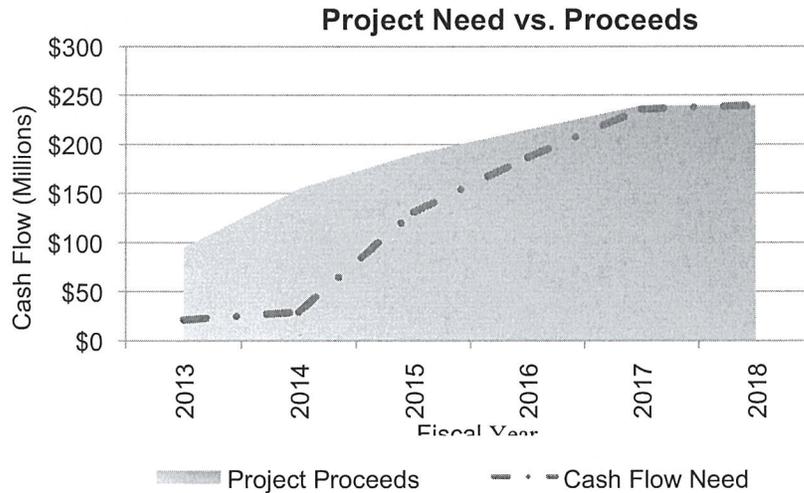
The issuance schedule follows:

Prospective Issuance Schedule

Issue	Issue Date	Proceeds	Financing Term
Series B	June 2013	\$ 95,000,000	40 Years
Series C	June 2014	60,000,000	25 Years
Series D	June 2015	35,000,000	25 Years
Series E	June 2016	25,000,000	25 Years
Series F	June 2017	24,760,777	25 Years
Total		\$ 239,760,777	

Bonds would be paid off in 2052, 40 years from now. The total cost to the taxpayer for principle and interest would be \$1,077,193,392. The debt service to principal ratio is 3.5:1. The total tax cost to the median property owner in Beverly Hills would be \$46,628.

The biggest difference in this approach is that it meets the District construction schedule:



This option would allow work to begin on all District schools as quickly as possible. This option also avoids most construction escalation and returns the greatest purchasing power to the District and the greatest overall value from Measure E.

Comparison of Options

	Option 1 - No acceleration	Option 2 - 40/25 year Bonds
Maximum Measure E Tax Rate	\$49.71	\$60.00
Payback period	2073	2052
Total debt cost	\$ 2,538,850,385	\$1,077,193,393
Debt service to principle ratio	9.4:1	3.5:1
Total tax for median taxpayer	\$69,574	\$46,628
Construction fully funded	2034	2017

Acceleration results in the lowest overall cost to taxpayers and allows construction to be executed as quickly as possible. Not accelerating bond sales will result in the highest overall cost to taxpayers and will significantly delay and erode the construction buying power of Measure E.



**Beverly Hills
Unified School District**

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255 S. Lasky Drive, Beverly Hills CA 90212 (310) 551-5100

June 6, 2013

Senator Carol Liu
California State Senate
State Capitol Room#5061
Phone: (916) 651-4021
Fax: (916) 324-7543
Email: senator.liu@sen.ca.gov

Dear Senator Liu,

I am writing this letter on behalf of the Beverly Hills Unified School District (BHUSD) in opposition of AB182 - an act to amend Section 15146 of, and to add Sections 15144.1, 15144.2, and 15144.3 to, the Education Code, and to amend Sections 53506, 53507, 53508.7, and 53530 of the Government Code, relating to bonds.

The BHUSD opposes AB182 for three primary reasons: (1) AB182 is a retroactive penalty on districts that have already passed but not issued bonds; (2) AB182 will constrict bond funding so much that major district-wide renovation or expansion program will be impossible; and (3) AB182 will result in decaying schools all over the state.

