

EMAIL MEMORANDUM

TO: Judy Wiegand
Board of Education

FROM: Michael J. Tague

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INTERSTATE DRIVE HIGH SCHOOL - THE SUCCESSFUL LONG QUEST

I am providing a historical perspective of the School District's ongoing efforts at identifying potential sites for attendance centers since the 1990s. It appears that there is an unreasonable focus on sites and options that have been vetted and rejected. Following is a very concise timeline of efforts relating to identification of properties from the 1990s to date as I have been involved on and off with property acquisition matters for the District since the 1990s.

In the mid 1990s, Unit 4 was looking at acquiring property in the southwestern portion of the District to site an elementary school where there were growing residential areas and grade school populations. At the same time, we were looking at pairing an elementary school in the northern part of the community.

At that time, the School District learned there were 60 acres just south and east of the Cherry Hills Subdivision development off of Curtis Road.

With respect to that 60 acre property, we negotiated a purchase price for the 60 acres and, in accordance with the wishes of the owner, approved a sales contract at a public meeting. Representatives of a community church learned of the approved contract and that next morning contacted the property owner and indicated that they would buy the 60 acres for a higher price. A bidding war could have occurred so, ultimately, the church and the School District determined that they should acquire the 60 acres jointly and each take 30 acres.

The lesson learned was that doing everything completely in the sunshine could put the School District in a substantially negative position of having to pay more for property. Negotiations and vetting of prospective sites would need to be conducted in a fashion so as to protect taxpayers from other buyers willing to increase offering prices.

The project of identifying a properly sized potential high school campus for most of those early years was not a high priority. One reason was that there was not a funding source to buy a large parcel for a future site and consent decree and equity litigation issues were of paramount concern in the School District and the Board of Education and its administrative staff were focused on these issues. While we (primarily me) kept our eyes open for open areas as close to the student population centers as possible for suitable attendance centers of all kinds, it has been and continues to be a situation where there are no large tracts within the central part of the City of Champaign that have been or are unoccupied, nor were there areas of large blatantly underutilized or otherwise grossly underdeveloped large tracts.

During the early 2000s, the District was handling a number of issues related to the consent decree, and any serious determinations as to future attendance centers would need to be viewed through the prism of the consent decree. As a practical matter, until the consent decree litigation concluded, important parameters in determining future facility needs were substantially uncertain.

However, in the mid-2000s we were trying to find suitable locations for new elementary school seats north of University Avenue. We looked all over town for a suitable location and originally planned to build at Spalding Park until that option fell through. Ultimately, the School District came up with a site north of the Boulder Ridge development which would have been adjacent to the new park. However, that site was not as closely aligned to the spirit of the consent decree and drew community criticism. That opposition, coupled with the fact that there was absence of perceived benefits for the populations to the South, resulted in a failed referendum.

The lesson we learned was that for a successful referendum, you need to offer a package of improvements to several aspects of the educational package perceived by many segments of the population as beneficial to the students directly impacted within those segments, i.e. you can't just enhance the program for Central students and not advance the program for those who would attend Centennial. You may not be able to fix the high school program without addressing elementary or middle school needs.

During that whole time, on many occasions, I drove to various places in the community with the Superintendent or Business Manager looking at different sites that might be used for District building needs. We were very mindful that we had other needs of the District requiring valuable and scarce funds, and we continued a due diligence and scouting program with little funds for appraisals or construction plans and budgeting reviews. Along the way, we used a tiered approach toward vetting possible sites. We would look at the site generally to determine whether obvious characteristics showed the site had promise and warranted further scrutiny and attention or should be passed over.

Following the passage of the sales tax referendum and subsequent bonding in 2009, we now had \$3 million budgeted to acquire a potential high school site. We now had funds to hopefully secure a

suitable space before development pushed us farther from the student population centers of the District to find open space. The search criteria was to find a suitable high school site that would have location and space to ensure flexibility if student populations increased higher than anticipated and which would also appreciate in value over time so that if the School District needed to sell or trade all or part of the site in the future, the School District would not lose money on the land bank.

