

SCV FACILITIES FOUNDATION SPECIAL

CARL GOLDMAN

IN CONVERSATION WITH

SCV FACILITIES FOUNDATION

Rick Patterson, President

Kris Hough, Director

On-air Broadcast March 18, 2008

KHTS 1220AM

KHTSONDEMAND.COM

Carl Goldman: AM 1220 KHTS Carl Goldman with you here on Santa Clarita's hometown station, this Tuesday morning. We're going to have a special one-hour program right now devoted to our schools and specifically the [Santa Clarita Valley] Facilities Foundation. With me in the studio right now, Rick Patterson. We're going to have other representatives as well in a few minutes from the Facilities Foundation. But I thought...jump right in, Rick...and I want to cover some of the basic elements about the Facilities Foundation. Before we get started down that row of questions, I really want to ask you, just what is the Facilities Foundation for all of us listening?

Rick Patterson: Thank you, Carl. It's good to be here. I think it was about a year ago that we were here and gave you an update. The superintendent of schools, Mr. Castellanos, was here and we appreciate that opportunity. The Foundation, interestingly enough, today is looking forward to its 10th anniversary come June. So in 1998, the schools were in some ways in a bit of a space crisis here in the Santa Clarita Valley. As you know, there's been a history of a couple of bonds that didn't pass, that eventually because of the community support, we did get a bond passed. But before that, we had an overcrowding situation that was becoming relatively intolerable. I can remember going on the campus at Valencia High School. I had two or three children in the school district at that time, and recognizing that the school was built for 1,950 students and there were 3,500 students at one point attending that high school and it caused problems that come

from overcrowding; it wasn't the best of learning experiences. And I used to think to myself, you know, there are only five boys or girls that start on the basketball team, and there's only so many leads in the high school play, and only so many on the baseball team at a time, and when you have 3,500 students, not only are you overcrowded, but you also face those lost opportunities, and look for ways to remedy that. So the school district was looking for alternatives and a creative thought was to create a Foundation that would have the ability to go out and do basically what the developers do—find raw land, land that is good value and well positioned but not developed yet. And the Foundation was formed. There were initially five directors on the Foundation; all were volunteers in the community already who had made significant contributions in other non-profit organizations. Everyone from CPAs to business people, to those who understood real estate development, and my background—being in the law and finance—we had a great combination of people.

Carl Goldman: And it was a leadership collection of people, really the stakeholders of Santa Clarita.

Rick Patterson: There's some well-recognized names on the board then and have been throughout. And a few years ago, we expanded the board to include both the superintendent of the school district and the president of the school board at that time. So we have a great channel of communication and a good relationship with the school district and our objective is to know what their needs are as far in advance as possible, to allow them the luxury of forward and strategic planning so they're not left to the end to receive land after the problem has already grown so big that it becomes a crisis.

Carl Goldman: So, Rick Patterson, is the Facilities Foundation a public or a private organization?

Rick Patterson: It's formed under the laws of California as a non-profit public benefit corporation. Under the rules of the IRS regulations, it's also a 501(c)(4) corporation, which means that it qualifies as a non-profit organization as far as taxable issues are concerned. So it's non-profit, but it's formed for the public benefit. In this case, the

public benefit is narrowed in its formation documents to limit the beneficiary to the William S. Hart Union High School District.

Carl Goldman: And once again, I want to keep repeating this, the whole purpose of the Facilities Foundation was to buy land and build brick and mortar schools. Not to operate the schools, but to build the brick and mortar for the schools.

Rick Patterson: Right. Actually, we hand it over to the school district once we have the site prepared. It's called a "finished pad," so that the school district can come in and then build the school. But yes, we are the ones that look to provide the dirt, and then the profit that is realized by most private developers from the time you take raw land, obtain the entitlements and the government approvals, and grade the dirt, and install the sewer systems and the roads, and the street lights and the sidewalks—all those things add value. That added value usually carries a profit margin with it for the developer. That profit margin is what then comes back into the Foundation and those funds are then held there until the school district demonstrates to us their strategic plan and their desire to use those funds and makes a request of us to go and seek other prospective school sites.

