

DAVENPORT COMMUNITY SCHOOL DISTRICT
DAVENPORT SCHOOLS ACHIEVEMENT SERVICE CENTER
JIM HESTER BOARD ROOM
Achievement Service Center
1606 BRADY STREET
DAVENPORT, IOWA 52803

MONDAY, DECEMBER 18, 2013
SPECIAL CALL OPEN SESSION
1:30PM

The Board of the Davenport Community School District in the Counties of Scott and Muscatine, State of Iowa, met on Wednesday, December 18, 2013 for a Special Call Open Session. The meeting was held at the Achievement Service Center, 1606 Brady St., Davenport, Iowa, in said District. President Johanson called the meeting to order at 1:30PM.

On roll call the following board members were present: Directors: Ralph Johanson, Nikki DeFauw, Rich Clewell, Maria Dickmann, Jamie Snyder and Bill Sherwood. Ken Krumwiede participated by phone. Superintendent Art Tate was also present.

I. ITEMS REQUIRING ACTION

A. Resolution for Transfer of Real Estate

Motion: Director Clewell moved the board approve the following resolution for the transfer of real estate:

WHEREAS Davenport Community School District has entered into negotiations for the purchase of certain real estate located at 3801 Marquette Street, Davenport, Iowa, more particularly depicted on Exhibit "A" attached hereto; and
WHEREAS Davenport Community School District is agreeable to entering into a purchase agreement for the acquisition of the real estate with the owner, Select Medical Property Ventures, LLC.

NOW, THEREFORE, the Board of Directors of Davenport Community School District adopts the following Resolution:

RESOLVED, that Davenport Community School District shall enter into a Purchase Agreement with Select Medical Property Ventures, LLC to acquire the real estate located at 3801 Marquette Street, Davenport, Iowa, and depicted on Exhibit "A" (approximately 11 acres) for a purchase price not to exceed \$2,500,000, together with such other standard terms and conditions as provided in a purchase agreement and recommended by legal counsel;

FURTHER RESOLVED that the President is authorized to execute and deliver a purchase agreement for the acquisition of the real estate upon such terms and conditions as are approved by the Superintendent and District's legal counsel and to take such other and further actions as are necessary desirable to complete the purchase.

Director Krumwiede seconded the motion.

Discussion: Dr. Tate asked Dick Davidson, the district's attorney, to provide details about negotiations and the property. Mr. Davidson distributed a map of the property to the board. He provided more explanation as to the history of the negotiations and what they have arrived at in current negotiations. He described the specifics of the property at 3801 Marquette Street. Mr. Davidson believes what they are offering is a fair price for this acquisition which includes 11 acres of property, six of which is vacant land that could be used for any purpose. The owners are willing to work with the district on a contract and close on the property before the end of the year if the board votes in favor of the purchase.

Director DeFauw mentioned references to testing of hazardous materials in the contract and asked if the district intends to complete these tests prior to finalizing the purchase agreement and the timing for completing such tests. Scott Martin said they would do what was required by law and it would depend on what was on the site previously. He will speak with the DNR and review the language in the agreement and research the property and feels this could be completed by January 1, 2014. Director Clewell asked if the 6 acres is buildable and Mr. Davidson said there are no covenants or restrictions and they do not foresee any problems. Also, none of the property is in a flood plain. Davidson explained he has provided in the proposed contract that the district has the right to investigate and examine the property until the time of the closing to determine if it is satisfactory. If an unsatisfactory condition is found the district would have the opportunity to cancel the deal. Clewell asked if there were any above ground utility issues and Mr. Davidson responded there was not. President Johanson clarified regarding the hazardous materials issues, that if needed, the closing could happen later in January. Mr. Davidson said if the district didn't think they had the time to complete a sufficient investigation of the property before the end of December, it would be possible to extend the closing date. There was a discussion about the property and the connection point of the two buildings.