1. **Retroactivity** – In the case of the BHUSD, an election with a 65% supporting majority vote passed a \$334 million renovation program that specifically anticipated 40-year bonds with a debt coverage ratio greater than 4:1. Retroactively imposing the 25-year limit, the 4:1 debt coverage ratio, and the already existing \$60 cap on tax rates, will effectively reduce that bond measure by half. That is overriding the will of the people and their determination of what is necessary for their local school district. AB182 is a response to Districts – and voters – who made poor decisions. Our voters made a reasonable decision, our facility needs are compelling, and our election reflected the overall financing requirements. Why should the majority of responsible districts be penalized because a handful of districts were irresponsible? There is also a double standard here: school bond funding is shrinking, while every other governmental entity in the state may continue to issue 40-year bonds with higher debt coverage caps.

**Board of Education
Administrative Staff**

President-Jacob (Jake) Manaster , Vice President-Noah Margo, Brian David Goldberg, Ph.D., Lisa Korbatov, Lewis Hall
Superintendent-Gary W. Woods, Ed.D., Chief Administrative Officer-Dawnalyn Murakawa-Leopard, Ed.D.
Chief Academic Officer-Jennifer Tedford, Ed.D.



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2. Inadequacy - The combination of cap on tax rates and bond length results in inadequate funding for major renovation programs in Districts. The hard reality is that many older schools in this state have only been partially retrofitted or renovated over the decades. Those buildings reach a point where another Band-Aid will not work: major renovation is required. In the case of BHUSD, five school campuses have 100-year old buildings. Because of their age, every campus has serious seismic deficiencies as well as other deficiencies. Those buildings need to be taken down to the walls and completely renovated. One campus has been completed, one campus is underway, and three more are set to go. Every bit of the \$334 million bond measure will be required. AB182 would extend the construction program by at least a decade. School construction costs are escalating rapidly in Los Angeles. Extending the construction program by a decade will cut our purchasing power by half – and reduce the amount we can build by half, which will not be enough to fix every campus. What happens if an earthquake hits before we can get the buildings renovated?

3. Result – Schools are like every other building - at some point they must undergo major renovation or be replaced. Where do districts acquire the money to renovate? Not from the State! State school construction funding has never kept up with needs. The burden for major school renovation falls on the local school district. Local bond elections are tough to win. The reality is that most school bond elections fail. They only succeed once a district has reached a crisis point where renovation or replacement is required district-wide. AB182 will force districts to break up their construction programs and have multiple elections. AB182 is effectively raising the bar for districts to maintain their facilities, and the result will be that more and more districts will be unable to maintain their facilities.

Thank you for your consideration of our points in opposition of AB182.

Most Sincerely,

Gary W. Woods, Ed.D.
Superintendent of Schools

Board of Education
Administrative Staff

President-Jacob (Jake) Manaster , Vice President-Noah Margo, Brian David Goldberg, Ph.D., Lisa Korbatov, Lewis Hall
Superintendent-Gary W. Woods, Ed.D., Chief Administrative Officer-Dawnalyn Murakawa-Leopard, Ed.D.
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**A Special Report to the Beverly Hills Community
 from the Finance Committee of BHUSD**

March, 2013

Dear neighbors:

Over the past several months our community has been inundated with statements urging that Beverly Hills Unified School District comply with the 2008 Measure E campaign promise of no increase in the \$49.71 property tax rate, and denouncing the use of Capital Appreciation Bonds (CABs) to fund the upgrading of substandard school buildings. In keeping with the mission of our committee, which is, in part, to educate the public regarding the financial position and outlook of the school district, we are taking this opportunity to respond to those statements.

Capital Appreciation Bonds (CABs)

CABs are bonds on which interest payments are deferred until maturity. To attract investors, CAB interest rates are higher than those of Current Interest Bonds (CIBs). CABs are utilized when there is insufficient taxing capacity to fund the semi-annual interest payments of CIBs. School construction typically is funded by a combination of CABs and CIBs. In a number of cases school districts have abused the practice of issuing CABs by utilizing them exclusively or nearly so, extending bond maturity dates to as long as 40 years, placing the burden of repayment on future taxpayers who may not benefit from the capital improvements, and incurring exorbitant bond retirement costs as high as 20 times the amount borrowed.