Carl Goldman: 10:13 Tuesday morning, Carl Goldman with you in the studio. You're hearing the voice of Rick Patterson with the Facilities Foundation. I'm going to give out a website by the way because I know we'll be talking about it later. But the Facilities Foundation just put out their annual report and you can check out all the information about the Facilities Foundation at scvfacilitiesfoundation.org. We'll give that website out later on and of course you can find that by going over to hometownstation.com as well. Right now I'd like to introduce Kris Hough, who's one of the newest of the directors of the Facilities Foundation, newest of the Board Members...and you needed to get on another board, didn't you, Kris?

Kris Hough: Yeah, I didn't have enough to do. Thank you, Carl. I'm just really honored to be here and really honored to be part of this Foundation because I believe so strongly in the mission and what we are doing, and what Rick said is all true: this is all for the benefit of Hart School District.

Carl Goldman: Let's talk about some of those benefits, Kris. What exactly are some of the benefits provided by the Facilities Foundation up to date? And let me preface this because we've got a lot of people...you know, I just did an interesting statistic and this really, really hits home. We added up the amount of people that moved into the Santa Clarita Valley, not just the City, the Santa Clarita Valley, in 2007. We're not counting people who moved in from existing homes, just new bodies that came in here—additional bodies—and that comes to 23 bodies every 24 hours. So in other words, right now within this one hour, another person will move to Santa Clarita who's unaware of the local radio station, who's unaware of the schools, and when you start looking at it a year down the line or the 10 years that Rick's talking about, that's a lot of folks. And if you add in people who have left the area and others who swooped right in, that number is even higher, so there's probably in a given 24-hour period close to double that, 48, somewhere between 23 and 48 people who don't know about us. They don't know that there's six junior highs that are all part of the William S. Hart School District. There's six high schools, plus Bowman and Learning Center and the Academy of the Canyons and all kinds of other facilities as well. So now go back to the basic question, what are some of the things that the Facilities Foundation is providing for all those entities?

Kris Hough: So what you're saying is exactly true. Coming from being a parent in Santa Clarita, I'm just going to go back to my days when my girls went to school out here in the Hart District, and the overcrowding situation that Rick alluded to was huge. And to get your child into a school you wanted them to be in and get the kind of education that they deserved with not being overcrowded in the classrooms was a huge issue. And that's part of what drove me to this Foundation. And some of the things, I'll just touch on a few of the things that I think are the major accomplishments so far of this Foundation. I think the landmark is Golden Valley High School. We purchased the land, made the improvements and paved the way for construction of Golden Valley High School. As you know, it opened with 2,600 students, just about at capacity, which helped to relieve the overcrowding of other local high schools. So a major accomplishment that the Foundation facilitated. Other things we've done, we've acquired land at Vasquez Canyon Road and Sierra Highway for two potential schools in Canyon Country, very close to the

new campus of College of the Canyons, which gives us a great area for two new schools out there. We contributed toward the construction of the Santa Clarita Aquatic Center, which facilitated a joint use agreement between the Hart District and the swim facility, the aquatic facility, for the benefit of local high school swim teams.

Rick Patterson: Kris, about that joint use agreement with the Aquatic Center, is that now our schools can completely fund their organizational expenses from the tournaments, the regional activities that they hold there that draw all the high schools in the neighboring areas into our school district for that purpose. And we have a facility that is comparable to those at UCLA with our diving pools, lap pools, racing lanes, everything is there. And this is great, I mean it gives more opportunities, but it came out of a public/private partnership. We joined with the City—this wasn't the first thing that we've partnered up with the City on. But the Aquatic Center was dramatic in its impact for the community—not only do our kids have a healthier lifestyle because they participate, they have a lot of fun and they raise the capital necessary to support the programs, top quality programs, and the City gets the benefit of people coming and benefiting and using the facilities that the retail trade offers.

Carl Goldman: And you had a similar partnership, I believe, take place with the Boys & Girls Club over at Sierra Vista Junior High, am I correct on that?

Kris Hough: We did participate also in building that state-of-the-art facility for Sierra Vista Junior High, or will be, which will be shared between the junior high, the youth club, and City recreational programs. So another way that we've benefited the City and Hart District. And then we also helped with the construction of a key segment of the cross valley connector, which is Golden Valley Road between Sierra Highway and Centre Pointe Parkway. And that was in partnership with the City of Santa Clarita and helped save substantial money to the taxpayers.

Rick Patterson: That was an amazing project.

