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To The Signal Newspaper
Attention: Editor

Dear Editor:

Recently, we have seen several editorials regarding the William S. Hart Union High School District's acquisition of the Golden Valley High School site from the Santa Clarita Valley Facilities Foundation. Some of these articles have questioned the legality of the transaction or suggested impropriety in the manner in which the acquisition occurred. As legal counsel for the Hart School District, we are compelled to respond to the mischaracterizations and misstatements of fact in these editorials and to set the record straight. The actions undertaken by the Hart School District in regard to its acquisition of the Golden Valley site were done under our review and in compliance with applicable statutes, rules and regulations. We are confident that the work performed by the SCV Facilities Foundation for the benefit of the Hart School District has been done in compliance with all necessary laws.

By way of background, the attorneys in our firm have been actively involved in school acquisition, construction and State funding issues for many years. Activities have included acting as the State Co-Chair of the Coalition for Adequate School Housing - Legal Advisory Committee and serving several terms as members of the Coalition for Adequate School Housing Legislative Committee. Our attorneys have been asked to testify before several State legislative committees on school facility issues and assisted in the drafting of legislation related to school facilities. During the past several years, attorneys in our firm have been instructors at the University of California, Riverside, Extension Program, teaching classes in school facilities as part of a certificate program for the University. In addition, our senior partner was appointed by former Senator Leroy Greene to serve as a member of the Land Acquisition Advisory Committee to address problems related to the increased cost of land acquired for school sites and related issues pertaining to valuing school sites.

We have represented the Hart School District since 1987 and have assisted the Hart School District in its acquisition of several new school sites, including the Golden Valley site. The acquisition of real property for a new school requires compliance with many Education, Government and Public Resources Code sections as well as California Code of Regulations

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requirements. Any potential new school site must be thoroughly investigated before it can be acquired or approved by the Department of Education.

The Hart School District identified a potential school site, consisting of 135 acres, a portion of which could be used for a new high school. Our firm participated in the negotiations for the acquisition of the property. The seller did not want to sell only a portion of the site, so the entire parcel would have to be acquired. In order to develop the property into the Golden Valley site, extensive development would be required. The Hart School District did not have the personnel to manage a development the size of the Golden Valley site or to oversee the joint development with the City of Santa Clarita for the Golden Valley Road. Many times, foundations are utilized by school districts or community members to assist a school district in areas in which the school district either does not have the resources or personnel to address a particular need of the school district. The proposed development of the Golden Valley site fit within this scenario.

In order to move forward with the Golden Valley High School project, the Hart School District undertook a search of potential community members who would serve as directors of a foundation to oversee the project and be responsible for the development of the Golden Valley site. Our firm created the SCV Facilities Foundation, as a nonprofit public benefit corporation. Our firm has formed many nonprofit public benefit corporations to assist school districts. The SCV Facilities Foundation's purpose is to render financial assistance to the Hart School District by financing, refinancing, acquiring, constructing, improving, leasing and selling buildings, building improvements, equipment, and other public improvements, lands, and any other real or personal property for the benefit of the Hart School District. Our firm acted as the incorporator of the Foundation and prepared the Articles of Incorporation and Bylaws for SCV Facilities Foundation. The Bylaws specifically provide that the directors shall serve without compensation and, upon dissolution, the assets will be distributed to the Hart School District.

The acquisition of the Golden Valley site by the Hart School District was done after compliance by the Hart School District with all necessary Education Code, Government Code and Public Resources Code statutes. In addition, the Hart School District complied with all applicable California Code of Regulations requirements and secured all necessary approvals related to the acquisition and use of the Golden Valley site. Prior to forming the SCV Facilities Foundation, our firm reviewed the proposed structure (acquisition by the foundation and subsequent sale to the school district) with the Department of General Services, Office of Public School Construction. At the time, the Hart School District was anticipating securing State funding pursuant to the Leroy F. Greene State School Building Lease-Purchase Law of 1976. Specifically, our firm investigated the propriety of the SCV Facilities Foundation acquiring property in its unimproved condition, improving the site and developing it into a "construction-ready" school site, and subsequently selling the site to the Hart School District. This scenario is not unlike the situation in which a developer owns unimproved property and agrees to develop the property for the benefit of the Hart School District, provided the Hart School District will pay its then current fair market value based upon its improved condition.

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The Hart School District and the SCV Facilities Foundation have been diligent in following the legal requirements applicable to school site acquisitions and construction. In overseeing the actions taken with regard to the formation of the Foundation and the acquisition of the Golden Valley High School site, we are confident that Hart School District and SCV Facilities Foundation have acted legally and appropriately.

Respectfully submitted,

BOWIE, ARNESON, WILES & GIANNONE

Wendy H. Wiles

By: Wendy H. Wiles

cc: William S. Hart Union High School District
Governing Board Members
Santa Clarita Valley Facilities Foundation Board of Directors