CABs can be utilized responsibly, however, by limiting their maturities and costs of retirement, conservatively projecting the growth of assessed property valuation and future interest rates, and issuing “callable” bonds to permit conversion to CIBs if interest rates become lower, or if assessed valuation of taxable property becomes higher than projected. Such limitations and conditions are proposed in recently introduced state legislation. State and county officials who have expressed opposition to irresponsible strategies involving CABs recognize the practicality of responsibly issued CABs. For example, the president of the California Assn. of County Treasurers and Tax Collectors has stated that CABs with maturities of less than 25 years and low debt payments can be a responsible way to fund school improvements, and the California Assn. of School Business Officials has expressed support for the responsible use of CABs to pay for school construction.

Why the Measure E promise of a \$49.71 property tax rate is not valid

The Measure E bond campaign in 2008 included a promise that there would be no change in the property tax rate of \$49.71 in effect at that time to retire the earlier BHUSD bond issuances, Proposition S and Measure K. That promise was based upon four assumptions that did not materialize.

1. The projected growth in assessed property valuation was precluded by the real estate crisis:

Fiscal Year	Projected growth	Actual growth
2009-10	7.03%	6.12%
2010-11	4.50%	2.62% (reduction)
2011-12	4.50%	1.22%
2012-13	4.50%	6.48%

In the four years following the Measure E campaign there was a ten percent compounded difference between the projected and actual growth in assessed valuation. Moreover, current projections of assessed value growth for the next three years are 2%, 3% and 4% respectively, all well below 4.50% annually, which was projected for those years in 2008. The inadequate growth in property valuation necessitates higher property tax rates, and that alone invalidates the 2008 promise.

2. The projected CAB interest rate of 5.50% did not materialize. Current projections for CAB interest rates range from 6.00 to 7.75% depending on the maturity dates and other factors. Interest rates that are higher than projected result in lower proceeds from the bond sales and delayed issuance of the bonds.
3. The original bond issuance schedule was not consistent with the stated purpose of upgrading substandard school buildings. More than half the bonds were scheduled to be issued in 2018, ten years after the passage of Measure E. Because of the inadequate growth in assessed property valuation to date and the increased interest rates, future bond issuances would have to be delayed significantly beyond the original schedule.
4. At least 90% of Measure E bonds were originally planned as CABs, half of which having maturities of up to 40 years. In order to remain near the \$49.71 tax rate, future bond issuances would have to consist entirely of CABs with long-term maturities. Under current governmental oversight and proposed state legislation the District would be prohibited from issuing such bonds.

With the benefit 20/20 hindsight, it is obvious that the 2008 campaign promise was “too good to be true”. Community leaders who endorsed it in good faith should recognize now that it is not realistic, and they should support a reasonable alternative for funding essential upgrades of our school buildings.

Sincerely yours,

Finance Committee, BHUSD

Mel Spitz, Chairman

Bob Sternsheim, Vice Chairman

Marty Frank

Terry M. White

Herb Young

Note: The facts in this letter have been reviewed and verified by Keygent Advisors, a Public Finance And Management Consulting firm.

The District Finance Committee Resolutions

May 28, 2013

The DFC unanimously resolved to recommend that if the Board concludes that the proposed plans should be implemented, the Board should adopt the most expeditious bond financing plan possible, consistent with all legal requirements, resulting in lower costs to taxpayers and lower construction costs, recognizing that this may require significantly accelerating the Measure E bond issuance schedule.

The DFC further unanimously resolves that the Board should immediately engage in an aggressive and visible communication plan to inform the community.

Finally, the DFC unanimously resolves to recommend that the Board of Education consider taking action to obtain relief from the restrictions on the bond issuance schedule imposed by the pending legislation, AB 182 (Buchanan and Hueso).

BEVERLY HILLS COURIER

The Newspaper of Record for the World of Beverly Hills

**From the Publisher
CLIF SMITH**

SCHOOL FINANCE: TWO BAD CHOICES

Over the next couple of weeks, Beverly Hills voters will learn what our current school board knows about the "Measure E" bonds passed a few years ago.

In short, the bonds were and are a bad deal from a financing standpoint. They are like the dangerous "adjustable rate mortgages" with no interest cap that many took on years ago, enticed by a low interest start rate only to see that rate skyrocket.

The school board that voted for those bonds is gone, except for current school board member Brian Goldberg – who voted "no" at the time.