Kris Hough: And we had to move dirt from the high school down to build the road, which had the community, or the taxpayers, had to pay for that, [would have been] millions and millions of dollars.

Rick Patterson: Exactly, but they had to pay half, basically, because the school district had to move 10 million cubic yards of dirt to create the pad and the City needed 10 million cubic yards of dirt to build the cross valley connector road, and so it moved from one site a few hundred yards down the road into the new road, and it's a combination, just like the Sierra Vista Junior High facility. It has practically maximum use of the taxpayers and benefits of the taxpayers' dollar with both the community, the schools and the non-profit Boys & Girls Club using it, and the same with the joint ventures on building Golden Valley cross valley connector road.

Carl Goldman: Right, and the cross valley connector was a partnership really of also private business as well, with Larry Rasmussen, the executive...

Rick Patterson: Look at what it did to open up the tax base, both the sales tax coming to that area and the real estate tax base, the economic stimulus that it has been to the community. That's what can happen when everybody gets together as our organization did, the school board, the city council, the planning commission. Everybody came together along with private enterprise and made it work.

Kris Hough: And if I could just touch on two other benefits. We sold the residual properties of Golden Valley to Centex Homes for development and those proceeds were reinvested in land for schools in the future, so that's what the Foundation does. The proceeds from these developments go into the future development. And then one other thing is we hope to...with the extension of the City trail system along Golden Valley Road and Sierra Highway and Centre Pointe Parkway, making that roadway safe for pedestrian and bicycle traffic. So those are some of the really key accomplishments I think this Foundation can be very proud of.

Carl Goldman: That's Kris Hough here on AM 1220 KHTS with the Facilities Foundation, Rick Patterson also in the studio. We're going to learn more about the Facilities Foundation, talk more about our schools here in the Santa Clarita Valley right after this short break. Stick around.

(Break)

Carl Goldman: AM 1220 KHTS Carl Goldman with you this Tuesday morning 10:26. We are with Rick Patterson and Kris Hough with the Facilities Foundation talking about our schools and really getting a whole history of the Facilities Foundation, getting ready to celebrate their 10th anniversary. You can learn more...if you're listening to the show and you want to get more information, simply go over to the website, the Facilities Foundation website at scvfacilitiesfoundation.org. That's scvfacilitiesfoundation.org. Rick, we were mentioning the six junior highs, six high schools, plus all kinds of satellite schools, a couple of schools you mentioned that are popping up in the Canyon Country area eventually. We've been teasing about Castaic High School, which eventually will also be built, and there's land already purchased for that. And how does the Facilities Foundation determine where to put the land, where to put the schools, where to purchase land, how do they figure all that out?

Rick Patterson: Interesting to note that, as we indicated we'll be celebrating our 10th anniversary this year and if you look at the statistics—numbers are exciting sometimes. When we started there were four high schools and we've had a 50 percent increase in high schools in the valley with both Golden Valley and West Ranch, and so there has been significant growth despite the pains that continue out there, and the desire to continue to stay ahead of the demand, there's been great progress and we hope to complete that in the near future with some finality in regard to a site in Castaic. But the Foundation, as we formed as a non-profit public organization for the sole purpose of benefiting the Hart District, and to benefit the Hart District we need to know what they want. So they have a very sophisticated approach to projecting and determining future student population growth, future needs, both in numbers and age brackets and with their models. And then they have to project, but they also have to take into consideration

market conditions, and there are not too many people that can predict the markets real accurately over any given 10-year period. But they...

Carl Goldman: Ten years and you're at about 10 minutes right now...

Rick Patterson: Ha, right. But they have done that, and they have continuing working models that are changing and adapting to the changing conditions of the marketplace. Once they determine that in a particular geographical area...and that's usually based on subdivision plans that have been submitted to the County or to the City that indicate how many homes there will be, where they are in the entitlement process, if they are completed, if subdivision maps are just in the application process. They come up with a number and they say, we project that in five years, or 10 years, we will have this many students per household in this geographical area. We think that in a particular area we need to be looking for a school site. And they come to us...on Golden Valley, when they came to us, we were already behind the way, they were way out in front with demand and behind with facilities. Now on the Canyon Country side of town, we feel that we're out in front and that we've identified a couple of sites that they would be able to use over the next 10 years as the growth goes out there. But we don't look for and we don't engage in negotiations on any property without the school district giving us a specific request for that. And that's important. We have the ability once they give us that request which they can do through a closed session, they can determine if they want to go out and seek property and then they can give us that indicator and as a non-profit public benefit corporation we can go out and negotiate privately with property owners and to the benefit of the school district as opposed to waiting until it's public news and then the property values accelerate.