Generally accepted suburban and particularly downstate high school state of the art high school planning suggested that the most practicable sites were generally larger acreage open spaces. Accordingly, and particularly at the insistence of Arthur Culver, the search parameters were limited to a high school campus of at least 60 acres which would assure the ability to provide sufficient space for a first class campus and give the School District the flexibility for expansion, increased enrollments and the level of extracurricular amenities ultimately to be decided by the community per referendum. Obviously, this made sense as such a space would also be at the very least a wise economic investment in the event that state of the art changed to require larger area or if there needed to be a dual use for the property such as a high school and grade or middle school adjacent to the same. We also wanted to incorporate the concept of having suitable space for a possible Park District participation and partnership.

Accordingly, then in the late 2000s and early 2010s, I was tasked to keep my eyes open for real estate opportunities for future attendance centers, special properties that would enhance use or mitigate problems to adjacent attendance centers and campuses and ultimately see about securing a future high school site before the areas that would be suitable were developed and space then lacking.

At that time, we had agreed to supply the City of Champaign with, I believe, approximately \$30,000 worth of funds annually so that they could hire an additional City Planner. Accordingly, they allocated planning hours to the School District for property acquisitions and expansions.

As Gene Logas told me to find some potential high school sites, I toured the District providing notes and photographs of available open areas that were at least 60 acres. We were quite mindful of the consent decree and wanted to make sure that we fully vetted sites north of University Avenue but we did look at southern sites. We then utilized some of the City Planning services to get basic input from them. We were provided with a growth area which provided boundary lines of where sewer service would end. We then looked at properties inside of the sewer service area. We contacted the major real estate brokers in the area to find out what they knew was available or listed and then met with the City Planning people to actually look at aerial maps to identify properties as close in to existing development as possible. Stig Lanesskog and Greg Novak reached out to the University of Illinois, and we identified the southern sites between Windsor and Curtis and all of the original perimeter sites which included the property on Cardinal Lane to the west and the Olympian sites. The City of Champaign developed reports on all of the sites, and we began the process of acquiring pricing.

Along the way, we looked at other sites as some property owners suggested their property was available or others came up with in-fill ideas.

We specifically looked at acquiring property on both sides of North Market Street north of Bradley (Bristol and Shadowwood), we looked at the Franklin in-fill solution with Spalding Park as a park symbiosis, and we looked at Country Fair on many occasions due to the City's desire to redevelop that area. We looked at siting a school on North Mattis, West of Mattis, and North of Bradley and East of Dodds Park. We also looked at possibly siting a school within the Parkland campus.

As we looked at estimated prices, we needed to make certain assumptions based upon our experiences and assessor information as procuring actual appraisals and/or quotes would be expensive, and obviously, it would be desirable to narrow the site selection to a few for specific site due diligence.

Along the way, the obvious possibilities of going to a single campus, a split campus based upon grade level, and renovations of Central High School were considered as, if those directions appeared to be the way that the School District thought was the best way of educating the children, then we would not need a new high school site.

With respect to a renovated Central, we began the first tier process of looking at what we could do on the current site. Acquiring additional space was quite problematic and limited by major arterial streets and West Side Park.

In the summer of 2010, the School District did a first tier evaluation of a potential expansion of the Central High School site to explore that possibility. I went about identifying the properties in the area and then acquired Assessor's value for the property. While we believed that, due to the neighborhood and multifamily uses, the Assessor values were probably substantially low, it would at least give us some idea of minimum funds required for which we would need to add contingency amounts based upon reasonable assumptions. We used reasonable assumptions to yield preliminary estimates to save large monetary outlays that due diligence site specific detailed design would cost as we could use those tens of thousands of dollars in cost savings for things like band instruments, teachers, technology and direct student services. According to the Assessor in 2010, for the properties in the super block north of the existing high school that the District did not already own, the Assessor had a value of \$3,204,563. There would have been substantial demolition costs which we thought would be somewhat expensive because most of the properties were apartments. We believed that we would need to have a minimum acquisition budget of \$3.5 million for that relatively small acreage and need to use eminent domain on some of the properties. We used a very ballpark \$500,000 for demolition-related activities. We did not know what the City of Champaign's position would be on vacating Park Street.