So, Beverly Hills is stuck – either stick with a bad deal and really get stuck with a huge bill, or pay it off quicker and save a ton of money. The first choice is what happens if this board does nothing. The second choice requires this board to break the promise made years ago by the board that promoted the bonds in the first place. Those are the two bad choices.

Unfortunately, the second choice runs smack into the promise made by the school board at the time that "your tax rate will not go up." That board, hurried into this bad decision, failed to do its homework, failed to ask the right questions, listened to the bond promoters with a "too willing" ear, and failed to get proper financing terms. Instead, they signed on to something called a "capital appreciation bond," which is school-bond-speak for that horrible "adjustable rate mortgage" scenario, coupled with some huge payments down the road. To be honest, *The Courier* did little investigation on the matter, sensing as we did an emotional push just to appropriate more money. We should have asked tougher

questions. We do ask those questions now.

Adding to the dilemma are two basic business and financial factors: (1) today we have all-time low interest rates and (2) construction costs are on the verge of skyrocketing – again – but this time because of billions of dollars of government projects now launching. We will get squeezed.

Beverly Hills Unified School District has old buildings. Some are in OK shape; others are not. The people of Beverly Hills authorized up to \$300 million in new bonds to fix up the buildings and build new ones, but that vote was based on a promise "not to raise the tax rate."

So now, *The Courier* has called upon the current school board to give out all the information it has or can obtain to educate everyone else in Beverly Hills about the real choices.

These "choices" are based on substantial, real considerations of financing, bond rates, public debt, decaying physical facilities, timely interest rates, and the certainty of being stuck with a bad deal made by others.

We call upon the Board of Education to share EVERYTHING they know and all the data they have with the people. We call upon the board to hold public meetings, to ask the people, "Well, these are the facts. What would you do?"

We have asked this board for months to share this information. We understand they will now do so.

This is a decision that will be made by the five members of the board, but it is a decision that really belongs to everyone in Beverly Hills who pays property taxes. We need the information so we can give our input – all of us.

As vital as the Golden Triangle business district and our multi-starred hotels are, the foundation of Beverly Hills is our public school system. There is a limit to how much money our district can call upon us to pay, but the first duty of this board is to let us truly know and understand what we all face.

We will deal with which bad choice we should make after we learn the facts.

Measure E Cost Efficiency

The Construction Oversight Committee (COC) conducted a review of Measure E expenditures through the end of 2012. Those expenditures were summarized as follows:

Per COC - Measure E Expenditures		
Category	Spending to 12/31/2012	Percentage
Administration	\$5,256,394.00	22.3%
Architects	\$7,017,342.00	29.7%
Attorneys	\$5,768,067.00	24.4%
Construction	\$2,421,833.00	10.3%
Geotechnical	\$768,515.00	3.3%
MEPC	\$2,058,606.00	8.7%
Miscellaneous	\$308,847.00	1.3%
Total	\$23,599,604.00	100.0%

This chart gave rise to concerns over the fact that a significant amount of money has been spent with little construction to show for it. However, that observation is out of context and ignores a substantial history that caused a lot of wasted expense.

The initial mismanagement of the Measure E program has been well documented. That mismanagement resulted in an aborted 2008 master plan. The master plan was seriously flawed in failing to identify and address District requirements and was subsequently abandoned. Legal action ensued, ultimately with a cost recovery. The failed effort also entailed significant expenses including:

Strategic Concepts Expenditures and Recovery	
Category	Spending to 12/31/2012
Administration	\$2,058,696.00
Architects	\$4,251,287.00
Attorneys	\$2,542,087.00
Total	\$8,852,070.00

The District prevailed in litigation and has been awarded \$6.7 million in damages. Measure E expenditures have also been impacted by the LA County MTA plans to run a subway across the BHHS campus. Those expenses include:

Metro Expenditures	
Category	Spending to 12/31/2012
Attorneys	\$2,762,487.00
Total	\$2,762,487.00

Eliminating these expenses gives a more accurate picture of the cost of Measure E for the work completed to date:

**Measure E Expenditures Without Strategic Concepts
and Metro**

Category	Spending to 12/31/2012	Percentage
Administration	\$3,197,698.00	13.5%
Architects	\$2,766,055.00	11.7%
Attorneys	\$483,493.00	2.0%
Construction	\$2,421,833.00	10.3%
Geotechnical	\$768,515.00	3.3%
MEPC	\$2,098,606.00	8.9%
Miscellaneous	\$308,847.00	1.3%
Total	\$12,045,047.00	51.0%

That still appears to represent little construction proportional to the amount of support costs. This is due to the fact that half of the administrative costs, all of the design, all of the geotechnical, and all of the MEPC survey costs occur prior to construction. A lot of this work was required even before detailed design work could begin: for example, the geotechnical work was required to get CGS approvals at Horace Mann and BHHS, and detailed building and site engineering surveys were required to determine the extent of renovation required and develop preliminary design concepts that could meet District needs. That process determined over \$500 million in needs which has since been pared down to stay within the Measure E funding requirements. The site investigation process also included obtaining DSA certification for 67 construction projects that had been done by the District but never closed out with DSA.

In the meantime, detailed design has proceeded for the new building at Horace Mann, a \$25 million project that will go out to bid at the end of this year, and over \$2 million worth of renovation work will be out to bid this summer. As more work moves through the two-year long design and DSA approval cycle, the ratio of support costs to construction will approach industry standards.

The District's support costs are unusually high. There are reasons for the higher expense to date. The long term ratio of support costs will be closer to normal.



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June 6, 2013

Board of Education
Beverly Hills Unified School District
255 South Lasky Drive
Beverly Hills, California 90212

Re: Measure E - Maximum Tax Rate Authorized to be Levied for Repayment
of Debt Service on General Obligation Bonds

Dear President Manaster and Members of the Board:

The letter is written in our capacity as general counsel to the Beverly Hills Unified School District (the "District") in response to the District's request for our advice regarding the authority of the District to issue general obligation bonds pursuant to the bond authorization contained in Measure E (the "Measure E Bond Authorization") approved by the voters of the District on November 4, 2008, if the tax rate necessary to pay debt service on such bonds, together with the outstanding bonds issued pursuant to Measures E, S and K, would exceed \$49.51 per year per \$100,000 of assessed valuation.

It is our understanding that in January 2009 the initial series of general obligation bonds of the District in the principal amount of \$72,044,664 were issued pursuant to the Measure E Bond Authorization (the "2009 Measure E Bonds"). It is our further understanding that the District is now considering the issuance of additional general obligation bonds pursuant to the Measure E Bond Authorization (the "Additional Measure E Bonds").

In connection with the preparation of this letter we have examined the following authorities and documents:

- Paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution;
- California Education Code Section 15100 and following;
- California Education Code Section 15264 and following;
- Resolution No. 2008-2009-002 of the Board of Education Ordering an Election to Authorize the Issuance of School Bonds, Establishing Specifications of the Election Order, and Requesting Consolidation with Other Elections Occurring on November 4, 2008 and the appendices thereto;
- California Elections Code Sections 9401 through 9404;



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Board of Education
Beverly Hills Unified School District
255 South Lasky
Beverly Hills, California 90212
June 6, 2013
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- The Official Sample Ballot and Voter Instructions for Measure E including:
 - The Impartial Analysis of Measure E provided by County Counsel;
 - The Argument in Favor of Measure E;
 - The Rebuttal to Argument in Favor of Measure E;
 - The Argument Against Measure E;
 - The Rebuttal to Argument Against Measure E; and
 - The Statement in Compliance – Measure E, commonly referred to as the “tax rate statement” prepared pursuant to California Elections Code Sections 9401 through 9404.
- Such other documents in our opinion as are necessary to enable us to express an informed opinion as to the matters discussed below.