Carl Goldman: Also I want to clarify something. The Facilities Foundation is responsible for the connection with our junior high and high schools, not our elementary schools, where we have four elementary school districts out here. But I would imagine that the elementary schools and their population is a pretty good test for you and a good way to get the information and predict what the needs are going to be down the line for junior high and high schools, right?

Rick Patterson: Well spoken. I think that those two issues—the current growth rate and student body population in the elementary schools—along with the planned subdivisions or approved subdivisions are the most specific factors to consider.

Carl Goldman: Right, so just for those who are new to the area, the Hart District covers our junior highs and high schools, and then we have four separate elementary school districts covering the Santa Clarita Valley, and also Aqua Dulce has their own district. But we have Castaic, Newhall, Saugus and Sulphur Springs covering the Santa Clarita area for our elementary schools.

Rick Patterson: Correct.

Carl Goldman: Now can't the Hart School District buy their own land? Why do we need a Facilities Foundation?

Rick Patterson: I have learned over the last several years that it's a very complex process, funding of any government project. We have everything from the inflated costs that are associated with building public facilities because first of all, they want to make sure they're safe for children, they want to make sure they're environmentally sound and they want to make sure that they are located properly. And that takes a lot of extra study. You have several layers of bureaucracy not in a negative tone, but the bureaucracy is there for a reason. One, we have the architectural division of the State that has to approve everything, we have the Department of Education, and up and down the line there are multiple levels of approval that you have to go through. It becomes a very expensive and time-consuming process. A private entity, such as ours, which is a non-profit public benefit corporation, can go out and acquire the property and begin the development process and actually build the school site much quicker and less expensive than what might happen when the school tries to do it. Not only that, but if the school site, if the school is able to purchase a site, they are required by state law to purchase it at market value, and they have to have an appraisal—that is a certified appraisal—and when that appraisal is approved, then they go out and buy the site at market value. With that, if

we're able to develop a school site at cost and then sell it at market value to the school district, that has resulted in a profit—a significant profit or “net proceeds” for a non-profit organization, so it becomes “net earnings.” Those net earnings then are held for the benefit of the Hart District, and when the Hart District says, “Now we'd like you to go seek another site, or we'd like you to contribute to the Boys & Girls Club Sierra Vista building or to the Aquatic Center with the City so we could have a joint use agreement with the City regarding the swim teams of each high school,” that's what we can do. And that profit that would normally go to a private developer stays there for the benefit of the school district.

Carl Goldman: And you're not funding the actual teachers or administration for the swim teams, or anything like that. You're strictly dealing with bricks and mortar.

Rick Patterson: Exactly.

Carl Goldman: Okay, so we want to clarify that. And that leads me to my next question, Rick Patterson here on AM 1220 KHTS, talking about the Facilities Foundation, and that is, what's the difference between a developer having the land and then turning it over to the schools as opposed to the Facilities Foundation. I think we have a real life example because I believe West Ranch, which was a Newhall Land project, was something that was a partnership between a developer and the Hart District. And Golden Valley was something that the Facilities Foundation purchased from scratch and flipped over. So what are the differences between those two schools?

Rick Patterson: One of the things I would think that would be important to consider initially is that when West Ranch was built and then turned over to the school district, it was in lieu of school fees. They were given credits for that building and to the extent that they did not have to write a check for school fees. School fees, I believe, might run an average of...high school fees for the Hart District somewhere in the eight to nine* thousand dollars per door or per unit. And so those fees were taken into consideration as they gave that high school. When we built Golden Valley High School, we developed it,

* Corrected from original broadcast

we then kept the net earnings from selling it at market value to the high school, and then in addition, the school could take the builders' school fees, the per door fees, and add those in addition to the profit that we earned. So they get the benefit of both, and not only that, but when the school district purchases this property, let's say that they...for instance at Golden Valley, they bought that site for \$30 million, which I think was right at \$600,000 an acre, which is a great bargain today. But at \$600,000 they bought that property, at \$30 million there was a profit built in there, but they were able to take that \$30 million asset and the State requires that the school match the funds that they are going to receive from the State, so they can then go and apply to the State for an additional \$30 million. They bring the \$30 million back from the State, take the \$30 million in asset in the site, put them together and build a high school, having still remaining in the Foundation's coffers the net proceeds from that sale for future site development.