Director Sherwood expressed concern this project is being fast tracked because of the Wittenmyer situation and does not think it is in the best interests of the Kimberly Center. He said the cost between this proposal and building new is relatively minor and stated it would be cheaper to do geothermal with new construction rather than retrofitting. Martin said whether it would be cheaper depends on the system. Sherwood asked if

the plans included constructing a safe room at Kimberly Center and Martin said they are looking at that possibility. President Johanson stated he believes this discussion may not be applicable to the motion. Sherwood disagreed saying the board is discussing the cost of this project. Johanson clarified we are discussing a resolution and are not discussing additional items such as a safe room in another building which has nothing to do with this motion. Johanson said that to make the assumption that it is part of the motion he is clarifying that it is not.

Director Sherwood said it is not part of the motion but it is part of the discussion because what he is talking about is comparing a new construction which would encompass Kimberly East and West as well as the Wittenmyer students under one roof as opposed to what it would cost to have separate facilities. He said the safe room costs have to be factored into the cost of bringing the students over from Wittenmyer. President Johanson said he respectfully disagrees with that presumption and stated that the board has never said this is something that would happen so we can't assume or presume that this would be an additional cost in an additional building. He said he believes from the board perspective that this is correct and it is not correct to include in this discussion.

Director Sherwood discussed the benefits of new construction and noted that many of the Wittenmyer students could fit into the current Kimberly Center. Sherwood said there has traditionally been over 100 students enrolled in Kimberly West with 60-70 kids showing up on a daily basis so the capacity of that building would allow room for Wittenmyer students. He said this would allow time for new construction so it could be done right and not shoved down our throats. President Johanson stated he hopes the board will try to be respectful of everyone and he thinks the use of the term "shove it down our throats" is probably not appropriate for use at the board.

Dr. Tate said the question was asked if we buy this building will we have more costs in maintenance and custodians and cleaning. He said it would cost about the same for all those services in this building because Kimberly Center is twice as large as this building. If the Wittenmyer students go into the Kimberly Center then we've already included that maintenance and cleaning in the finance plan provided. Sherwood asked if that would be true for heating and air conditioning costs. Martin said when you compare the costs they are very close. Director Dickmann asked if it would be possible to bring the Wittenmyer students into West Kimberly and if this is a feasible option because this does feel rushed. Dr. Tate said he cannot visualize putting 150 students in the West side right now. He mentioned the limited capacity at Kimberly West and also doesn't think it is a good idea to mix those populations and that his vision has been providing separate facilities. Director Krumwiede said the questions asked by Clewell and DeFauw were the questions he was going to ask about the connection to the other facility. Clewell acknowledged the concerns voiced by Director Sherwood and

Dickmann. He said the proposed building has hot water heat which is more efficient than forced air gas and wouldn't look at turning that into geothermal unless it proved to be very inefficient. He asked for clarification on an area of the map east of the building and Dick Davidson provided more clarification.

Ms. Tangen explained the funding for this building would come from the Local Option Sales Tax fund balance. At the end of June the district had approximately 15-16 million in that fund that has not been allocated to projects currently on the list. Director Snyder asked Tangen to explain the difference between the Local Option Sales Tax fund and the general fund for the benefit of the public. Tangen explained the general fund budget is the budget that is generated from state aid and local property tax and cannot be used for construction or purchase of buildings. The Local Option Sales Tax is the tax we receive revenues from throughout the year which is allocated to do construction projects and the purchase and renovation of buildings. Director Sherwood stated he believes the capacity at Kimberly Center West allows for more than 40 or 50 students and doesn't believe it is necessary to separate these populations. He added that new construction would allow more thoughtful planning, alternative energy and staff involvement and expressed his concern again that this project has been rushed.

Vote: The vote on the motion was called and recorded as follows: Ayes: Clewell, Krumwiede, Snyder, DeFauw and Johanson. Nays: Dickmann and Sherwood. Motion carried.

ADJOURNMENT

Director Clewell moved the board adjourn. Director Snyder seconded the motion. By consensus President Johanson declared the meeting adjourned at 2:05 PM.

Mary Correthers, Board Secretary/Treasurer