An alternative scenario would be to acquire all of the properties that were directly west of the school running to Prospect Avenue. The same Assessor's analysis of value put those properties at \$5.6 million with very rough estimation of demolition costs between \$500,000 and \$1 million.

To acquire very modest area gains would require very large outlays that far surpassed the \$3 million budget that we had to acquire an entire future high school campus.

At the same time, very preliminary cost estimate numbers were acquired relative to construction renovation with the goal to determine whether or not remodeling would reap substantial cost benefits to justify acquiring small additional spaces for premium prices or no new area. The first tier evaluation of feasibility for a Central reconstruction provided a variety of data that did not justify further expenses in precision quantification of costs. The extremely limited space would not have allowed for proper practice areas, competition fields, nor student and staff parking for an increased student population, so we would not solve most of the substantial deficiencies with the existing facility in efficient delivery of the overall academic program including interrelated extracurricular activities. We would spend it appeared close to as much if not more to remodel a site that would not solve a multitude of deficiencies at the existing school. The purpose of the primary vetting was to identify whether it was reasonable to conclude that remodeling would substantially reduce cost to then make a value judgment of lower cost for limited mitigation of the existing problems versus first class replacement eliminating all or at least most of the existing deficiencies. When the final vetting showed essentially the same or greater costs with little improvement versus same costs for elimination of existing deficiencies. At that point, the School District moved the focus of inquiry to other alternatives.

Another substantial factor at play at that time was that there never was a sentiment in the School District to go to a "mega campus", or one large high school, concept. The School District took great pride in its integrated holistic program involving educational enrichments like band, art, sports, theater and the like for a vast number of students. There were healthy inter-school rivalries which engaged the community in the sports activities of the two high schools. A mega school approach would immediately result in a reduction of opportunities. For example, in basketball, the varsity participation would be cut in half and the parameters of inter-school competition would substantially change if the Champaign High School became the only big school of its size in the geographical region.

Due to a combination of vision to plan for giving the community the opportunity to ultimately approve a referendum for a high quality replacement high school of excellence and maintaining the school sizes to maximize participation opportunities in the entire school program including enrichments and extracurricular activities, the renovation of Central at a cost that would be at the very least approaching or perhaps exceeding a spacious state of the art facility on ample acreage was

determined unacceptable and that we would turn our limited search resources and efforts toward finding superior possibilities.

The District's Administration and School Board focused upon ultimately siting and developing facilities based upon educational program-driven criteria. We would not build the box and then make the program fit the infrastructure, but we would develop the infrastructure to support a maximum degree of excellence in educational programming. The open space properties that were narrowed down from dozens to finally one would guarantee flexibility in area and space to allow the desired educational programs to drive the structures rather than the structures limiting the program possibilities.

When we got down to the final push, the property owners along Olympian Drive were not interested in giving us long term options. We ultimately were able to get them to agree to short term options to allow us to have a bidding process among the property owners to ultimately bring the asking prices for the acreage from the \$50,000 to \$60,000 ranges to the ultimate \$41,000 price. It was a complex, multiple party negotiation that required the promise to actually purchase property rather than simply secure prices. The reason for this is that since 2009 the School District had been making indications that they were going to go ahead and acquire a future high school site, but then those representations that we were ready to buy never came to fruition, and there was extreme skepticism on the part of the property owners that we were dealing with that we in fact were serious when we indicated that it was time to actually acquire the property and try to build the high school.