Based on and subject to the foregoing and our consideration of such questions of law as we have deemed relevant to the circumstances, we have concluded that a reviewing court should reasonably conclude that the authority governing the maximum tax rate that may be levied to pay debt service on Additional Measure E Bonds are the provisions of Education Code Section 15270(a) and Education Code Section 15252. Education Code Section 15270(a) provides that Additional Measure E Bonds may be issued only if, at the time of the issuance of such Additional Measure E Bonds, the tax rate levied to pay the debt service on all outstanding bonds issued pursuant to the Measure E Authorization, i.e., the 2009 Measure E Bonds and the Additional Measure E Bonds, would not exceed \$60 per year per \$100,000 assessed valuation of taxable property when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution. Following the issuance of such Additional Measure E Bonds, the tax actually levied shall, as required pursuant to Education Code Section 15252, not be less than sufficient to pay the scheduled debt service on the outstanding 2009 Measure E Bonds, such Additional Measure E Bonds and the outstanding general obligation bonds issued pursuant to Measures S and K. Therefore, subject to the limitations described above, the District may issue Additional Measure E Bonds if the tax rate necessary to pay debt service on such bonds, together with the other outstanding bonds issued pursuant to Measure E, Measure S and Measure K, exceeds \$49.51 per year per \$100,000 of assessed valuation.



BEST BEST & KRIEGER 
ATTORNEYS AT LAW

Board of Education
Beverly Hills Unified School District
255 South Lasky
Beverly Hills, California 90212
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Please feel free to contact us if you have any questions regarding our conclusions.

Respectfully yours,

A handwritten signature in black ink that reads "Warren Diven". The signature is fluid and cursive, with a large loop at the end of the last name.

Warren B. Diven
of BEST BEST & KRIEGER LLP

MEMORANDUM

To: Board of Trustees
Beverly Hills Unified School District

From: Charles Adams
Jones Hall, A Professional Law Corporation

Date: March 12, 2012

Re: Issuance of Measure E Bonds

You have asked us the District may legally issue additional General Obligation Bonds which have been authorized under Measure E, notwithstanding that such issuance may cause the tax rate which is required to pay debt service on the Measure E Bonds to exceed the rates which were identified in the tax rate statement which was part of the Measure E Ballot.

Under the Sections 9401-9404 of the California Elections Code, the ballot measure for a school district bond issue must contain a statement (the "Tax Rate Statement") which discloses the estimated tax rates that will be required for payment of the bonds. The purpose for the Tax Rate Statement is set forth in Section 9404 of the Code, which provides as follows:

"The Legislature declares that the essence of compliance with this chapter is good faith in presenting to voters the most accurate available information for their use in effecting comparisons and exercising judgment in casting their ballots."

Among other things, the Tax Rate Statement is required to contain "the best estimate from official sources of the highest tax rate that would be required to be levied to fund that bond issue, and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors."

Measure E was approved by more than 55% of the District voters at an election held on November 4, 2008, which authorized a total of \$334,000,000 principal amount of general obligation bonds to finance new construction and additions to and modernization of school facilities for the District. The ballot measure for Measure E contains a Tax Rate Statement which includes all of the statements required by the Elections Code, including the following:

“The best estimate of the highest tax rate which would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is 4.97 cents per \$100 (\$49.70 per \$100,000) of assessed valuation in fiscal year 2030-31.”

The District has issued an initial series of bonds under Measure E in the principal amount of \$74,044,664. The Board is considering at this time whether to authorize all or a portion of the remaining bonds, recognizing that doing so may cause the maximum tax rate to exceed the \$49.70 maximum tax rate which was identified in the Tax Rate Statement. We understand that the amount of additional bonds which are issued under Measure E will not cause the tax rate to go above the \$60 limit which is set forth in Section 15270 of the California Education Code.

In reviewing this question, we note that the tax rates which are identified in the Tax Rate Statement are expressly stated to be the “best estimate” based on facts and circumstances which existed “at the time of filing” the Tax Rate Statement. Under Section 9401 of the Elections Code, the deadline for filing the Tax Rate Statement was August 8, 2008. As of this date, the District had a long history of substantial increases in its assessed valuation. Specifically, the assessed valuation of properties in the District had grown by approximately 9% in every year between 2004-05 and 2007-08, and by nearly 12% between 2007-08 and 2008-09. Because the Tax Rate Statement necessarily requires a projection of future growth of assessed valuation in order to determine the maximum tax rate in future fiscal years, it would have been reasonable *at the time* to forecast a substantial rate of future growth. We further understand that certain assumptions were made concerning the issuance of long-term bonds under the pertinent provisions of the Government Code (starting at Section 53506), and concerning the issuance of capital appreciation bonds in order to match the assumed growth rate for property values. Based on the foregoing, we find no evidence that the Tax Rate Statement was prepared using unreasonable assumptions, based on facts and circumstances in existence at the time the Tax Rate Statement was filed.