Carl Goldman: Kris, did the Facilities Foundation already acquire property for a school in Castaic and what's the status of that at this point?

Kris Hough: Castaic is, you know, obviously near and dear to anybody's hearts, especially anyone who lives out in Castaic. And I want to make this really clear so people know exactly what's going on with Castaic. In 2003, the Hart District asked the Facilities Foundation to purchase a site in Castaic. It's a 70-acre site. It's located at the intersection of Hasley Canyon and Sloan Canyon Road. Now that site was approved for a high school by both the Hart District and the State of California. But because there were so many issues with the site with local residents, since that time, [the] Hart District has gone out and worked with other developers and looked for other sites for a school in Castaic. So we still retain ownership of that Hasley Canyon parcel. And until it's released, until the Hart District moves on to a different site, we're going to retain that site. But we have received approval—unanimous approval from the Castaic Town Council – and we have moved forward with entitlements and improving that property so it's brought up to market value. So yes, we have a site in Castaic, but that's the status of that site.

Rick Patterson: And the good news is, what she says, is when the subdivision is completed, which was approved unanimously by the town council, it's a very nice 70-acre site and a 58-acre subdivision is planned—a 58-unit subdivision is planned for it. And when we're able to add the comfort level or the school district says, "We have another site," then we're free—we feel that we can go ahead and sell it in the market place. And those funds will then be used to build future high school sites.

Carl Goldman: AM 1220 KHTS, 10:37, talking with Rick Patterson, Kris Hough about the Facilities Foundation. We'll be back after this short break. Stick with us.

(Break)

Carl Goldman: AM 1220 KHTS. Carl Goldman with you here at 10:39, Santa Clarita's hometown station. We're with Rick Patterson, Kris Hough with the Facilities Foundation, learning about our schools, getting a better understanding of what the Facilities Foundation is all about. And you can learn more by simply heading over to their website: scvfacilitiesfoundation.org. That's scvfacilitiesfoundation.org. And we've been mentioning the Facilities Foundation is there to hand over properties to the Hart School District, which has to do with ... the Hart District covers junior highs and high schools for the entire Santa Clarita Valley, all six high schools, six junior highs, plus all the ancillary schools that we have, and you can go to hartdistrict.org, click on schools and you can see every school that's attached to our public school system for junior highs and high schools. But, Kris, I'd like to ask you, what properties does the Facilities Foundation currently own that you haven't yet handed off to the Hart District?

Kris Hough: Hey, Carl. We have about four properties actually that we're holding. And just to step back a little, when we built Golden Valley High School, very often when you buy a parcel of land you have to buy a bigger piece than you need because that's what's offered to you, and that was the case with Golden Valley High School. So we were able to build the high school, sell off some of the land to Centex to build homes; we still have about 32 acres that we're holding and is yet to be determined what's going to happen with that piece of property. We have some things, you know, that are being looked at. But

that's a piece of property we hold. And then again the Castaic Hasley Canyon/Sloan property, which is about 70 acres, which we're holding for, you know, future use as a high school or entitlement, currently entitlement for possible sale. And then we have Canyon Country-Vasquez property. It's about 80 acres and that is a potential junior high school site. And then just a little bit down the road, Canyon Country, Sierra Highway and Vasquez Canyon property, we have 272 acres and that is our potential high school site. So you can see we've got a lot going on and lots of potential in the future.

Rick Patterson: What has happened has resulted in volunteers that have served on this board, with the support of the school district, we've been able to start in 1998. Initially we entered into an agreement to purchase 135 acres at Golden Valley and the school district entered into a purchase agreement—a purchase lease agreement—and that was for a million dollars, they were able to secure their right to purchase the land when we developed it. With that million dollars in what we might call seed money, the Foundation now has grown in 10 years to hold assets to approximately 25 million dollars, both in land and cash all for the benefit of the school district.

