

Former Fresno student calls on board to investigate lease-leaseback

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Fresno Unified is being called on to hire an outside investigator to probe the use of a controversial alternative to competitive bidding for school building projects.

An attorney from Los Angeles who graduated from Bullard High in 2005 traveled to Fresno this week to speak to the school board about a lease-leaseback construction deal [between the district and local contractor Harris Construction](#).

Ty Davis made the request at the board's Wednesday meeting, asking the trustees to place a discussion item on the board's next meeting agenda.

Trustee Brooke Ashjian said last week that he's also asked the board to consider investigating the use of lease-leaseback. The lease-leaseback method allows school districts to use measures other than the lowest-bid to pick general contractors when it constructs or renovates schools.

Under lease-leaseback, districts lease land where they want to build to a contractor for a small amount, usually \$1. The contractor pays all up-front costs to raise the school. The district "leases back" the building from the contractor.

A recent 5th District Court of Appeal opinion put heat on Fresno Unified for misusing lease-leaseback when it built Rutherford B. Gaston Middle in southwest Fresno. Lease-leaseback has traditionally been used to help poor or small school districts build schools. Districts are allowed to lease land where they want to build to a contractor for a small amount, usually \$1. Then the contractor pays all the up-front costs to raise the school. The district "leases back" the building from the contractor over a period of years.

The court said Fresno Unified's deal wasn't a true lease since it paid back all costs of the building by the time it was completed last summer. The justices also pointed to a possible conflict of interest for Harris Construction owner Richard Spencer, who was previously hired to consult on the Gaston Middle project.

At Wednesday's meeting, Davis said he's asking for an investigation because he was "really concerned that there may be some impropriety of awarding contracts through bond funds." The \$36.7 million Gaston Middle deal was paid through Measure Q bond measure money.

Fresno Unified trustees [voted last week](#) to ask the state Supreme Court to review the appellate court opinion.

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