As noted above, the Legislature has declared that the purpose of the Tax Rate Statement is to use “good faith in presenting to voters the most accurate available information.” The purpose of the Tax Rate Statement is not to place a legal limit on the tax which may be levied to repay the bonds, or to prohibit the issuance of bonds which would exceed the original estimates contained in the Tax Rate Statement. The Legislature has, instead, enacted a limitation on the tax rate which is forecast to be in effect at the time each series of bonds is issued, in the amount of \$60 for unified school districts.

Based on the foregoing discussion, we do not believe that the District is legally prohibited from issuing additional bonds under the Measure E authorization, even though such issuance will be expected to cause the tax rate which is required to pay debt service on the Measure E Bonds to exceed the rates which were identified in the Tax Rate Statement which was part of the Measure E Ballot, provided that the issuance of such bonds is not expected to cause the \$60 tax rate limitation set forth in Ed. Code Section 15270 to be exceeded.

FAQ:

Q: What is the main purpose of accelerating the bond payment?

A: More immediate use of funds. Instead of waiting 20 years to begin construction, we can begin immediately and can accomplish more.

Q. What are the advantages to taxpayers to accelerate the bond payment?

A. Taxpayers benefit by having the construction that they voted on completed timely and on budget and by paying off bonds sooner.

Q. What are the disadvantages to taxpayers to accelerate the bond payment?

A. There will be an increase in the annual Measure E tax rate from \$49.71 to \$60.00 per \$100,000 in home value. Since we are still paying off Prop S and Measure K, these costs will be added to the Measure E rate for the next few years.

Q: What are the overall disadvantages to delay the start of the construction?

A: 1) **higher construction costs** (labor and materials). Increased construction costs will reduce the usable budget by as much as a third to a half, which will impede the ability to fulfill the goals of the bond.
2) **inability to secure the best suppliers** as they will be committed to other numerous projects within the region, thus delaying the construction
3) **increased deterioration** As construction is delayed our schools become more dilapidated, and the result is higher costs for repair.

Q: Why are renovations needed in all school auditoriums if Measure K funds were earmarked for this purpose?

A: There are still more renovations to be done that Measure K funds did not complete. In addition, since the time of Measure K new fire and safety regulations have come about.

Q: Are the funds being used for safety renovations or beautification?

A: Priority is to bring all the schools up to fire and safety codes. Beautification is a byproduct of the safety renovation not a driver.

Q: Why does the high school gym (Konheim) need to be replaced instead of refurbished?

A: The costs to refurbish this building would be equivalent to replacing. By replacing, we have the option of adding underground parking, more basketball courts, a larger fitness center, and expand our field to one that is regulation-size.

Q: Is more parking necessary at the high school and is this the best use of funds?

A: Currently the school offers 600 slots, which is far below regulation of 1,000 – 1,200. Since we are constructing a new building, it is cost effective to put the parking underground, but in a centralized location, and allowing for better utilization of space above.

Q: Is the underground parking being used to block Metro?

A: No. The underground parking is only one story underground and is above the proposed Metro tunneling.

Q: When the original bond measure was passed, it was predicated on the messaging that taxes would not be raised. So why raise them?

A: Since 2008 construction supplies and materials have risen and will continue to rise higher than originally estimated. These were hard to predict when the original promise was made. It is fiscally responsible to adjust to these increases by accelerating the availability of the usable funds, which will result in an increase to the tax rate. At the same time the property bubble burst, increasing the rate per assessed value.

Q: By accelerating the bond payments, there will be taxpayers' dollars sitting idle in the bank. Is this the most economical use of taxpayers' dollars?

A: It is a standard practice, especially in school districts, to have funds readily available for 3-5 years. State law requires having full funding before going out to bid on construction. Also, if the State restricts our money, it's better to have the funds up front.

Thank you to the community members who attended the town hall meetings to contribute their suggestions and input. A decision by the Board whether or not to place the issue on the ballot needs to be decided upon and submitted to the County by June 30, 2013.