Current development in the area surrounding the Interstate Drive site is slated for single and multifamily development in the coming years, with the Atkins Group working to develop that area. While it is certainly possible that areas to the south and west or even the areas to the Northwest in Boulder Ridge may develop residentially at a faster pace, some of those areas are further from the geographical and population centers of the District, and the fact of the matter is that if a new high school was sited in the Southwestern part of the community, there would undoubtedly be a rekindling of issues of inequity among historically underserved student populations. The property east of Market will most probably develop industrial and commercial, but all of the empirical evidence in my strong opinion suggests that the area west of Market and south of Olympian Drive will develop residential and at a higher density than the more prevalent single family developments to the southwest, west and northwest.

Suggestions that the School District and its Board of Education have not properly narrowed a set of suitable sites is unfounded based upon the fundamental premise that the Board of Education in its efficient and low cost tiered vetting to identify suitable sites and then to narrow the list of suitable sites to the ultimate finalist is educationally driven. The tools of the School District, including its buildings and structures, are chosen to provide the best educational opportunities and programs for the students. The School District was not and is not tasked with providing paramount considerations to

eliminating urban blight, preventing suburban sprawl, allowing the MTD to shorten bus route distances, except as to how those things impact the educational opportunities for the students in the District. The School District has been very liberal in revisiting sites with known substantial shortcomings that would limit or constrict the highest level of programming flexibility and educational opportunities to make sure it has not overlooked or misinterpreted preliminary raw data.

Specifically, with respect to Spalding, there has in fact been unfair comparison between the Interstate site and the Spalding site, but the unfairness has been to look at Spalding through a prism where the School District for argument's sake would agree to a site with diminished educational and programming opportunities and little flexibility for future needs or expansion and no flexibility for upgrades and enhanced amenities if desired by the community in the future to accommodate a generalized urban land use philosophy. In fact, oftentimes the question posed to the School District is "can't you live with less land, smaller numbers of practice fields, scaled back competition fields in the interest of keeping the high school in the traditionally urbanized and developed areas?" That question raises then the most important question for those who have sworn to be the stewards of the resources for the education of the children in the community, how can the Board of Education in good conscience limit upside potential particularly when there are substantial premiums to pay to end up with an inferior educational solution.

In reiteration, key points of our journey include:

1. We had been keeping our eyes open for decades as to available locations and opportunities. We still are.
2. We have had ongoing dialogue with commercial realtors and developers relating to property acquisition opportunities. We still will.
3. We have approached property acquisitions, budgets for property acquisitions and strategies for acquiring property short of eminent domain in the same fashion for 20 years. That is still the plan.
4. We have avoided unreasonable due diligence costs for properties that were not suitable or unattractive and have spent no money in acquiring options that have lapsed. We will still save costs to apply resources to direct student services when possible.
5. We have been required to maintain certain confidentiality to have dialogue with prospective sellers to avoid publicity increasing the purchase price.
6. We have kept the City of Champaign Planning Department apprised of our strategies and intentions and solicited their input throughout the process.

7. We have considered the spirit of the consent decree in our evaluations to avoid spending energy and resources on sites that were at odds with the School District's commitment to this agreement.

In conclusion, a referendum in November can under no stretch of the imagination be considered a waste of time or resources. It will be the first opportunity for the School District to present a referendum package to implement its future secondary education program to the community premised upon an infrastructure that would provide our children the best that now exists and incorporate flexibility to further evolve the programs over time to maintain cutting edge technology and educational programming to remain at a level of excellence for substantial time in the future.

The question seems to be not whether the Interstate location could be replaced by a better site from an educational program perspective for less cost but whether a lesser quality property from an educational programming standpoint at a higher cost is acceptable for fulfillment of perceived benefits by some segments of the community that are non-educational. The School District has been and continues to be driven by the concepts of 1) opportunity for educational excellence, 2) flexibility to adopt new educational opportunities, and 3) ability for expansion to accommodate growing student populations.

Accepting lesser quality to keep Central High School more central is antithetical to the mission of the School District to prove excellence in education to the best of its abilities and resources entrusted to it by the community.