Carl Goldman: And let's talk about the Annual Report and some of that cash, Rick Patterson. By the way, the Annual Report is available, will be available online at scvfacilitiesfoundation.org. You can also check this month's *Inside SCV* and inside *Inside SCV*, in the center, there's a complete pull-out with lots of information about the Facilities Foundation—good way to educate ourselves will be to check that out. So Rick, the Annual Report indicates that there's assets in the form of cash and land that's being held by the Facilities Foundation. How can that money be used and how is it being planned to be used?

Rick Patterson: Well, it...as you review the Annual Report, which is a certified audited report which we have every year, the cash is limited while the land assets are the bulk of our holdings. And that is by strategic plan. Strategic plan says, "Own land, own it for the future, provide it so that the school district can plan properly and have a long-range, five-year, 10-year, 15-year plan." And so those funds are really there for the purposes of

developing the property, entitling the property and preparing it for marketing it to the school district.

Carl Goldman: And I'd like to point out and really compliment you on the vision of the Foundation because the reality is land isn't that easy to purchase anymore in Santa Clarita—not just the expense of it, there just isn't that much available.

Rick Patterson: Well, you're exactly right. The challenge is not only finding suitable land that is environmentally acceptable to the State that is clean, that doesn't have toxics, toxic dumps on it or problems that might cause the State to reject it. But the other challenge is finding property where there are 60 or 70 acres all combined without having to bus your children way out to the outskirts of town. And that's what happened with Golden Valley. It's basically in the heart of the community, it's dead center as far as the population of the community is concerned and it's very accessible; we're able to have major thoroughfares running on all sides of that high school and it continues to be in the center of development. And if anyone has ever walked on the Golden Valley site, it's different than a lot of school sites because it's probably the best view in town, and I think the staff, the teachers, the administrators and the students feel a sense of gratitude and pride when they walk on that campus. I know I do and it's enjoyable to stand there and look at the beautiful Santa Clarita Valley and know what's been accomplished by a lot of hard work and good volunteers.

Carl Goldman: And the partnership side of the Facilities Foundation, going back to Sierra Vista Junior High and the Boys & Girls Club, I've walked that facility and I've talked to folks both at Sierra Vista and the Boys & Girls Club, and when you really hear about the synergies that have taken place there, from the gymnasium to the computer lab to really the double use of space and resources by combining that—it's become a jewel for Canyon Country.

Rick Patterson: It has and there's something... Marc Emmer is one of our new board members, he's been on for a couple of years now, and he said that the thing that really gives him a great sense of pride is that he is participating and creating something that will

be there for a long time. And I think we all feel that. We have other board members that bring so much to the board. Gary Condie has been there from the very beginning. He's a well-recognized CPA and community leader, and John Hassel at the time the Foundation was formed—he's a former police officer and served as a member of the board of directors, of the board of trustees for the school district. And others who have come through the organization as directors, of course Bob Lee, Robert Wagenaar, and now we have Jaime Castellanos who's the superintendent, Gloria Mercado-Fortine who is now the President of the Board of Trustees, serves. Pat Hanrion has served last year. We have Paul Strickland and Steve Sturgeon, both my good friends, and Dennis King who has been on the board for two terms and very effective in his support of the Foundation and has served as director. And we have a great combination of people who bring a significant variety of experience levels and backgrounds to this organization.

Carl Goldman: Kris Hough, you've been awfully quiet.

Kris Hough: I know! Ask me a question!

Carl Goldman: Are the meetings open to the public and how often do you have those meetings?

Kris Hough: We have the meetings generally about every six weeks, two months, depending on need, you know, generally...

Carl Goldman: So it's not a set thing like a school board meeting?

Kris Hough: No. But we give plenty of notice, and yes, the meetings are open to the public. The Facilities Foundation at the time we formed, adopted the bylaws of an open meeting forum and those are the same laws that apply to any elected state body. But we voluntarily adopted those bylaws to have an open meeting. And we post the agendas in advance of every meeting and then all the meetings are open to the public. And then we follow the Brown Act in those meetings as well. So yes...

Carl Goldman: Qualify the Brown Act.

Rick Patterson: The Brown Act is a law that all public organizations have to abide by. We're not a public organization per se, but we do choose to post a notice of our meetings where and when they'll be held, and anyone that requests notice is given notice specifically and individually and they're invited to attend the open sessions of our meetings. We do have closed sessions from time to time when we discuss the acquisition of properties, negotiations, that sort of thing—all those things that are privileged under the Brown Act.

Carl Goldman: And the Foundation itself, Kris, it's not exactly the same in terms of soliciting, you're not doing fundraisers out there, there's not going to be a charity auction.

Kris Hough: No...no. No charity auction.

Carl Goldman: Don't say, "No."

Kris Hough: Yeah, it could be coming.

Rick Patterson: We take donations, that's for sure.

Kris Hough: Yeah, we do take donations, but it is not our mission to solicit donations, so that's a little bit different. We don't solicit from the general public or other entities. Our revenue is primarily through our development activities, so while we're not out there soliciting, we do appreciate donations, and we have received them.

Carl Goldman: So you'll take donations, particularly, I would imagine, someone who has a chunk of land that might want to will some property somewhere, that might be a really good thing.

Rick Patterson: Absolutely, there are even some tax advantages for those people who have a charitable intent and I wouldn't want to make any commitments, but it surely would be something that would be nice to have a library or a football field named after you.

Carl Goldman: Well, that's a good idea.

Kris Hough: The Carl Goldman Football Field.

Carl Goldman: I'll probably get a curb, that's about it

Rick Patterson: The "Carl Goldman Curb," I like that.

Carl Goldman: AM 1220 KHTS 10:50 Tuesday morning. We are chatting with Rick Patterson and Kris Hough of the Facilities Foundation, learning about our schools and learning about the Foundation. Rick, I'll start with you, I want to ask you this question. Why...you are out there all the time, we're talking about the 10th anniversary now of the Facilities Foundation. You have really pulled up your sleeves with this and devoted a tremendous amount of time and energy to the Foundation. Why do you do it?

Rick Patterson: Well, not by plan or design. I was approached back in 1998, as were the original board members. It seemed that they were carefully considered that to bring complementary backgrounds and particular skills to that board, from accounting, to banking, to financing, to law, to school service, and that was the compilation of members of the board at that time. And we really expected that we had a two- or three-year commitment there to get Golden Valley put together and developed and up and running. But what an education we've had and how complex life is, and how many people have a say in what happens and what should happen and what should not happen. We have taken a lot of criticism from some corners throughout this process. It's difficult...it was initially difficult for some people to comprehend how we could enter into development of sites, generate net revenues and have all this potential quote *profit* and be doing it as volunteers. But it is very clear that none of our directors are paid or compensated in any

way for their services as a member of our board of directors, and it has become a very gratifying experience for anyone who has served on this board because you see that we can make a difference, you see that we can provide for your strategic planning opportunities for the district. I have eight children. My first child started in the William S. Hart District in 1986 and the last one will finish in 2013 and I don't think even Dick Keysor can beat that, and we have a vested interest. This district has been terrific to my family—our children have obtained wonderful educations and even though we have challenges with overcrowding and population, student population growth, our school district, our teachers, our administration and our trustees have consistently maintained a high level of standard of education and continue to be a leader in the State of California. That's one of the reasons people come—what is it, 23 people every 24 hours or something that you said they come to this community. One of the primary reasons is because we have good schools. You can get a good education here. We have high graduation rates, we have students that go on to college and one of the greatest compliments, I think, that can be paid to a district is, I think a couple years ago the statistic was given to me that over 30 percent of the new applicants for teaching positions in the Hart District were former graduates of the high school. You can't compliment a high school better than that—the kids want to come back and live here and teach here.

Carl Goldman: I was with my seventh-grader on a field trip a few weeks ago with a number of teachers from Rancho Pico Junior High, one of the schools here, and I was talking to a couple of teachers who had taught in the L.A. City School District, and I said, “You know we've heard about all these stories about L.A. City schools and the differences, but what really is the difference for you?” And he said...a couple of them said the same thing—that while they were down in L.A., they felt like they were pulling, they were leading a charge and pulling everyone with them. And here they really feel as if they're part of the charge and the kids are there, the parents are there, the community is there, the administration's there, everyone is kind of charging together. And for me that painted a picture that so clearly illustrates why our schools are profoundly different than most other communities.

Rick Patterson: Thank you. I agree with you, we're happy to be here. And that's why we serve; that's why this community has such a high level of service of so many people. I don't think you can pick a Friday or Saturday on the calendar during the year and not have some non-profit or charitable event occurring in our community because people care.

Carl Goldman: Yeah, too bad we don't have decent football teams, but that's a whole other story.

Kris Hough: Whatever.

Carl Goldman: Kris, how about you? You're new to the Facilities Foundation.

Kris Hough: I am. I'm brand new.

Carl Goldman: But you've been on so many boards—you and I have been on boards together and still are. Why did you decide to choose this one?

Kris Hough: Well, I'm going to go back to my being a parent as part of my wanting to be on this board. But Rick approached me actually and Rick is, you know, the inspiration behind this Foundation. But when he asked me, I said, "Well, I don't...what do they do? Who are they? What do they do?" And you know I got a great orientation to what this Foundation does. And after I heard it, I said, well, people need to know. People don't know what we do, people need to know. So I feel like it's our mission to get out there and educate people about what we do because, yes, we have taken a lot of heat in this Foundation and I think unfounded because people don't really know what we do, so once they do hear about it, it's amazing. It's amazing we can bring a lot of good to the high schools and junior highs in this valley and the reason I'm a part of it is just to get the knowledge out there.

Rick Patterson: One of the reasons we asked her to participate is first of all, we recognized her passion for education and her commitment has proven over the last 20

years that I've known her; she has always been involved in improving not only the schools, but the entire community. And three, she has a banking experience and background at the Santa [Clara] Valley Bank. She knows what it takes to finance, she understands finance, she can read a balance sheet. She brings that element as everybody brings something specific in the way of a skill to this board.

Carl Goldman: I quizzed her on balance sheets and she does a better job than I do. I want to ask...

Kris Hough: Can I just touch on, I want to make sure people...you referred to the website a couple of times and again that's www.scvfacilitiesfoundation.org. There's a lot of information on the website that we've talked about, but much, much more. They can also download a copy of our Annual Report and then if they don't...if they can't do that they can call us: (661) 753-5759. You can ask for a copy of the Report; we'll send it to you in the mail. And then if you really, really want to see what goes on, come to a meeting. They're open meetings. We encourage people to come and see what we do.

Rick Patterson: I will be remiss if I didn't acknowledge number one, who put together our Annual Report this year, last year and the year before. A former board member who served valiantly for nearly five years on our board, Teresa Todd, she has developed a great image for us that we're able to communicate to the community in a very effective way, and in this month's edition of *Inside SCV* magazine, we appreciate *Inside SCV* magazine, the Crawfords, for working with us to get this in their magazine and you can see it there. And it's a pictorial representation of who we are.

Carl Goldman: It's a beautiful publication. I want to also add another way to contact Rick, Kris or any of the other Foundation directors, is by simply going to the website scvfacilitiesfoundation.org, go to the "Contact Us" section, you can shoot an email that way. We only have a couple of minutes left. I want to ask you one final question, both of you. You mentioned, Rick, that it's the 10th anniversary to the Facilities Foundation. If you could look through the crystal ball to 10 years from now, 2018, where do you see the

Facilities Foundation? Where do you see our schools in the Santa Clarita Valley? I know that's a tough question.

Rick Patterson: Well, first of all I think we are very pleased with our position. If all the community leaders, both in Castaic and the City and the County, and then the district come together and find a site in Castaic that works, we'll have a Castaic site, and then Newhall Ranch has a site that they've committed to the school. And then we have sites on the east side of Canyon Country. With all that in place, if it can crystallize, then 10 years from now, I think we will be ahead of the curve and depending on the growth, there may be the same need, but we're not going to be playing catch up—we'll be leading and hopefully people like Marc Emmer and Kris and all these young members of our board of trustees will be leading this. It's important that people understand so that this can perpetuate the partnership that we've developed, the partnerships between the City, the community, private enterprise, and get the best for our taxpayers' dollar.

Carl Goldman: So we could end up with nine high schools and nine junior highs, or close to that, in that 10-year span.

Kris Hough: We will.

Rick Patterson: Ironically that would be another 50-percent growth in 10 years.

Carl Goldman: Right and we can have one and a half football leagues. But it really is...I want to compliment both of you and the rest of the Foundation on the great job you do. I encourage everybody to learn more about the Facilities Foundation, go to scvfacilitiesfoundation.org. You've been listening to a special presentation here on Santa Clarita's hometown station AM 1220 KHTS.

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